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*for a sustainable future*

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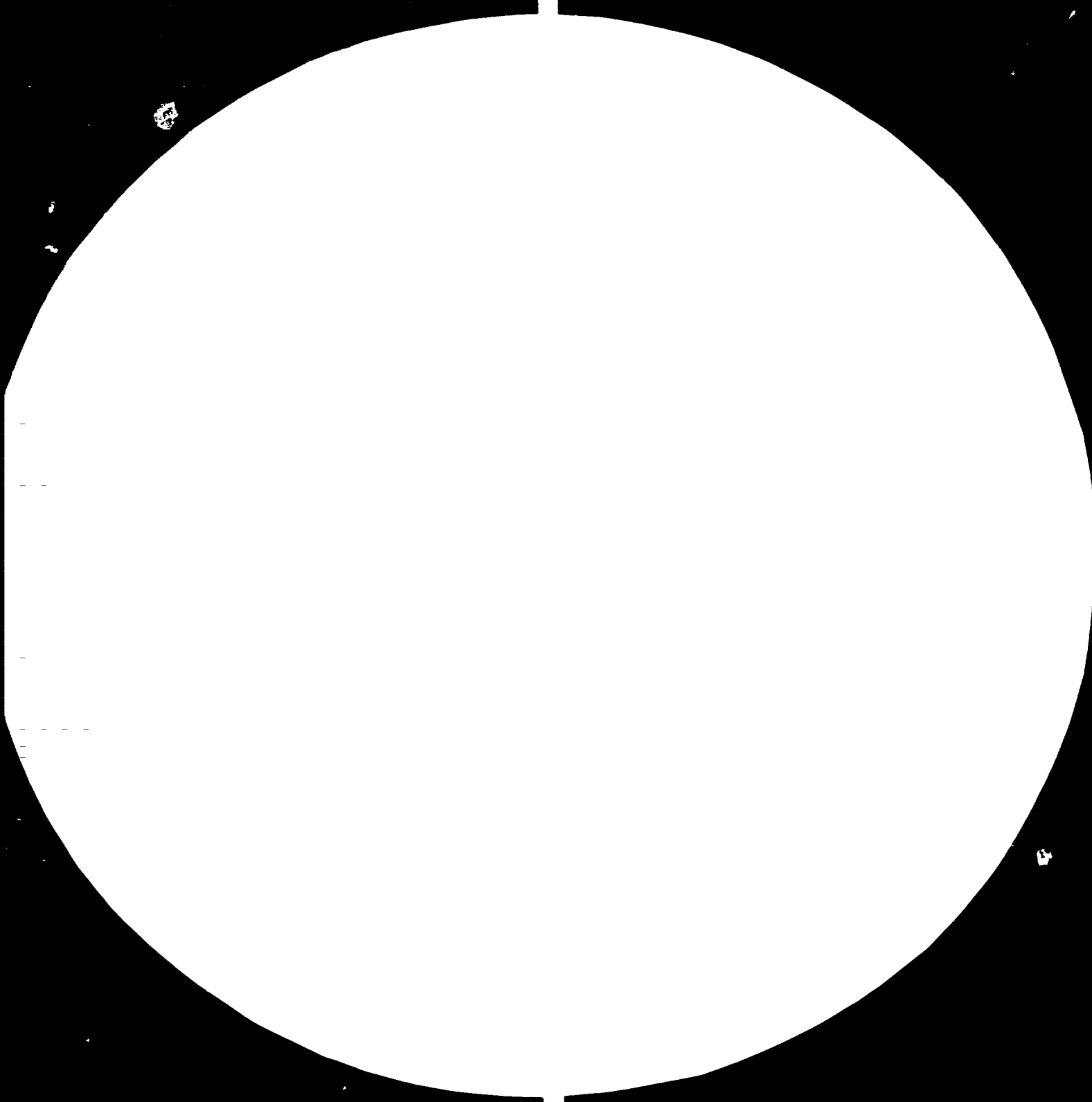
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Information Service on Investment Conditions in Developing  
Countries. US/CIC/78/123

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STANDARD DEFINITIONS OF VARIABLES

## GENERAL COUNTRY DATA

Surface area	sq km	As per title.
Capital city		As per title.
- Inhabitants		Population of capital city usually an estimate.
Populations		
- Number	mn	Mid-year estimate.
- Density	per sq km	Population/surface area.
- Growth rate	% p.a.	As per title.
Climate		As per title.
Languages		OL = Official Language.
Religions		Only includes major religions.
Currency		National Currency units.
Exchange rate	per US\$	The average of the relevant period is used wherever data is available.
- Pegged to		A description of the exchange arrangements of a particular country (e.g. currencies are frequently pegged to US\$, French Franc, SDR etc).
GDP per capita	US\$	National GDP divided by population.
Inflation rate	%	Annual percentage change in national consumer price index.



## ECONOMIC STRUCTURE

Sectoral origins of GDP	mn NCU's <sup>1</sup> at constant prices	GDP by kind of economic activity.
- Agriculture		Includes hunting, forestry and fishing.
- Mining		Includes quarrying.
- Retail and wholesale		Wholesale and retail trade restaurants and hotels.
- Manufacturing		
- Transport		Transport, storage and communication.
GDP	at current prices mn NCU's <sup>1</sup>	The sum of consumption, investment and net exports.
Savings	current prices	Includes consumption of fixed capital.
Investment	current prices	Gross fixed capital formation plus increase in stocks.
Savings/ Investment	ratio	As per title.
Imports		Merchandise imports FOB and imports of other goods, services and income (IMF <sup>2</sup> definitions used).
Exports		Merchandise exports FOB and exports of other goods, services and income (IMF <sup>2</sup> definitions used).
Imports/GDP	ratio	As per title.
Exports/GDP	ratio	As per title.
Membership of International/ Regional Organisations		As per title.

1 National Currency Units.  
Fund.

2 International Monetary

## COMPARATIVE MANUFACTURING ADVANTAGES

NB: This section consists largely of a summary of information included later in the profile.

National resources		As per title.
Labour resources	mn	As per ILO <sup>1</sup> definition.
Main manufacturing branches		As per title.
Infrastructure		
- Transport		Extent of the communications network.
- Energy	mn kwh	Electricity production.
Financial and development institutions		As per title.

## FOREIGN INVESTMENT POLICY

Summary details of the foreign investment regulations (see later).

## MONETARY INDICATORS

Interest rate	%	As per title.
Money supply growth	%	Annual percentage change in end-period currency outside banks plus private sector demand deposits (M1).
Budget expenditure (by function)		
- Total	mn NCU's	
- Defence	% of total	

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1 International Labour Office.

- Education and social services	% of total	Includes education, health, social security and welfare, housing and community amenities and other community and social services.
- Economic services	% of total	As per IMF definition.
Budget deficit	mn NCU's	The deficit (or the surplus) is calculated as the difference between revenue and, if applicable, grants received on the one hand, and expenditure and lending minus repayments on the other.
- Foreign financing	mn NCU's	Finance obtained from non-residents.
- Domestic financing	mn NCU's	Finance obtained from residents.

#### EXPENDITURE COMPONENTS OF GDP

GDP	Current prices US\$ mn	The sum of consumption, investment and net exports.
Private consumption	Current prices US\$ mn	Total consumption of goods and services by private individuals.
Government consumption	Current prices US\$ mn	The total of goods and services consumed by the government (includes increase in stocks).
Gross capital formation	Current prices US\$ mn	The accumulation of capital goods i.e. machinery and stock.
Net exports	Current prices US\$ mn	Exports minus imports (data refers to goods as well as non-factor services).
GDP, Investment & Sectoral growth	% at constant prices	As per title, real percentage change over corresponding period of previous year.

- GDP
- Investment
- Agriculture
- Manufacturing
- Construction

#### FOREIGN INVESTMENT FLOWS

Aggregate foreign investment flows	US\$ mn	Direct investment plus portfolio investment.
DAC countries stock of direct foreign investment	US\$ mn	Foreign assets held in nominated country by industrialised country.
Direct investment flows by source country		Investment flows from/to originating country.

#### FOREIGN TRADE

Total imports cif	US\$ mn	Merchandise imports (includes freight, transport and insurance components).
Fuel imports cif (SITC 3)	US\$ mn	Energy imports according to the Standard International Trade Section 3.
Manufactured goods imports cif (SITC 5-8)	US\$ mn	Imports of manufactured goods according to the SITC sections 5-8 (5 = Chemicals, 6 = Basic manufactures, 7 = Machines, Transport equipment, 8 = Miscellaneous manufactured goods).
Total exports fob	US\$ mn	Merchandise exports ("free on board" - excludes freight and insurance).
Fuel exports fob (SITC 3)	US\$ mn	As per title.

Manufactured goods exports fob (SITC 5-8)	US\$ mn	As per title.
Principal export markets	%	Value of exports to a particular country/total exports.
Principal export products	%	Value of exports of a particular product/total exports.

#### NATIONAL DEVELOPMENT PLAN

Duration	Period covered by the plan.
Aims	Objectives of the plan.
Targets	Specific growth rates for sectors of the economy.
Finance	Predicted sources of finance for the plan.

#### NATURAL RESOURCES

Mineral	As per title.
- Unit	As per title.
- Reserves	As per title.
- World %	Reserves as world %.
- Production	As per title.
- World %	Production as world %.

#### LABOUR RESOURCES

- Agriculture	'000	Includes hunting, forestry, and fishing.
- Mining	'000	Includes quarrying.
- Manufacturing	'000	As per title.

- Electricity, gas and water	'000	As per title.
- Construction	'000	As per title.
- Trade	'000	Wholesale/retail trade, restaurants and hotels.
- Transport	'000	Transport, storage and communication.
- Finance	'000	Financing, insurance, real estate and business services.
- Others	'000	Other occupations not adequately defined.

#### INFRASTRUCTURE

Roads		As per title.
Railways		As per title.
Shipping		As per title.
Telecommunications		As per title.
Airports		As per title.

#### PRICE INDICATORS

Inflation rate	% p.a.	Growth in national consumer prices.
Wholesale Price Index	197X=100	As per title.
Terms of Trade	197X=100	Ratio of value per unit of exports to value per unit of imports.

#### STRUCTURE OF MANUFACTURING SECTOR

Branch ISIC Class		Structure of the manufacturing sector defined in accordance with the International Standard Industrial Classification of all economic activities.
-------------------	--	--

No. of establishments		As per title.
Gross investment	mn NCU's <sup>1</sup>	As per title.
Employment	'000	As per title.
Average earnings	mn NCU's	As per title.
Gross output	mn NCU's	As per title.
Net output	mn NCU's	As per title.

#### PRODUCTION OF SELECTED MANUFACTURED PRODUCTS

Where insufficient, or no, data in the preferred ISIC Classification is available on the structure of the manufacturing sector, data on the manufacture of specific products is provided as an alternative.

#### EXAMPLES OF MANUFACTURING ENTERPRISES

- Company		Name of local company.
- Parent company		Name of foreign company with major shareholding.
- Capital structure domestic/foreign	%	Refers to the share of foreign and local equity capital i.e. the extent of foreign/domestic participation in the company.
- Debt structure domestic/foreign	%	Refers to borrowing rate by the company - the percentage from local or foreign sources.
- Employment domestic/foreign		The number of indigenous and expatriate employees.
- Annual sales domestic/foreign	%	Refers to the domestic and foreign sales (exports) of the company as a percentage of total sales.

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1 National Currency Units.

## STANDARD DEFINITIONS OF FOREIGN INVESTMENT REGULATIONS

### A. GENERAL PRINCIPLES

Fundamental Policy. An indication of the basic policy stance of the Government towards foreign investment is provided - whether it is affirmative or negative - and the underlying explanation for this stance is provided wherever possible, as is the appropriate legislation defining it.

Eligibility Criteria. Details are given about those sectors of the economy in which foreign participation is permitted and/or those sectors in which a Government wishes to encourage investment. The latter may include references to particular industries, i.e. oil-refining, or types of industry i.e. high-technology, import-substitution or labour intensive enterprises.

Minimum Capital. Refers to the minimum investment permitted.

Foreign Participation. Refers to the extent of foreign involvement permitted in an enterprise.

Registration. The regulations governing the registration of new enterprises are presented.

### B. FINANCIAL TRANSFERS

Profits. The regulations permitting or otherwise constraining the repatriation of company profits are presented.

Capital. The regulations permitting or otherwise constraining the repatriation of foreign capital on the completion or termination of a project, are presented.



Technology. As for profits.

Loans. As for profits.

Exchange Control. Indicates the ease of access to foreign exchange and the nominated exchange control authority of the country.

#### C. PATENTS/TRADEMARKS

Patents. Gives information of where to register; how long protection lasts and whether it is renewable; and application fees.

Trademarks. As for patents.

Protection of Industrial Property. Gives details of whether foreign enterprises are liable to nationalisation or not and if so under what circumstances i.e. full compensation.

#### D. TAXATION

Corporate. The rate/s of corporation tax are presented.

Property. The rate/s of property tax are presented.

Indirect. Includes details of customs duties, capital gains tax and other non-direct taxes.

Direct. Details on the rates of personal income tax and allowances are presented.

E. LABOUR

Wages. Wherever possible the latest wage rates are given and whether any legislation exists as regard minimum wages. Information on overtime rates and the payment of bonus's may also be included.

Working Hours. Length of the average working week and holiday entitlement are given.

Social Benefits. Whether a social security system is in operation and if so how much the employer/employee has to contribute.

Labour Disputes. Explains how labour disputes are usually settled i.e. whether membership of trade unions is permitted.

Foreign Labour. Gives the details on whether or not foreign work permits are available; under what conditions, i.e. only if local expertise is not available; and for how long. Details may also be given on taxation and repatriation of earnings.

F. INCENTIVE SCHEMES

Brief details are supplied on any incentive schemes and/or legislation which has been designed to promote investment from foreign sources.

## ABBREVIATIONS

### UNITED NATIONS ORGANISATIONS

FAO	-	Food and Agriculture Organisation
GATT	-	General Agreement of Tariffs and Trade
IBRD	-	International Bank for Reconstruction and Development
ICAO	-	International Civil Aviation Organisation
IDA	-	International Development Association
IFAD	-	International Fund for Agricultural Development
IFC	-	International Finance Corporation
ILO	-	International Labour Organisation
IMCO	-	Inter-Governmental Maritime Consultative Organisation
IMF	-	International Monetary Fund
ITU	-	International Telecommunication Union
UNESCO	-	United Nations Educational, Scientific and Cultural Organisation
UPO	-	Universal Postal Union
WHO	-	World Health Organisation
WIPO	-	World Intellectual Property Organisation
WMO	-	World Meteorological Organisation

### OTHER ORGANISATIONS

ADAB	-	Australian Development Assistance Board
ADB	-	Asian Development Bank
AFDB	-	African Development Bank
ASEAN	-	Association of South East Asian Nations
BADEA	-	Arab Bank for Economic Development in Africa
CARICOM	-	Caribbean Common Market
ECOWAS	-	Economic Community for West African States
EEC	-	European Economic Community - African, Caribbean and Pacific State Member (ACP)
IDB	-	Inter-American Development Bank
OAU	-	Organisation of African Unity
OCAM	-	Organisation Commune Africaine et Mauricienne
UDEAC	-	Union Douaniere et Economique de l'Afrique Centrale

GENERAL SOURCES OF STATISTICAL DATA

INTERNATIONAL MONETARY FUND

International Finance Statistics  
Government Finance Statistics Yearbook  
Balance of Payments Yearbook

UNITED NATIONS

Yearbook of International Trade Statistics  
Yearbook of National Account Statistics  
Monthly Bulletin of Statistics  
Statistical Yearbook  
Yearbook of Industrial Statistics

INTERNATIONAL LABOUR OFFICE

Yearbook of Labour Statistics

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

World Tables

ECONOMIST INTELLIGENCE UNIT

Quarterly Economic Reviews

DATA SERVICES DEPARTMENT

International Economic Appraisal Service  
Mineral Reserves and Production  
Screening Survey of Investment Data Sources in Specific  
Countries

EUROPA PUBLICATIONS LTD

Europa Yearbook

ACP Countries Statistical Yearbook

ANTIGUA

Local sources

Caribbean Yearbook

Ministry of Finance Statistical Office  
Annual Digest of Statistics  
Antigua Statistical Yearbook

Exceptions to Standard Definitions

Budget expenditure - Defence and General Public  
Services.

BELIZE

Local sources

Caribbean Yearbook  
Central Planning Unit  
    Abstract of Statistics  
International Currency Review  
The Courier  
US Department of Commerce  
Foreign Economic Trends and Their Implications for the  
    United States

Exceptions to Standard Definitions

Labour resources	-	Agriculture <u>and</u> forestry only.
Savings	-	Gross national savings (gross domestic investment minus deficit on current account).
Investment	-	Gross domestic investment.
GDP per capita	-	Refers to GNP per capita at market prices.

BOLIVIA

Local sources

US Department of Commerce

Foreign Economic Trends and Their Implications for the United States

Banco Central de Bolivia  
Boletin Estadistico

Exceptions to Standard Definitions

- |                                |   |   |
|--------------------------------|---|---|
| Manufactured goods imports CIF | - | Includes durable consumer goods and capital goods for agriculture and industry and transport equipment. |
| Other minerals exports FOB     | - | Includes silver, zinc, tungsten, antimony and lead.   |
| Inflation rate                 | - | Based on index of general consumer prices.  |
| Sectoral origins of GDP        | - | Mining includes <u>                    </u> um exploration. <u>                    </u> and fuel.       |
| Investment growth              | - | At constant <u>1975</u> prices.   |

BOTSWANA

Local sources

Central Statistics Office  
Statistical Bulletin

Exceptions to Standard Definitions

National Accounts	-	Year ending June 30.
Government Finance	-	Year beginning April 1.



BURMA

Local sources

Asian Development Bank  
Key Indicators

Exceptions to Standard Definitions

Government Finance	-	Year beginning April 1.
National Accounts	-	Year beginning April 1.
Savings	-	Gross national savings (gross domestic investment minus deficit on current account).
Investment	-	Gross domestic investment.

BURUNDI

Local sources

US Department of Commerce

Foreign Economic Trends and Their Implications for the United States

Exceptions to Standard Definitions

- |            |   |  |
|------------|---|--|
| Savings    | - | Gross national savings (gross domestic investment minus deficit on current account). |
| Investment | - | Gross domestic investment.   |

CENTRAL AFRICAN REPUBLIC

Local sources

United Nations  
African Statistical Yearbook

US Department of Commerce  
Foreign Economic Trends and Their Implications for the  
United States

Exceptions to Standard Definitions

- |                           |   |   |
|---------------------------|---|---|
| Labour resources          | - | Agriculture includes forestry and mining. Manufacturing includes industry and construction.   |
| Savings                   | - | Gross domestic investment minus deficit on current account (excluding net current transfers). |
| Investment                | - | Gross domestic investment.  |
| Principal export products | - | Figures are provisional.  |

CENTRAL AFRICAN REPUBLIC

Local sources

United Nations  
African Statistical Yearbook

US Department of Commerce  
Foreign Economic Trends and Their Implications for the  
United States

Exceptions to Standard Definitions

- |                           |   |   |
|---------------------------|---|---|
| Labour resources          | - | Agriculture includes forestry and mining. Manufacturing includes industry and construction.   |
| Savings                   | - | Gross domestic investment minus deficit on current account (excluding net current transfers). |
| Investment                | - | Gross domestic investment.  |
| Principal export products | - | Figures are provisional.  |

CHINA

Local sources

Peking Review  
People's Daily  
The Asian Wall Street Journal  
The Far Eastern Economic Review  
The Chinese Business Review  
China Trade Report  
Ta-kung Pao  
China Reconstruct  
Xinhua News Agency  
State Statistical Bureau

Exceptions to Standard Definitions

GDP	-	Net material product.
Sectoral origins of GDP	-	At current market prices.
Manufacturing	-	Includes construction and mining.
Budget expenditure:		
Economic services	-	Refers to capital construction only.
GDP and sectoral growth:		
Agriculture	-	Gross value of agricultural output.
Manufacturing	-	Gross value of industrial output.

CONGO

Local sources

United Nations  
African Statistical Yearbook

Exceptions to Standard Definitions

- |                         |   |   |
|-------------------------|---|---|
| Savings                 | - | Gross domestic investment minus the deficit on current account (excluding net current transfers). |
| Investment              | - | Gross domestic investment.  |
| Sectoral origins of GDP | - | At current factor cost.   |
| GDP                     | - | Observation for 1979 is GNP.  |

DOMINICA

Local sources

Caribbean Yearbook

United Nations  
Development Forum

Ministry of Finance Statistical Division  
Statistical Digest

Exceptions to Standard Definitions

Inflation rate	-	The 1978 figure is an estimate.
GDP per capita	-	Based on GDP at factor cost.

EGYPT

Local sources

Exceptions to Standard Definitions

- |                         |   |   |
|-------------------------|---|---|
| Sectoral origins of GDP | - | Manufacturing includes mining.                      |
| Inflation rate          | - | Based on consumer price index for urban population. |



FIJI

Local sources

Bureau of Statistics  
Current Economic Statistics (quarterly)  
Statistical News

Exceptions to Standard Definitions

Labour resources - Data refer to the economically  
active population.

GHANA

Local sources

United Nations  
African Statistical Yearbook

Exceptions to Standard Definitions

GRENADA

Local sources

Central Statistical Office  
Grenada Facts and Figures  
Grenada Fact Sheet  
Grenada Abstract of Statistics  
CARICOM Statistical Yearbook

Exceptions to Standard Definitions

GUYANA

Local sources

Bank of Guyana  
Annual Report

Statistical Bureau  
Monthly Account Relating to External Trade

Exceptions to Standard Definitions

Principal export  
markets

- Data refers to domestic exports  
and re-exports for January-June  
1981.

INDIA

Local sources

Exceptions to Standard Definitions

Government finance	-	Year beginning April 1.
National accounts	-	Year beginning April 1.

JAMAICA

Local sources

Bank of Jamaica  
Quarterly Bulletin  
Statistical Digest

Exceptions to Standard Definitions

LIBERIA

Local sources

National Bank of Liberia Statistics

Exceptions to Standard Definitions

Government finance	-	Year ending June 30.
National accounts	-	Year ending June 30.
Savings	-	Gross national savings (gross domestic investment minus deficit on current account).
Investment	-	Gross domestic investment.

MALAWI

Local sources

Exceptions to Standard Definitions

Inflation rate - Based on consumer price index for  
low income groups in Blantyre;  
excludes rent.



MAURITANIA

Local sources

Exceptions to standard definitions

- |                      |   |  |
|----------------------|---|--|
| Copper and gypsum    | - | Production figures are for 1978.   |
| Budget deficit total | - | Break in the series 1977/78.   |
| Savings              | - | Gross national savings (gross domestic investment minus deficit on current account). |
| Investment           | - | Gross domestic investment.   |

NEPAL

Local sources

Exceptions to Standard Definitions

- |                    |   |   |
|--------------------|---|---|
| Government finance | - | Year ending July 15.                              |
| National accounts  | - | Year ending July 15.                              |
| Labour resources   | - | Data refer to the economically active population. |

PANAMA

Local sources

Estadística Panamena  
Comercio Exterior

Exceptions to Standard Definitions

Inflation rate - Based on cost-of-living index for  
Panama City.

PAPUA NEW GUINEA

Local sources

Bureau of Statistics  
Statistical Bulletin

Bank of Papua New Guinea  
Quarterly Economic Bulletin

Exceptions to Standard Definitions

Inflation rate - Based on index of consumer prices,  
five towns combined.

RWANDA

Local sources

US Department of Commerce  
Foreign Economic Trends and Their Implications for the  
United States

United Nations  
African Statistical Yearbook

Exceptions to Standard Definitions

Labour resources - Data and mid-year estimates and  
refer to the economically  
active population.

ST LUCIA

Local sources

St Lucia Government Statistical Office  
Statistical Pocket Digest  
St Lucia Country Data

Voice Publishing Co  
St Lucia Yearbook

Exceptions to Standard Definitions

Population	-	End of year estimate.
Sectoral origins of GDP	-	Data is at current prices.

ST VINCENT

Local sources

St Vincent Government Statistical Office  
Annual Digest of Statistics

Exceptions to Standard Definitions

Inflation rate	-	1977 is an estimate.
Sectoral origins of		
GDP	-	Data given at current prices. GDP is at current factor cost.

SEYCHELLES

Local sources

Seychelles National Development Plan  
Government Statistics Division  
Seychelles Figures

Exceptions to Standard Definitions

Exports - Includes re-exports which represent quite a considerable element of the Seychelles trade.



SINGAPORE

Local sources

Exceptions to Standard Definitions

SOMALIA

Local sources

Exceptions to Standard Definitions

- |                         |   |  |
|-------------------------|---|--|
| Exchange rate           | - | End of period rate.  |
| Savings                 | - | Gross National Savings. This indicates the amount of gross domestic capital formation financed from the nation's output. |
| Investment              | - | Gross domestic investment.   |
| Sectoral origins of GDP | - | At current factor cost.  |

SUDAN

Local sources

Exceptions to Standard Definitions

- |                        |   |   |
|------------------------|---|---|
| National accounts      | - | Year ending June 30.  |
| Government finance     | - | Year ending June 30.  |
| Labour resources       | - | Figures are provisional and refer to the economically active population.                              |
| Savings                | - | Gross domestic investment minus the deficit on current account (excluding the net current transfers). |
| Investment             | - | Gross domestic investment.  |
| Government consumption | - | 1979 and 1980 data excludes stockbuilding.  |

TRINIDAD AND TOBAGO

Local sources

British Chamber of Commerce  
Trinidad and Tobago Country Profile

Central Bank of Trinidad and Tobago  
Monthly Statistical Digest

Exceptions to Standard Definitions

Sectoral origins of GDP	-	Mining includes oil refining.
Savings	-	Gross national savings (gross domestic investment minus deficit on current account).
Investment	-	Gross domestic investment.

WESTERN SAMOA

Local sources

Statistical Office  
Annual Abstract of Statistics  
Quarterly Statistical Bulletin

Exceptions to Standard Definitions

- |                               |   |   |
|-------------------------------|---|---|
| Budget expenditure            | - | Data for 1979 are provisional.                                  |
| Education and social services | - | Only data for expenditure on education and health are included. |
| Economic services             | - | Data for economic development.                                  |
| Electricity production        | - | Data is provisional.  |

YEMEN ARAB REPUBLIC

Local sources

Yemen Arab Republic Statistical Yearbook  
Central Bank of Yemen  
Annual Report

Exceptions to Standard Definitions

Exchange rate	-	Rate computed from end of period.
National accounts	-	Year ending June 30.
Government finance	-	Year ending June 30.
Savings	-	Gross national savings (gross domestic investment minus deficit on current account).
Investment	-	Gross domestic investment.
Foreign trade	-	Year ending June 30.

ZIMBABWE

Local sources

Department of Trade  
Zimbabwe Fact Sheet

EIU  
Zimbabwe Annual Economic Survey  
Monthly Digest of Statistics

Exceptions to Standard Definitions

- |                                       |   |  |
|---------------------------------------|---|--|
| Sectoral origins of<br>GDP            | - | Data is given at current factor<br>cost. |
| Budget expenditure/<br>budget deficit | - | Data are estimates.                      |

ADDENDUM

CHINA

Subject

Reference

F. INCENTIVE SCHEMES

Investment Allowance

Income Tax Law  
Concerning Joint  
Venture, Sept. 1980

Double Taxation

Backward Areas

Special Economic zones



## Details

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Losses incurred by an equity joint venture for a foreign enterprise may be carried over to the next tax year and made up with a matching amount drawn from that year's income, year by year over a period of five years.

A refund of 40% of the income tax paid on the profit reinvested in China for a period of not less than five years, upon the approval of the tax authorities.

Mainly on international air and sea traffic.

See Tax Holiday above.

There are five special zones so far: Shenzhen, Zhuhai Swatow and Hainan in Guangdong Province and Xiamen in Fujian Province. These offer preferential treatment for foreign investors in areas like income tax, investment allowance import tariff exemptions and exchange transfers.

EGYPT

Subject

F. INCENTIVES SCHEMES

Reference

Free Zone

Double Taxation

## Details

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Additional incentives to enterprises locating in the Free Zones in Cairo, Alexandria, Port Said, Port Taufiz and Suez include:

1. Exemption from all local taxes.
2. Exemption from customs procedures and duties on goods entering or leaving the zone. Instead they are subject to an annual duty of 1% levied on goods entering and leaving.
3. Creation of private free-zones for a single project.

Egypt has a double taxation agreement with the USA.

INDIA

Subject

F. INCENTIVE SCHEMES

Reference

Income Tax Exemption

Double Taxation

Backward Area  
Incentives

Free Trade Zones  
(Finance Act, 1981)

## Details

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On interest received by foreign investors from foreign loans an approved ventures.

Arrangemens for the avoidance of double taxation exist with 25 countries.

Cash subsidy: up to 15% of the fixed capital investment up to Rs1.5 mn. Transport subsidy: up to 50% of transport costs of raw materials finished goods between factory nearest railhead. Interest subsidy: lower tariffs. Income tax exemption of 20% of taxable profit for first 10 years.

Complete tax holiday for 5 years for industrial units situated in free trade zones namely: The Kandla Free Trade Zone and the Santa Cruz Electronics Export Process Zone.

LIBERIA

Subject  
F. INCENTIVES SCHEMES

Reference  
Additional Benefits

## Details

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Approved enterprises may also benefit from:

1. Preferential leases on land in Government owned Industrial Parks.
2. Reasonable tariff protection.
3. Accelerated depreciation.

Incentives are granted for a period not exceeding 5 years from the date of arrival at port, in respect of machinery and equipment and from the date when marketable production starts in respect of other incentives (see below). Certain incentives may be granted fully or partially depending on the fulfilment by an approved investment project of certain national development strategy criteria such as national development priority, location, employment and linkage effects.

PANAMA

Subject

F. INCENTIVE SCHEMES

Reference

Tariff Incentives

Incentives for Tourism  
Law Nos: 26, 1967; 77,  
1971; 81, 1976

Export Incentives  
Export Law, 1975

Colon Free Zone



## Details

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A firm qualifying for incentive treatment may receive "adequate" tariff protection against foreign competition.

Incentives for the construction and rehabilitation of hotels and tourist facilities include an exemption from import duties on construction materials for 5 years.

Incentives, in the form of Tax Credit and Certificates, are paid on exports meeting specific national-content and value-added requirements. These are issued by the Export Incentive Technical Commission.

95% of export income is allowed as tax credit for a period of 5 years. To qualify, companies must derive 80% of their income from exports and employ at least 30 Panamanians.

TRINIDAD AND TOBAGO

Subject

F. INCENTIVE SCHEMES

Reference

Industrial Estates

Customs Duty  
Exemption

Import Protection

Petroleum Industry

Double Taxation

## Details

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Certain areas of Government owned land are made available for industrial purposes at very moderate rates and there are also several fully developed industrial sites.

Exemption can be obtained from customs duties on raw materials and supplies used for manufacturing purposes and building materials used in the construction and operation of factories and hotels.

In order to protect new or "infant" industries quantitative restrictions may be placed on the importation of certain commodities.

Special incentives to the Petroleum industry include an allowance of 15% on the value of the crude sold of land production and an investment allowance of 15% of new capital expenditure for 6 years.

A double taxation agreement exists with the United Kingdom.

**GENERAL COUNTRY DATA**

Surface Area: 442 sq km  
 Capital City: St John's  
 Inhabitants: 25,000 (1979)

Population: number (year): 0.08 mn (1980)  
 density: 181.00 per sq km  
 growth rate/year: 1.4% (1980)  
 Climate: Sub-tropical  
 Languages: English (OL)  
 Religions: Christianity

Currency: 1 East Caribbean Dollar = 100 Cents  
 Exchange rate (per US\$): 2.700 (1980)  
 Pegged to: US\$  
 GDP per capita: US\$699 (1977)  
 Inflation rate (%): 15.3 (1979)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP  
 at constant prices

- Agriculture
- Mining
- Retail and wholesale
- Manufacturing
- Transport

GDP at current prices mn EC\$ 1977

Imports/GDP 151.0  
 Exports/GDP

Savings/Investment

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Antigua is a member of  
 CARICOM

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: None

Labour Resources: Economically Active Population 0.02 mn (1975)

Main manufacturing branches: Food Processing, Paint, Electronic Components, Furniture

Infrastructure: Transport: 965 km roads, 31 km railway track, 1 international airport.

Energy: Electricity Production: 51 mn kwh (1977)

Financial and Development

Institutions:

Antigua Commercial Bank Ltd; Antigua and Barbuda Development Bank

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment is welcomed. Priority is given to labour intensive enterprises.

FINANCIAL TRANSFERS. Permission from the Minister of Finance is required. A 10% withholding tax is imposed in all cases.

PATENTS/TRADEMARKS. The patent and trademark laws of the UK apply at present.

TAXATION. Corporate: 40%; No personal income tax.

LABOUR. Average minimum wage: EC\$80-100 per week. Foreign labour only permitted entry if local expertise is not available.

INCENTIVE SCHEMES. Export allowances; Tax holidays; Double taxation.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): ...			
Money Supply growth (%): ...			
Budget Expenditure (by function) mn EC\$	<u>1972</u>	<u>1973</u>	<u>1974</u>
Total	22.9	23.7	28.4
% of which: Defence:	22.6	25.1	35.2
Education & Social Services:	25.7	28.8	29.0
Economic Services:	33.0	30.3	24.4
Budget Deficit: mn EC\$	<u>1978</u>		
Total	-22.2		
of which: Foreign Financing	...		
Domestic Financing	...		

**EXPENDITURE COMPONENTS OF GDP**

GDP ...
Private consumption ...
Government consumption ...
Gross capital formation ...
Net exports ..
GDP, Investment & Sectoral Growth %
GDP ...
Investment ...
Agriculture ...
Manufacturing ...
Construction ...

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows ...
DAC countries stock of foreign direct investment ...
Direct Investment flows by source country ...

**FOREIGN TRADE US\$mn**

	<u>1973</u>	<u>1974</u>	<u>1975</u>
Total imports (cif)	47.3	70.0	67.2
Fuel imports (SITC 3)	17.9	40.1	29.2
Manufactured goods (SITC 5-8)	18.7	16.3	23.6
	<u>1973</u>	<u>1974</u>	<u>1975</u>
Total exports (fob)	29.7	32.3	27.7
Fuel exports (SITC 3)	25.1	27.5	24.2
Manufactured goods (SITC 5-8)	3.6	3.8	2.1

**Principal Export Markets (%)**

	<u>1975</u>
USA	10.0
Guyana	5.2
Suriname	4.3

**Principal Export Products (%)**

**NATIONAL DEVELOPMENT PLAN**

NONE

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION ( )	WORLD %
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**LABOUR RESOURCES '000 (1976)**

Agriculture	2.4	Trade	3.8
Mining	...	Transport	2.3
Manufacturing	1.4	Finance	0.8
Electricity, gas & water	0.6	Services	6.3
Construction	2.1		

**INFRASTRUCTURE**

**Roads:** There are 240 km of main roads and 725 km of secondary dry weather roads.

**Railways:** The 31 km of railway track is used mainly to transport sugar cane.

**Shipping:** The main harbour is the St John's deep water harbour which has modern cargo handling facilities.

**Telecommunications:** 4.3 telephones per 100 inhabitants (1976).

**Airports:** Coolidge airport, situated 3 km from St John's is capable of handling international traffic and further modernisation is planned.

**PRICE INDICATORS**

	1977	1978	1979
Inflation rate (% pa):	13.7	6.1	15.3
Wholesale Price Index:	...	...	...
Terms of Trade:	...	...	...

**STRUCTURE OF MANUFACTURING SECTOR 1975**

Branch	No. of units
Food & beverages	15
Textiles	11
Wood products	13
Paper & paper products	5
Chemicals	4
Non-metallic mineral products	3
Fabricated metal products	4





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy		The Antiguan Government invites foreign investors to establish industrial enterprises in the state.
Eligibility Criteria		Priority is given to labour intensive industries. The assembly of electrical components is generally favoured but any enterprise offering employment to over 100 workers is welcomed.
Minimum Capital		None stipulated.
Foreign Participation		There is no legal limit on foreign equity participation. Each case is considered on its merits.
Registration		Register with the Ministry of Finance. Application fee: EC\$300-500 plus registration fee of EC\$200-300 on capital in excess of EC\$400,000.
B. FINANCIAL TRANSFERS		
Profits		
Capital		
Loans (Principal & Interest)		Repatriation of foreign capital, loans, royalties and similar payments must be arranged specifically with the Ministry of Finance. A 10% withholding tax is imposed in all cases.
Technology (Royalties, Fees, etc)		
Exchange Control		There is a 1% foreign exchange tax on all purchases of foreign currency.
C. PATENTS/TRADEMARKS		
Patents		
Trademarks		The Patent and Trademark Law is an extension of UK law since Antigua does not have her own legislation on the subject at present.
Protection of Industrial Property		
D. TAXATION		
Corporate		40%
Property		There is a property tax of 10%.
Indirect		House tax: 5% of annual gross rental value; Hotel tax: EC\$1.00 per guest per night; 10% consumption tax. Export duty is levied on sugar, lobsters, live animals, molasses and cotton and an export licence is required. Import duty is levied at a rate of 5-30% although imports from CARICOM member states are exempt.
Direct		No personal income tax.

SUBJECT	REFERENCE	DETAILS
<p>E. LABOUR</p> <p>Wages</p> <p>Working Hours</p> <p>Social Benefits</p> <p>Labour Disputes</p> <p>Foreign Labour</p>	<p>Labour Code, 1975</p> <p>Social Security Act, 1972</p>	<p>The average minimum wage is EC\$80-100 per week. There is also an annual Christmas bonus.</p> <p>Basic 40 hour week.</p> <p>Social benefits include contributory pension and gratuity schemes.</p> <p>There is no set mechanism for settling disputes although more often than not a dispute is referred to the Labour Commissioner or a government minister will intervene.</p> <p>Foreign labour is not usually welcome unless it can be proved beyond reasonable doubt that local expertise is not available. Work permits are issued by the Ministry of Labour and there is a 10% employment levy on expatriate wages.</p>
<p>F. INCENTIVE SCHEMES</p>	<p>Pioneer Industries Act</p> <p>Fiscal Incentives Act No. 18, 1975</p> <p>Export Allowances</p> <p>Double Taxation</p> <p>Factory Sites</p>	<p>Pioneer status may be granted to a person, enterprise, industry or product in common with the legislation in force in the rest of CARICOM. Incentives include:</p> <ol style="list-style-type: none"> <li>1. Duty free importation of building materials, plant and equipment.</li> <li>2. A tax holiday of up to 15 years depending on the nature of the investment and capital outlay as determined by the Fiscal Incentives Act.</li> </ol> <p>The Fiscal Incentives Act classifies industries into 4 groups, on the basis of local value added, and incentives are determined accordingly:</p> <ol style="list-style-type: none"> <li>1. More than 50% of local value added - 15 year tax holiday.</li> <li>2. 25-50% of local value added - 12 year tax holiday.</li> <li>3. Less than 25% of local value added - 10 year tax holiday.</li> <li>4. Enclave industries - 15 year tax holiday.</li> </ol> <p>Export profit, taken as a percentage of total profit, is measured for the purpose of granting a rebate on company tax:</p> <ol style="list-style-type: none"> <li>1. Export profit 10-21% - company tax rebate of 25%.</li> <li>2. Export profit 21-41% - company tax rebate of 35%.</li> <li>3. Export profit 41-61% - company tax rebate of 45%.</li> <li>4. Export profit over 61% - company tax rebate of 55%.</li> </ol> <p>Company rebate is taken as a percentage of company tax on export profits.</p> <p>Treaties exist with the USA, the UK, New Zealand, Norway, Sweden, Canada, Switzerland, Denmark, Barbados, Jamaica, Trinidad and Tobago and Uganda.</p> <p>A number of well-sited factory shells have been constructed by the Government in order to attract foreign investors.</p>







EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION

DOCUMENTARY

...

INSTITUTIONAL

British High Commission, 147/9 Roebuck Street, P.O. Box 676c, Bridgetown, Barbados

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area:	22,963 sq km
Capital City:	Belmopan
Inhabitants:	2,932 (1980)
Population: number (year):	0.15 mn (1980)
density:	6.31 per sq km
growth rate/year:	1.8% (1980)
Climate:	Sub-tropical
Languages:	English (OL), Spanish, Creole
Religions:	Christianity
Currency:	1 Belize Dollar = 100 Cents
Exchange rate (per US\$):	2.000 (1980)
Pegged to:	US\$
GDP per capita:	US\$930 (1979)
Inflation rate (%):	18.2 (1980)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1973 prices	mn BZ\$	1974	1975	1976
Agriculture		26.3	24.3	23.6
Mining		0.2	0.3	0.4
Retail and wholesale		20.1	19.9	17.9
Manufacturing		11.8	10.9	10.2
Transport		8.2	3.9	9.1
GDP at current prices	mn BZ\$	159.0	193.0	185.0
Imports/GDP		...	...	...
Exports/GDP		...	...	...
Savings/Investment		0.285	0.150	0.213

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Belize is a member of CARICOM, the United Nations and the Commonwealth.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: None.

Labour Resources: Economically Active population: 0.03 mn (1970)

Main manufacturing branches: Cigarettes, Food Processing, Garments

Infrastructure: Transport: 1,600 kms of all weather roads; 1 international airport

Energy: Electricity production 46 mn kwh (1977)

**Financial and Development**

Institutions: Atlantic Bank Ltd, Bank of Nova Scotia, Barclays Bank International Ltd, Royal Bank of Canada and the Development Finance Corporation

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment is welcomed. Priority is given to labour intensive enterprises.

FINANCIAL TRANSFERS. Free remittance of profits and capital.

PATENTS/TRADEMARKS. Patents and trademarks must be registered with the Ministry of Home Affairs and Health.

TAXATION. Corporate: 45%; Personal 5-50%.

LABOUR. Basic 48 hour, 6 day week. Expatriates require a work permit from the Ministry of Labour.

INCENTIVES. Tax holidays; Exemption from import duties; Double taxation agreements; Possible "new industry" protection.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): 9.5 (1979)

Money Supply growth (%): 3.6 (1979)

Budget Expenditure (by function) mn BZ\$	1974	1975	1976
Total	38.1	45.7	56.1
% of which: Defence:	6.8	7.5	6.3
Education & Social Services:	23.9	25.7	27.2
Economic Services:	42.9	42.8	35.6
<hr/>			
Budget Deficit: mn BZ\$	1974	1975	1976
Total	-24.9	-30.4	-33.2
of which: Foreign Financing	...	...	...
Domestic Financing	...	...	...

**EXPENDITURE COMPONENTS OF GDP**

	1974	1975	1976
GDP	79.5	81.5	92.5
Private consumption	50.0	59.5	67.5
Government consumption	12.0	16.5	20.0
Gross capital formation	19.5	26.5	29.0
Net exports	-2.5	-6.0	-22.5

**GDP, Investment & Sectoral Growth %**  
(at constant 1973 prices)

	1974	1975	1976
GDP	-0.2	0.5	-0.2
Investment	10.0	-7.6	-2.9
Agriculture	15.7	-7.6	-6.4
Manufacturing	18.9	20.6	23.7
Construction			

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows	
DAC countries stock of foreign direct investment	1978 75.0
Direct Investment flows by source country	...

**FOREIGN TRADE US\$mn**

	1977	1978	1979
Total imports (cif)	90.1	106.0	133.2
Fuel imports (SITC 3)	7.3	8.5	10.2
Manufactured goods (SITC 5-8)	55.6	44.5	48.2
<hr/>			
Total exports (fob)	62.1	79.8	101.7
Fuel exports (SITC 3)	1.0	1.1	1.4
Manufactured goods (SITC 5-8)	12.2	12.5	17.7

**Principal Export Markets (%)**

	1980
USA	55.1
Canada	1.4
Japan	0.3

**Principal Export Products (%)**

	1979
Sugar	34.4
Clothing	9.7
Citrus fruit	5.3
Wood products	1.9

**NATIONAL DEVELOPMENT PLAN**

Duration: 1980-83.

Targets: 1. A 5.5% increase in real GDP.

2. Public sector investment to represent 23% of GDP.

3. Private sector investment to represent 13% of GDP.

Aims: 1. To stimulate economic productivity and increase productive employment.

2. The adoption of new technology.

3. An improvement in educational standards and training facilities.

4. Research into alternative sources of energy in order to reduce dependence on imported fuels.

Finance: Funding is almost entirely dependent on external sources.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES WORLD %	PRODUCTION ( )	WORLD %
---------	------	------------------	----------------	---------

**LABOUR RESOURCES '000 (1970)**

Agriculture	10.0
Transport	0.3
Manufacturing	6.8
Commerce	1.7

**INFRASTRUCTURE**

**Roads:** There are 1,600 km of all weather roads and 400 km of cart and bush trails.

**Railways:** Belize has no railways.

**Shipping:** The main port is Belize City.

**Telecommunications:** 4.4 telephones per 100 inhabitants (1977).

**Airports:** There is an international airport 16 km from Belize City.

**PRICE INDICATORS**

Inflation rate (% pa):	1980 18.2
Wholesale Price Index:	...
Terms of Trade:	...

**STRUCTURE OF MANUFACTURING SECTOR**

**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	1973	1974	1975	1976	1977
Sugar	'000 t	74	92	86	68	98
Cigarettes	mn	85	04	92	85	30
Sawnwood	'000 cu m	25	23	21	21	21





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy		Belize welcomes foreign investment in so far as it advances the development of the country.
Eligibility Criteria		Priority is given to labour intensive enterprises particularly those involved in food processing, construction materials or forest based products.
Minimum Capital		None stipulated.
Foreign Participation		The Government looks favourably on investments with Belizian participation but local involvement is not compulsory.
Registration		Enterprises must be registered with the Registrar of Companies. Fees are charged on the basis of nominal share capital and are BZ\$20 on investments of up to BZ\$10,000, BZ\$10 thereafter for every additional BZ\$5,000 of capital up to BZ\$25,000 and BZ\$2.50 per BZ\$5,000 of nominal share capital over BZ\$25,000.
B. FINANCIAL TRANSFERS		
Profits	}	Approved enterprises are guaranteed free remittance of profits and capital.
Capital	}	
Loans (Principal & Interest)	}	
Technology (Royalties, Fees etc)	}	
Exchange Control		
C. PATENTS/TRADEMARKS		
Patents	}	Patents and trademarks must be registered with the Permanent Secretary, Ministry of Home Affairs and Health. The fee is BZ\$10. Patents are recorded as confirmation of British patents, if within 3 years of the original recording, and expire with the British patent. Local patents are granted for a term of 14 years.
Trademarks	}	
Protection of Industrial Property		
D. TAXATION		
Corporate		45%.
Property		Land tax: graduated according to the quality of the land - 12-30 cents per acre.
Indirect		Excise duty is levied on rum and cigarettes.

SUBJECT	REFERENCE	DETAILS
Direct		Income tax is levied on a PAYE basis and ranges from 5-50% (on income over BZ\$60,000 p.a.). Allowances: Personal - BZ\$1,200; Wife - BZ\$800; Dependent children - BZ\$500 each.
E. LABOUR		
Wages	Labour Ordinance, 1959	9 hour day; 48 hour, 6 day week. Overtime paid at 1½ times the normal rate. Paid holidays - 7-16 days depending on length of service.
Working Hours		Paid sick leave: up to 16 working days in any twelve months.
Social Benefits		The Trade Disputes Ordinance provides for the appointment, by the Government, of Boards of Arbitration when disputes between employers and workers cannot be resolved by negotiation or conciliation.
Labour Disputes	Trade Disputes Ordinance, 1939	
Foreign Labour		A permit is required from the Ministry of Labour. Expatriate contract employees are permitted to externalise up to 40% of their earnings and on final departure any savings.
F. INCENTIVE SCHEMES		
	Development Incentives Ordinances, 1960 and 1973	Concessions are granted under the Development Incentives Ordinances of 1960 and 1973. The period of such concessions varies up to 15 years according to the type of undertaking or the product to be manufactured. Dividends or profits paid on shares in an undertaking are exempt from the payment of income tax during the tax holiday period. However, this exemption only applies up to the point where the total of such dividends and profits paid out equals the amount invested in the company.
	Exemption from Income Tax on Profits & Dividends	
	Customs Duties	Under section 5(1) of the Development Incentives Ordinance every company that holds a development order may import, duty free, all building materials, plant, vehicles, machinery, tools etc for the use of such enterprises during the tax holiday period.
	Raw materials	Under section 5(2) of the Ordinance raw materials used in development enterprises may also be imported duty free into the country in certain circumstances i.e. where an article is bought in as a raw material, made up into a finished product and then exported.
	Spare Parts	In special cases spare parts for machinery may be included in the development order as exempt from the payment of import duties.
	Double Taxation	Belize has double taxation agreements with the UK, Denmark, Norway, Sweden, Switzerland, the USA and all CARICOM member countries.
	Development Finance Corporation	The Investment Promotion Unit of the Development Finance Corporation makes available capital from the Caribbean Development Bank for joint ventures.
	New Industry Protection	In special cases "new industry" protection may be granted.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION

DOCUMENTARY

"Formation and Conduct of Commercial Entities in Belize" The Investment Unit Development Finance Corporation

"Investment Incentives and Procedures" The Investment Unit Development Finance Corporation

INSTITUTIONAL

The Investment Unit Development Finance Corporation, P.O. Box 876, 17 Regent Street, Belize City, Belize

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 1,093,581 sq km

Capital City: La Paz

Inhabitants: 719,780 (1980, estimate)

Population: number (year): 5.60 mn (1980)

density: 5.10 per sq km

growth rate/year: 2.7% (1980)

Climate: Tropical below 1,500 m, cool above 3,500 m

Languages: Spanish (OL), Quecha (OL), Aymara (OL)

Religions: Christianity

Currency: 1 Peso = 100 Centavos

Exchange rate (per US\$): 24.510 (1981)

Pegged to: US\$

GDP per capita: US\$983 (1980)

Inflation rate (%): 30.4 (1981, Qtr 3)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP mn Peso	1978	1979	1980
at constant 1970 prices	18,628.0	19,007.0	19,161.0
Agriculture	2,968.0	3,027.0	3,078.0
Mining	1,522.0	1,402.0	1,401.0
Retail and wholesale	...	...	...
Manufacturing	2,986.0	3,070.0	3,039.0
Transport	2,311.0	2,381.0	2,440.0
	<u>1978</u>	<u>1979</u>	<u>1980</u>
GDP at current prices mn Peso	76,474.0	92,056.0	134,987.0
Imports/GDP	0.278	0.281	0.224
Exports/GDP	0.185	0.190	0.192
	<u>1978</u>	<u>1979</u>	<u>1980</u>
Savings/Investment	0.428	0.387	0.554

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for GATT, IMCO and WIPO), IDB, Latin American Integration Association and SELA.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Tin, Tungsten, Silver, Zinc.

Labour Resources: Economically active population 1.50 mn

Main manufacturing branches: Cement, Tin, Alloys, Non-Ferrous Metals

Infrastructure: Transport: 37,313 km of roads, 3,727 km of railway track, 2 international airports.

Energy: Electricity production 1,150 mn kwh (1977)

**Financial and Development**

Institutions: Department de Fiscalizacion del Banco Central de Bolivia; 5 state banks including Banco Central de Bolivia, Banco del Estado, Banco Agricola de Bolivia, Banco Minero de Bolivia and Banco de Vivenda

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment welcome but only permitted in 'non-strategic' sectors.

FINANCIAL TRANSFERS. Fairly liberal policy with few restrictions. Guaranteed access to foreign exchange.

PATENTS/TRADEMARKS. Patents granted for up to 15 years; trademarks registered for 10 years.

TAXATION. Corporate: 30%; Direct: 7-48%.

**LABOUR.**

INCENTIVE SCHEMES. Tax exemptions; Accelerated depreciation allowances; State concessions of land.







ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): 26.0 (1981)			
Money Supply growth (%): 8.5 (1981, Qtr 3)			
Budget Expenditure (by function) mn Peso	1977	1978	1979
Total	8,252.0	10,057.0	11,811.0
% of which: Defence:	14.7	16.1	16.6
Education & Social Services:	38.2	43.0	46.9
Economic Services:	25.5	19.5	18.2
Budget Deficit: mn Peso	1978	1979	1980
Total	-3,073.4	-6,652.2	-7,675.9
of which: Foreign Financing	556.6	535.5	300.4
Domestic Financing	2,516.8	6,116.7	7,315.5

EXPENDITURE COMPONENTS OF GDP (at current prices) US\$ mn

	1978	1979	1980
GDP	3,824.0	4,514.0	5,507.0
Private consumption	2,775.0	3,383.0	4,108.0
Government consumption	534.0	647.0	686.0
Gross capital formation	770.0	751.0	669.0
Net exports	-255.3	-266.2	44.2

GDP, Investment & Sectoral Growth %  
(at constant 1970 prices)

	1978	1979	1980
GDP	3.1	2.0	0.8
Investment	3.2	1.5	-8.0
Agriculture	2.7	2.0	1.7
Manufacturing	4.5	2.8	-1.0
Construction	2.8	2.5	-5.0

FOREIGN INVESTMENT FLOWS US\$ MN

	1977	1978	1979
Aggregate foreign investment flows	-1.3	11.9	18.1
DAC countries stock of foreign direct investment	...	140.0	...
Direct Investment flows by source country	...	...	...

FOREIGN TRADE US\$mn

	1979	1980	1981
Total imports (cif)	962.8	813.8	975.6
Consumer goods imports	190.6	159.5	...
Capital goods imports	491.0	424.0	...
Total exports (fob)	1979	1980	1981
Fuel exports	761.8	941.9	911.3
Tin exports	149.0	243.4	...
Other mineral exports	395.6	378.1	...
	187.2	249.5	...

Principal Export Markets (%)

	1980
USA	25.7
Argentina	23.7
United Kingdom	6.9
Brazil	3.5

Principal Export Products (%)

	1980
Tin	40.1
Natural gas	23.4
Crude petroleum	2.4

NATIONAL DEVELOPMENT PLAN

NONE

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1980)	WORLD %
Tin	'000 t	980,000	10.1	27.3	12.7
Tungsten	'000 t	39	1.6	3.4	6.5
Silver	t	...	...	178.0*	2.0
Zinc	'000 t	...	...	50.3	0.7

**LABOUR RESOURCES '000 (1979)**

Agriculture	687.6	Trade	121.4
Mining	86.3	Transport	111.5
Manufacturing	146.9	Finance	6.2
Electricity, gas & water	7.6	Services	304.5
Construction	93.7		

**INFRASTRUCTURE**

**Roads:** In 1978 Bolivia had 38,866 km of roads, 1,327 km of which were paved and another 6,798 km of which were all-weather roads. Almost the entire network is concentrated in the Antiplano region and the Andes Valleys.

**Railways:** In 1979 there were 3,727 km of railway track linking the main towns.

**Shipping:** Bolivia has over 14,000 km of navigable rivers. Free-port facilities exist at Rosario, Panama thus providing an independent Atlantic outlet. There are hopes of securing a Pacific outlet from Chile.

**Telecommunications:**

**Airports:** 2 international airports at La Paz and Santa Cruz.

**PRICE INDICATORS**

Inflation rate (% pa):	1978 10.4	1979 19.7	1980 47.2
Wholesale Price Index:	.	...	...
Terms of Trade: 1975=100	1977 127.0	1978 128.0	1979 139.0

**STRUCTURE OF MANUFACTURING SECTOR** mn Peso (1975)

Branch - ISIC Class	Nc. of units	Invest- ment	Employ- ment ('000)	Average earnings	Gross output	Net output
31. Food & beverage	382	224	11.1	302.9	3,534.0	1,305.6
32. Textiles	289	91	8.3	188.4	983.0	390.0
33. Wood	206	41	3.4	40.5	314.0	86.0
34. Paper	109	22	1.6	40.7	271.0	114.0
35. Chemicals	85	55	2.3	72.4	617.0	165.0
36. Mineral products	52	27	1.7	45.7	249.0	134.0
37. Basic metals	6	4	0.8	21.5	1,023.0	108.0
38. Machinery	115	16	1.9	43.8	406.0	39.0
39. Others	37	1	0.2	2.9	20.0	4.0





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy	Andean Pact Foreign Investment Regulations	Bolivia welcomes foreign investment. Foreign companies must eventually comply with the Andean Common Market Investment Code.
Eligibility Criteria	Investment Law, Decree No. 10,045, 1971	Foreign investment is particularly encouraged in industry, agriculture, livestock and tourism. No foreign investment is permitted in the public services or in insurance, banking and other financial institutions, inland transport publicity and the media.
Minimum Capital		None stipulated.
Foreign Participation		51% Bolivian capital participation required within 22 years of the start of production.
Registration		Register with the National Investment Institute (INI).
<b>B. FINANCIAL TRANSFERS</b>		
Profits		Foreign investors are allowed to transfer overseas annually certified net profits equivalent to 20% of capital invested.
Capital		
Loan (Principal & Interest)		Guaranteed repatriation of capital, dividends and interests. Profits, dividends and interests subject to 30% withholding tax.
Technology (Royalties, Fees etc)		
Exchange Control		Since July 1981 the availability of foreign exchange has been limited.
<b>C. PATENTS/TRADEMARKS</b>		
Patents		Patents are granted for 5, 10 or 15 years and are renewable.
Trademarks		Trademarks are granted for 10 years and are renewable.
Protection of Industrial Property		Compensation is given if industrial property is expropriated.
<b>D. TAXATION</b>		
Corporate		30%; Tax on payments abroads - 30%; tax on interest payments abroad - 30%. Tax on other income abroad, i.e. royalties - 25%.
Property		Sales tax: 5-20%; Service tax: 2-10%.
Indirect		
Direct	Tax Decree, Law No. 11,153	7-4%; Allowances of Bol\$1,500 for spouse and each child.
<b>E. LABOUR</b>		
Wages		Wage levels are state controlled.

continued from page 4.

SUBJECT	REFERENCE	DETAILS
Working Hours Social Benefits Labour Disputes Foreign Labour		Basic 8 hour week. Bolivia operates a social security scheme. The Ministry of Labour acts as arbitrator.
F. INCENTIVE SCHEMES	Tax Decree Law No. 11,154	Projects are placed in one of 3 categories: <ol style="list-style-type: none"> <li>1. First priority Activities - labour extensive industries/industries designed to increase non-traditional exports; 50% tax deduction.</li> <li>2. Second priority Activities - industries developing products using national components; 40% tax deduction.</li> <li>3. Third priority Activities - industries located in certain zones; 30% tax deduction.</li> </ol>
	Other Incentives	Other incentives include: <ol style="list-style-type: none"> <li>1. Freedom from customs duties on the import of machinery and equipment</li> <li>2. Refund of customs duties (draw-back).</li> <li>3. Exemption from tax on moveable capital.</li> <li>4. Exemption from taxes on production of export manufacture.</li> <li>5. Systems of accelerated depreciation.</li> <li>6. Freedom from taxes on new construction and the transfer of assets related to property.</li> <li>7. In minor developed areas, freedom from taxes on profits and total income for 10 years.</li> <li>8. Freedom from import tax on raw materials and materials not locally produced.</li> <li>9. State concession of industrial land.</li> <li>10. Concession of fiscal land for agriculture.</li> <li>11. Protection from duty when considered justified.</li> </ol>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Fabrica Boliviana De Calamina (Corrugated Metal)	Chloride Co Ltd	3	97	...	...	42	3		
						(1980)		315.63 mn Peso	(1980)
Xerox de Bolivia Limitada	Rank Xerox	25	75	...	...	...	...	...	...

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Andean Pact Regulations on Foreign Investment"

Department of Trade August 1978

"Bolivia Economic Report"

Lloyds Bank March 1980

**INSTITUTIONAL**

Bolivian Embassy, 106 Eaton Square, London

British Embassy, Avenida Acre 2732-2754, La Paz, Bolivia

Ministry of Planning and Co-ordination, Avenida Acre, La Paz, Bolivia

Ministry of Finance, Calle Indaburo esq Boliber, La Paz, Bolivia

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 582,000  
 Capital City: Gaborone  
 Inhabitants: 55,000 (1980, estimate)

Population: number (year): 0.82 mn (1980)  
 density: 1.5 per sq km  
 growth rate/year: 3.8% (1980)  
 Climate: Sub-tropical  
 Languages: English (OL), Tswana  
 Religions: Christianity, Traditional beliefs

Currency: 1 Pula = 100 Thebe  
 Exchange rate (per US\$): 0.839 (1981)  
 Pegged to: SDR  
 GDP per capita: US\$1,083 (1980)  
 Inflation rate (%): 16.0 (1981, Qtr 3)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP mn P at constant 1975 prices	1978	1979	1980
Agriculture			
Mining			
Retail and wholesale			
Manufacturing			
Transport			
GDP at current prices mn P	354.2	504.2	689.4
Imports/GDP	1.074	1.079	1.075
Exports/GDP	0.778	0.930	0.842
Savings/Investment	0.254	0.567	0.936

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for IMCO and WIPO), the African Development Bank, the Commonwealth, OAU, BADEA and the EEC (ACP member).

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Nickel, Copper, Coal, Cobalt

Labour Resources: Economically active population 0.37 mn (1980)

Main manufacturing branches: Beer, Meat Production

Infrastructure: Transport: 10,476 km of roads, 714 km of railway track, 2 international airports.

Energy: Electricity production 473 mn kwh (1980).

**Financial and Development**

Institutions: Botswana Development Corporation; Botswana Enterprises Development Unit; 5 commercial banks

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is welcome in order to promote development. There are no limits to the extent of foreign participation in enterprises.

**FINANCIAL TRANSFERS.** Payments of profits, capital, loans and technology are subject to approval from the Bank of Botswana.

**PATENTS/TRADEMARKS.**

**TAXATION.** Corporate: 35%; Direct 10-65% (on incomes exceeding P80,000 p.a.). Botswana is a party to the South African Customs Union.

**LABOUR.** Foreign labour is permitted if local expertise is not available and training of the indigenous population is undertaken.

**INCENTIVE SCHEMES.** Accelerated depreciation; Housing and Training Schemes; Double Taxation Agreements.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%):	5.8 (1981, Qtr 1)		
Money Supply growth (%):	26.7 (1981, Qtr 4)		
Budget Expenditure (by function) mn P	<u>1977</u>	<u>1978</u>	<u>1979</u>
Total	112.7	156.3	200.4
% of which: Defence:	5.6	8.8	10.9
Education & Social Services:	35.4	35.3	35.6
Economic Services:	30.3	30.1	27.1
Budget Deficit: mn P	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total	-6.9	21.4	-5.0
of which: Foreign Financing	14.5	12.0	12.1
Domestic Financing	-7.6	-33.4	-7.1

**EXPENDITURE COMPONENTS OF GDP US\$ mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
GDP	427.7	619.0	888.6
Private consumption	271.2	356.7	451.5
Government consumption	142.0	160.4	230.3
Gross capital formation	132.9	200.0	320.7
Net exports	-118.5	-98.2	-113.9

**GDP, Investment & Sectoral Growth %  
(at constant 1975 prices)**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
GDP	14.0	11.2	14.4
Investment	...	...	...
Agriculture	...	...	...
Manufacturing	...	...	...
Construction	...	...	...

**FOREIGN INVESTMENT FLOWS US\$ MN**

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Aggregate foreign investment flows	12.3	44.8	150.9
DAC countries stock of foreign direct investment	...	57.0	...
Direct Investment flows by source country	...	...	...

**FOREIGN TRADE US\$mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total imports (cif)	353.2	520.6	671.8
Fuel imports (SITC 3)	28.8	64.7	...
Manufactured goods (SITC 5-8)	...	...	...
Total exports (fob)	<u>261.6</u>	<u>436.2</u>	<u>503.6</u>
Fuel exports (SITC 3)	...	...	...
Manufactured goods (SITC 5-8)	...	...	...

**Principal Export Markets (%)**

	<u>1979</u>
USA	17.3
United Kingdom	13.0

**Principal Export Products (%)**

	<u>1980</u>
Diamonds	60.7
Meat	6.9
Copper/nickel	20.7

**NATIONAL DEVELOPMENT PLAN**

Duration: 1979-85.

- Targets:
1. An average increase in real GDP of 10.1% per annum.
  2. Gross fixed capital formation to reach P250 million.

- Aims:
1. To achieve rapid and large returns from intensive capital investment in mining.
  2. To increase employment opportunities and improve living standards.
  3. To enhance rural development.

Finance: EEC; World Bank; Central Government; Kuwait; Saudi Arabia.

NATURAL RESOURCES					
MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1980)	WORLD %
Nickel	'000 t	...	...	15.4	2.2
Copper	'000 t	...	...	15.6	0.2
Coal	'000 t	7,000	0.4	371.5	...
Cobalt	'000 t	27,200	0.9	270.0	0.5

#### LABOUR RESOURCES '000 (1979)

Agriculture	4.3	Trade	9.8
Mining	6.3	Transport	2.3
Manufacturing	5.5	Finance	3.1
Electricity, gas & water	1.3	Services	31.3
Construction	11.4		

#### INFRASTRUCTURE

**Roads:** In 1981 there were about 15,000 km of roads. Of the 8,015 km officially maintained by the Government, 1,115 km were bitumened-surfaced, 1,606 km gravel-surfaced, and 5,294 km earth or sand roads.

**Railways:** There is 714 km of railway track. The main South Africa to Zimbabwe line runs through Botswana.

**Shipping:**

**Telecommunications:** 1.2 telephones per 100 inhabitants (1975).

**Airports:** There are principal airports at Francistown and Gaborone and there are plans for a new airport to be built at Gaborone.

PRICE INDICATORS			
	1978	1979	1980
Inflation rate (% pa):	9.0	11.6	13.9
Wholesale Price Index:	...	...	...
Terms of Trade:	...	...	...

#### STRUCTURE OF MANUFACTURING SECTOR mn P (1977)

No. of establishments	Employees ('000)	Salaries	Value added	Gross output
226	4.2	842.0	27.4	86.0

#### PRODUCTION OF SELECTED MANUFACTURING PRODUCTS

Product	Unit	1975	1976	1977	1978
Beef & veal	'000 t	39	39	40	40
Mutton & lamb	'000 t	4	4	5	5







SUBJECT	REFERENCE	DETAILS
<p>A. GENERAL PRINCIPLES</p> <p>Fundamental Policy</p> <p>Eligibility Criteria</p> <p>Minimum Capital</p> <p>Foreign Participation</p> <p>Registration</p>		<p>Foreign investment is welcome in order to aid development.</p> <p>Proposals are judged on the basis of their potential for employment and development. The mining sector is particularly favoured.</p> <p>Not stipulated.</p> <p>There are no limits on foreign participation set by law.</p> <p>In most cases a licence is required from the Ministry of Commerce and Industry in order to set up an enterprise. Enterprises must also be registered with the Registrar of Companies. The application fee is P1,000 and it usually takes 1-2 weeks.</p>
<p>B. FINANCIAL TRANSFERS</p> <p>Profits</p> <p>Capital</p> <p>Loans (Principal &amp; Interest)</p> <p>Technology (Royalties, Fees etc)</p> <p>Exchange Control</p>		<p>Enterprises are permitted to remit up to P25,000 p.a. subject to local taxes. Recipients must be non-residents of Botswana.</p> <p>Repatriation of share capital is permitted upon the disposal of the shareholding or on liquidation of the company subject to approval from the Bank of Botswana.</p> <p>Remittances are normally permitted as long as the loan was for more than 2 years duration and a reasonable rate of interest was charged.</p> <p>Payments require approval from the Bank of Botswana and are subject to a 15% withholding tax.</p> <p>Exchange control is administered by the Bank of Botswana and authorised dealers.</p>
<p>C. PATENTS/TRADEMARKS</p> <p>Patents</p> <p>Trademarks</p> <p>Protection of Industrial Property</p>		
<p>D. TAXATION</p> <p>Corporate</p> <p>Property</p> <p>Indirect</p> <p>Direct</p>	<p>Income Tax Act, 1973</p> <p>Customs &amp; Excise Duty Act</p>	<p>35% on taxable income.</p> <p>Botswana is party to the South African Customs Union. There is a 15% withholding tax on dividends.</p> <p>10-65% (on income exceeding P80,000 p.a.). Married person's allowance: P3,600 p.a; Single person's allowance: P1,800 p.a.</p>

SUBJECT	REFERENCE	DETAILS
<p>E. LABOUR</p> <p>Wages</p> <p>Working Hours</p> <p>Social Benefits</p> <p>Labour Disputes</p> <p>Foreign Labour</p>	<p>Employment Act</p>	<p>Unskilled labour P0.24 per hour.</p> <p>Working hours vary from a 45 hour 5-day week in construction to a 54-hour 6-day week in manufacturing. 15-18 days paid annual leave.</p> <p>The formation of trade unions is encouraged.</p> <p>Foreign labour is permitted where local expertise is not available though subject to training of local manpower. Permits are available from the Commissioner of Labour and are normally issued for 3 years. Expatriates are permitted to remit 50% of their gross earnings or P6,000 p.a. (whichever is greater).</p>
<p>F. INCENTIVE SCHEMES</p>	<p>Accelerated Depreciation</p> <p>Housing Scheme</p> <p>Training Scheme</p> <p>Double Taxation</p>	<p>1. Industrial buildings: 15% allowance for the first years reduced to 10% p.a. for the subsequent 10 years.</p> <p>2. Plant and Machinery: 25% allowance for the first year followed by a cumulative 100% at a flexible rate p.a.</p> <p>P5,000 awarded for each house built by a company for its employees.</p> <p>Up to a maximum of 200% of any expenditure incurred during the tax year on employing full-time training officers may be deducted from taxable income.</p> <p>There are agreements with South Africa, the United Kingdom and Sweden.</p> <p>The Botswana Development Corporation has been set up to encourage and assist foreign investors and provides finance for the agricultural machinery and plant sectors. The present incentives consist of a series of allowances but the government is currently considering introducing a subsidy package.</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION

DOCUMENTARY

- "Botswana Business Information" Standard Chartered Bank Ltd March 1981
- "A Guide to Investment" Ministry of Commerce and Industry
- "Botswana Economic Report" Lloyds Bank March 1980
- "Bank of Botswana Annual Report" 1980

INSTITUTIONAL

Botswana High Commission, 162 Buckingham Palace Road, London SW1W 9TJ  
Ministry of Commerce and Industry, Private Bag 004, Gaborone, Botswana

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 678,033 sq km  
 Capital City: Rangoon  
 Inhabitants: 2,300,000 (1980)

Population: number (year): 34.74 (1981)  
                   density: 51.24 per sq km  
                   growth rate/year: 1.0% (1981)  
                   Climate: Tropical  
                   Languages: Burmese (OL), Tribal dialects  
                   Religions: Buddhism, Christianity, Hinduisim, Islam

Currency: 1 Kyat = 100 Pyas  
 Exchange rate (per US\$): 7.308 (1981)  
 Pegged to: SDR  
 GDP per capita: US\$166 (1980)  
 Inflation rate (%): 0.3 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1970 prices	mn Kys	1978	1979	1980
Agriculture		4,679.6	5,025.0	5,310.8
Mining		150.0	166.0	189.7
Retail and wholesale		3,119.0	3,253.1	3,355.7
Manufacturing		1,377.6	1,425.8	1,473.6
Transport		615.8	719.8	787.9
GDP at current prices	mn Kys	31,716.0	34,084.0	37,107.0
Imports/GDP		0.117	0.161	0.160
Exports/GDP		0.066	0.080	0.088
Savings/Investment		0.690	0.617	0.518

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for IFAD and WIPO) and the ADB.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Tungsten, Natural Rubber, Lead, Silver, Tin

Labour Resources: Labour force 13.74 mn (1980)

Main manufacturing branches: Food Processing, Textiles

Infrastructure: Transport: 27,053 km of all-weather roads;  
                                   4,379 km of railway track,  
                                   1 international airport

Energy: Electricity production: 1,057 mn kwh  
                                   (1979)

**Financial and Development**

Institutions: The Union of Burma Bank is the central bank and there are 3 other state owned banks

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Burma has expressed a wish to enter into "mutually beneficial economic co-operation" with foreign enterprises but has made no decisions regarding preferential policies as yet.

**FINANCIAL TRANSFERS.** Transfers are under the control of Myanma Foreign Trade Bank.

**PATENTS/TRADEMARKS.** There is no patent or trademark law.

**TAXATION.**

**LABOUR.**

**INCENTIVES.** None.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): ...			
Money Supply growth (%): 12.5 (1981, Qtr 1)			
Budget Expenditure (by function) mn Kys	1976	1977	1978
Total	3,533.0	4,147.0	4,787.0
% of which: Defence:	27.6	26.3	23.2
Education & Social Services:	29.1	28.2	28.5
Economic Services:	20.6	24.4	28.8
Budget Deficit: mn Kys	1976	1977	1978
Total	-129.0	196.0	115.0
of which: Foreign Financing	123.0	-769.0	-386.0
Domestic Financing	6.0	573.0	271.0

EXPENDITURE COMPONENTS OF GDP US\$ mn

	1978	1979	1980
GDP	4,619.9	5,124.9	5,614.9
Private consumption	3,979.3	4,125.8	4,595.6
Government consumption	60.3	43.3	43.2
Gross capital formation	781.3	1,086.5	1,278.3
Net exports	-201.0	-130.7	-302.2

GDP, Investment & Sectoral Growth %  
(at constant 1970 prices)

	1978	1979	1980
GDP	6.0	6.5	5.4
Investment	5.2 <sup>1</sup>	-0.9 <sup>2</sup>	17.7 <sup>3</sup>
Agriculture	5.1	7.4	5.7
Manufacturing	7.0	3.5	3.4
Construction	12.2	36.1	19.1

FOREIGN INVESTMENT FLOWS US\$ MN

Aggregate foreign investment flows	1977	1978	1979
	0.0	0.0	0.0
DAC countries stock of foreign direct investment ...		65.0	...
Direct Investment flows by source country ...		...	...

FOREIGN TRADE US\$mn

	1978	1979	1980
Total imports (cif)	303.9	484.4	536.8
Machinery & transport equipment	108.9	243.9	278.6
Base metals & manufactures	45.5	45.5	71.3
Total exports (fob)	1978	1979	1980
	255.9	278.6	407.9
Teak & hardwood	57.8	136.0	108.5
Base metals & ores	12.4	24.9	28.6
Rice & rice products	126.4	43.3	184.3

Principal Export Markets (%)

	1977
China P.R.	0.1
Singapore	9.9
Japan	5.8
UK	1.3

Principal Export Products (%)

	1980
Teak & hardwood	26.6
Rice & rice products	45.2
Base metals & ores	7.0
Pulses	4.7

NATIONAL DEVELOPMENT PLAN

Duration: 1977/78-1981/82.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Tungsten	t	31,800	1.3	900.0	1.5
Lead	t	...	...	65,000.0	0.2
Silver	t	...	...	40.0	0.4
Tin	'000 t	500,000	5.2	1.0	0.3
Natural rubber	t	...	...	20,000.0	0.5
Zinc	'000 t	...	...	3.0	...

**LABOUR RESOURCES '000 (1981)**

Agriculture	9,034	Trade	1,239
Mining	68	Transport	430
Manufacturing	1,058	Finance	760
Electricity, gas & water	15	Services	569
Construction	189		

**INFRASTRUCTURE**

**Roads:** There are 27,058 km of all-weather roads.

**Railways:** The State Railways operate 4,379 km of track.

**Shipping:** Rangoon is the chief port accommodating vessels up to 15,000 tons.

**Telecommunications:** 0.1 telephones per 100 inhabitants (1977).

**Airports:** Mingaladon Airport, near Rangoon, handles international flights.

**PRICE INDICATORS**

Inflation rate (% pa):	1979 5.6	1980 0.6	1981 0.3
Wholesale Price Index: 1972=100	1978 222.1	1979 225.9	1980 234.5
Terms of Trade: 1970=100	1978 88.0	1979 37.0	1980 92.5

**STRUCTURE OF MANUFACTURING SECTOR**
**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	1977	1978	1979	1980
Salt	'000 t	196	198	239	263
Sugar	'000 t	29	34	39	36
Cement	'000 t	255	273	274	370
Cotton yarn	'000 t	13	15	14	13
Gunny bags	mn unit	18	16	20	21





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES Fundamental Policy		At present there is no foreign private investment in Burma and there has not been for the last 20 years since the present Socialist Government came into power. In 1976 officials expressed a willingness to enter into "mutually beneficial economic co-operation" with foreign enterprises in circumstances where Burma lacks the necessary technology or capital infrastructure. However, in practise this has meant nothing. No new investment law or decisions concerning preferential policies have been made and in fact the Government has discouraged proposals which call for an equity share by a foreign firm in a joint enterprise.
B. FINANCIAL TRANSFERS Exchange Control		Exchange control administered by the Myanma Foreign Trade Bank.
C. PATENTS/TRADEMARKS Patents Trademarks		At present it is not possible to patent an invention. There is no trademark law in Burma although under common law the first user of a trademark acquires certain rights. The usual practise is to file a declaration of ownership at the office of the Registrar of Assurances and publish cautionary notices.
Protection of Industrial Property		
D. TAXATION Corporate Property Indirect		A goods and services tax is payable on many goods either produced in or imported into Burma. The rates are: luxury goods - 15%; standard goods - 10%; privileged goods - 5%; exempted goods - none.
E. LABOUR Wages Working Hours Social Benefits Labour Disputes Foreign Labour		An average of 7.4 hours per day in the manufacturing industry.
F. INCENTIVE SCHEMES	Double Taxation	Burma has a double taxation agreement with the UK.

continued from page 4.

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GUIDELINES ON INDUSTRIAL INVESTMENT

SUBJECT	REFERENCE	DETAILS



**UNIDO** United Nations Industrial Development Organisation

INDUSTRIAL INVESTMENT PROFILE

Burma

each country  
six pages : page

**5**

see notes and warning on page 6.





EXAMPLES OF MANUFACTURING ENTERPRISES

COMPANY	PARENT COMPANY	CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
		Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION

DOCUMENTARY

"Foreign Economic Trends and their Implications for the USA"	US Department of Trade 1981
"Hints to Exporters"	British Overseas Board 1981

INSTITUTIONAL

British Embassy, 80 Strand Road, Rangoon, Burma  
 Burmese Embassy, 19a Charles Street, Berkeley Square, London W1

Prepared as a service of the  
 Investment Co-operative Branch of UNIDO  
 on the basis of available information.  
 UNIDO disclaims responsibility for any inaccuracy  
 or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 27,834 sq km  
 Capital City: Bujumbura  
 Inhabitants: 141,040 (1979, estimate)

Population: number (year): 4.51 mn (1980)  
 density: 162.03 per sq km  
 growth rate/year: 2.9% (1980)  
 Climate: Tropical  
 Languages: Kirundi (OL), French (OL), Swahili  
 Religions: Christianity, Animism

Currency: 1 Burundi Franc = 100 Centimes  
 Exchange rate (per US\$): 90.000 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$197 (1980)  
 Inflation rate (%): -13.7 (1981, Qtr 1)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP	mn BuFr	1976	1977	1978
at constant 1970 prices		24,352.3	26,691.7	28,066.3
Agriculture		14,770.3	14,921.8	15,336.3
Mining		71.3	77.5	87.6
Retail and wholesale		1,559.5	1,630.9	1,723.8
Manufacturing		1,832.6	1,888.7	2,068.7
Transport		361.4	427.1	488.8
GDP at current prices	mn BuFr	55,266.0	71,355.0	80,031.0
		1976	1977	1980
Imports/GDP		0.122	0.107	...
Exports/GDP		0.133	0.165	...
		1971	1972	1973
Savings/Investment		0.029	0.953	0.671

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Burundi is a member of the UN and its associated organisations (except for IFCO) the AFDB and the OAU.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Gold, Tin

Labour Resources: Employment 0.03 mn (1979)

Main manufacturing branches:

Infrastructure: Transport: 10,476 km of roads, 1 international airport.

Energy: Electricity production 45 mn kwh (1980)

Financial and Development

Institutions: The central bank is the Banque de la Republique du Burundi and there are 5 commercial banks

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPALS. Foreign investment is welcome.

FINANCIAL TRANSFERS. There are no restrictions of the repatriation of capital or profits.

PATENTS/TRADEMARKS.

TAXATION.

LABOUR.

INCENTIVE SCHEMES. Exemption from import duties; Tax stabilisation.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): ...			
Money Supply growth (%): 29.8 (1981, Qtr 3)			
Budget Expenditure (by function) mn BuFr	1975	1976	1977
Total	6,783.0	3,639.0	11,638.0
% of which: Defence:	14.0	11.0	11.2
Education & Social Services:	27.9	31.4	31.4
Economic Services:	30.5	33.7	30.8
Budget Deficit: mn BuFr	1978	1979	1980
Total	4.7	85.6	-1,708.0
of which: Foreign Financing	-53.2	-225.3	7.3
Domestic Financing	480.9	1,348.4	1,679.8

**EXPENDITURE COMPONENTS OF GDP US\$ mn**

	1978	1979	1980
GDP	613.6	792.8	889.2
Private consumption	495.8	656.6	780.9
Government consumption	84.1	100.5	111.7
Gross capital formation	85.7	116.7	127.7
Net exports	-52.0	-81.0	-131.1

**GDP, Investment & Sectoral Growth %  
(at constant 1970 prices)**

	1977	1978	1979
GDP	9.6	5.1	3.2
Investment	...	...	...
Agriculture	10.3	2.8	2.5
Manufacturing	10.6	3.1	9.5
Construction	92.5	20.0	-6.0

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows

	1978
DAC countries stock of foreign direct investment	26.0
Direct Investment flows by source country	...

**FOREIGN TRADE US\$mn**

	1978	1979	1980
Total imports (cif)	98.3	152.5	167.9
Capital goods imports	23.4	39.8	32.8
Consumer goods imports	45.5	66.8	70.5
	1978	1979	1980
Total exports (fob)	69.4	104.0	65.1
Coffee exports	59.6	95.7	58.2

**Principal Export Markets (%)**

	1980
USA	19.7
UK	3.8
Germany F.R.	3.1

**Principal Export Products (%)**

	1980
Coffee	89.4
Cotton	1.7
Tea	1.9

**NATIONAL DEVELOPMENT PLAN**

Duration: 1978-82.

Targets: 1. An average increase in real GDP of 5.8% per annum.  
2. Average annual growth rates of 3.1% for agriculture, farming and fishing; 5.8% for agricultural exports; and 3.4% for primary sectors.

Aims: 1. To increase the output of the agricultural sector.  
2. To motivate industry, tourism and commerce.  
3. To increase rural employment.

Finance: Local; IMF.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Gold	kg	...	...	14.0	...
Tin	'000 t	...	...	1.0	0.6

**LABOUR RESOURCES '000 (1979)**

Agriculture	20.2	Construction	4.1
Mining	1.5	Trade	1.6
Manufacturing	2.8	Transport	1.1
Electricity, gas, water	0.7	Finance	1.0

**INFRASTRUCTURE**

**Roads:** The road network is very dense. In 1977 there were 10,476 km of roads of which 2,267 km were national highways and 2,311 km secondary roads.

**Railways:** Burundi has no railways at present but the World Bank is likely to finance a rail link with Tanzania.

**Shipping:** Bujumbura is the principal port on Lake Tanganyika and handles Burundi's external trade via Tanzania, Zambia and Zaire.

**Telecommunications:** 0.1 telephones per 100 inhabitants (1976).

**Airports:** International airlines operate services to Bujumbura.

**PRICE INDICATORS**

Inflation rate (% pa):	1978 23.8	1979 36.6	1980 2.3
Wholesale Price Index:	...	...	...
Terms of Trade: 1970=100	1975 85.0	1976 119.0	1977 126.0

**STRUCTURE OF MANUFACTURING SECTOR** mn BuFr (1974)

No. of establishments	Employment ('000)	Salaries	Value added	Gross output
31	1.5	141.3	...	2,167.0

**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	1976	1977	1978	1979	1980
Beer	hl	480,800	525,000	525,492	525,727	661,727
Lemonade	hl	34,499	47,912	77,969	95,733	109,092
Tea	t	800	1,000	...	...	...





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES Fundamental Policy Eligibility Criteria  Minimum Capital Foreign Participation Registration	Investment Code, 1979	Burundi welcomes foreign investment. The Investment Code guarantees the freedom of installation, establishment and capital investment of any agricultural, craft or industrial enterprise. None stipulated. There are no restraints on the extent of foreign participation. New enterprises need the approval of the National Investments Commission.
B. FINANCIAL TRANSFERS Profits Capital Loans (Principal & Interest) Technology (Royalties, Fees etc) Exchange Control	}	Subject to the regulations in force in respect of exchange control there are no restrictions on the repatriation of capital or profits.
C. PATENTS/TRADEMARKS Patents Trademarks Protection of Industrial Property		
D. TAXATION Corporate  Property  Indirect  Direct		

continued from page 4.

SUBJECT	REFERENCE	DETAILS
E. LABOUR		
Wages		
Working Hours		
Social Benefits		
Labour Disputes		
Foreign Labour		
F. INCENTIVE SCHEMES	Approved Priority Enterprises	Approved priority enterprises must invest a maximum of 15 mn Burundi francs and create a minimum of 25 permanent new jobs. They must also contribute to the country's economic and social progress, to the improvement of the balance of trade, either by reducing imports or increasing exports, and to regional equilibrium. Benefits include:
	Specially Agreed Enterprises Scheme	<ol style="list-style-type: none"> <li>1. Total or partial exemption, for a maximum of 3 years, from import and revenue duties on materials, capital equipment and plant essential to the completion of the approved programme.</li> <li>2. Total or partial exemption, for a maximum of 5 years from import and revenue duties on certain raw materials and products.</li> <li>3. Total or partial exemption, for a maximum of 5 years, from income and property taxes.</li> </ol> <p>This scheme applies to enterprises, involved in projects of major importance to the country's economic and social development, who undertake to invest a minimum of BuFr500 mn, in the case of agricultural and agro-industrial enterprises, and BuFr1,000 mn, in the case of industrial enterprises, and to create 100 permanent new jobs in industry or 150 in agriculture. Those enterprises complying to these criteria benefit from stabilised tax arrangements, as regards direct taxation, for a maximum of 10 years.</p>
	Additional Incentives	Additional incentives exist under the mining enterprises and decentralised enterprises schemes.





EXAMPLES OF MANUFACTURING ENTERPRISES COMPANY	PARENT COMPANY	CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
		Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
:									

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION

DOCUMENTARY

"Foreign Economic Trends and Their Implications US Department of Commerce June 1981  
for the United States"

"Plan Quin Quennal de Developpement  
Economique et Social du Burundi"

INSTITUTIONAL

Burundi Embassy, Square Marie Louise, 46 Brussels 1040, Belgium

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 622,984 sq km

Capital City: Bangui

Inhabitants: 708,978 (1980)

Population: number (year): 2.22 mn (1980)

density: 3.56 per sq km

growth rate/year: 2.3% (1980)

Climate: Tropical

Languages: French (OL), Sango

Religions: Christianity, Animism

Currency: 1 CFA Franc = 100 Centimes

Exchange rate (per US\$): 271.730 (1981)

Pegged to: French Franc

GDP per capita: US\$294 (1979)

Inflation rate (%): 15.3 (1980)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP	mn CFA Fr	1975	1976	1977
at constant 1967 prices		43,580.0	45,515.0	49,175.0
Agriculture		18,545.0	19,089.0	19,812.0
Mining		1,417.0	1,196.0	1,214.0
Retail and wholesale		11,344.0	12,252.0	13,448.0
Manufacturing		4,432.0	4,544.0	5,243.0
Transport		1,045.0	1,173.0	1,277.0
GDP at current prices	mn CFA Fr	106,792.7	120,717.4	138,714.7
Imports/GDP		0.409	0.275	0.245
Exports/GDP		0.300	0.392	0.391
Savings/Investment		...	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** The Central African Republic is a member of the UN and its associated organisations (except for the IFC and IMCO), the ADB, the Franc Zone, the OCAM, the OAU and UDEAC.





## COMPARATIVE MANUFACTURING ADVANTAGES

Natural Resources: Uranium, Diamonds

Labour Resources: Economically active population 0.06 mn (1971)

Main manufacturing branches: Furniture, Food Processing, Soap

Infrastructure: Transport: 22,550 km of roads, 2 navigable waterways, 1 international airport.  
Energy: Electricity production 67 mn kwh (1979).

### Financial and Development

Institutions: Banque des Etats de L'Afrique Centrale; Banque Centrafricaine d'Investissement; Banque Nationale Centrafricaine de Depots; Union Bancaire en Afrique Centrale.

## FOREIGN INVESTMENT POLICY

GENERAL PRINCIPLES. Foreign investment, considered to be essential to economic development, is welcomed.

FINANCIAL TRANSFERS. There are no exchange controls. Local currency is fully convertible to French Francs.

PATENTS/TRADEMARKS. Patents and trademarks are granted for 20 years.

TAXATION.

LABOUR. Monthly minimum wage (1979) US\$31 for unskilled workers.

INCENTIVE SCHEMES. Tax holidays; Tax stabilisation; Double taxation.



**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): ...			
Money Supply growth (%): 22.2 (1981, Qtr 4)			
Budget Expenditure (by function) mn CFAFr	1975	1976	1977
Total	19,500.0	21,149.0	21,975.0
% of which: Defence:	9.1	9.1	8.6
Education & Social Services:	31.3	27.8	25.8
Economic Services:	10.4	12.9	14.3
Budget Deficit: mn CFAFr	1977	1978	1979
Total	5,404.7	6,092.3	-6,488.0
of which: Foreign Financing	...	...	...
Domestic Financing	...	...	...

<b>EXPENDITURE COMPONENTS OF GDP</b>	<b>US\$ mn</b>		
	1975	1976	1977
GDP	376.1	393.8	435.1
Private consumption	288.5	272.9	298.0
Government consumption	74.1	73.6	84.4
Gross capital formation	91.0	92.5	97.9
Net exports	-77.5	-45.3	-45.3

**GDP, Investment & Sectoral Growth %**  
(at constant 1967 prices)

	1975	1976	1977
GDP	13.2	4.4	8.0
Investment	...	...	...
Agriculture	4.0	2.9	3.8
Manufacturing	-5.3	2.5	15.4
Construction	-0.2	3.0	9.8

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows	1975	1976	1977
	20.3	26.8	21.1
DAC countries stock of foreign direct investment	1978		
	70.0		
Direct Investment flows by source country	...		

**FOREIGN TRADE US\$mn**

	1977	1978	1979
Total imports (cif)	63.3	54.8	69.7
Fuel imports (SITC 3)	0.6	0.9	...
Manufactured goods (SITC 5-8)	51.4	45.0	...
	1977	1978	1979
Total exports (fob)	80.5	71.7	79.6
Fuel exports (SITC 3)	0.0	0.0	0.0
Manufactured goods (SITC 5-8)	19.3	27.0	...

**Principal Export Markets (%)**

	1978
France	35.3
Belgium	20.7
Italy	7.2
USA	5.8

**Principal Export Products (%)**

	1980
Diamonds	28.8
Wood	28.8
Coffee	27.4
Cotton	7.5

**NATIONAL DEVELOPMENT PLAN**

Duration: 1980-81.

Targets:

- Aims: 1. Rural development.  
2. Improvement of the transport structure.

Finance: Central Government.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1978)	WORLD %
Uranium	t	18,000	1.0	...	...
Diamonds	'000 carats	...	...	284	...

**LABOUR RESOURCES '000 (1971)**

Agriculture	475.0
Manufacturing	52.0
Commerce & transport	32.0
Administration	7.5

**INFRASTRUCTURE**

**Roads:** In 1979 there were 22,550 km of roads of which 6,000 km were passable by heavy vehicles in all seasons.

**Railways:** There are no railways at present but there are plans to connect Bangui to the Trans-Cameroon railway.

**Shipping:** There are 2 navigable waterways linking Bangui to ports at Brazzaville and Salo.

**Telecommunications:** 0.5 telephones per 100 inhabitants (1973).

**Airports:** There is an international airport at Bangui.

**PRICE INDICATORS**

Inflation rate (% pa):	1978 9.1	1979 16.5	1980 15.3
Wholesale Price Index: 1970=100	1979 210.6	1980 253.3	1981 290.3
Terms of Trade: 1975=100	1977 150.0	1978 120.0	1979 108.0

**STRUCTURE OF MANUFACTURING SECTOR** mn CFAFr (1976)

Branch - ISIC Class	No. of units	Invest- ment	Employ- ment	Salaries	Gross output	Value added
31. Food & beverage	9	210	1,034	518	4,603	2,423
32. Textile	7	249	2,775	708	5,008	1,835
33. Wood	}	36	256	98	255	199
34. Paper						
35. Chemicals	3	7	98	67	355	145
36. Mineral products	...	...	...	...	...	...
37. Basic metals	...	...	...	...	...	...
38. Machinery	8	97	474	178	1,213	398
39. Others	...	...	...	...	...	...

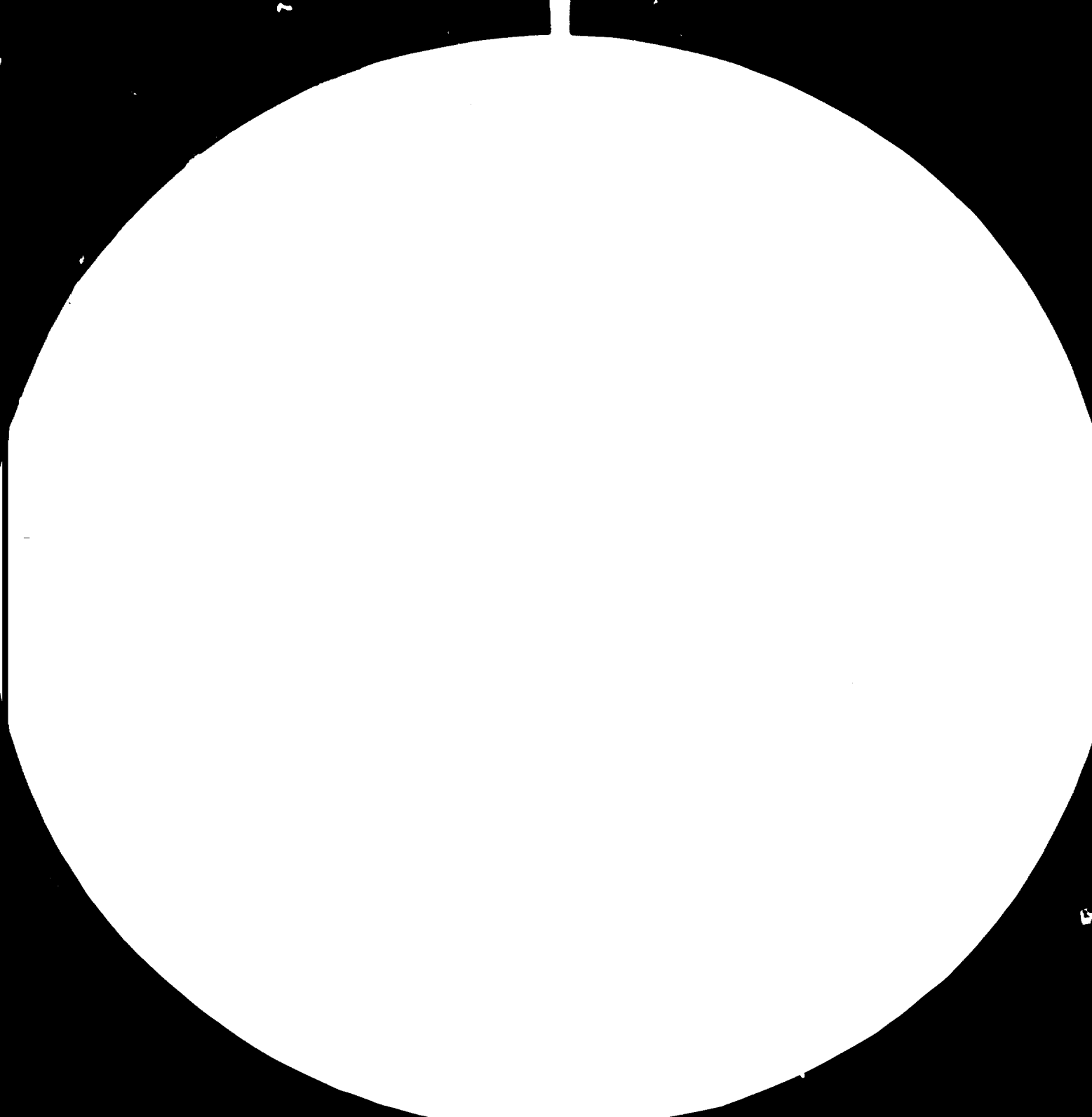




SUBJECT	REFERENCE	DETAILS
<p>A. GENERAL PRINCIPLES</p> <p>Fundamental Policy</p> <p>Eligibility Criteria</p> <p>Minimum Capital</p> <p>Foreign Participation</p> <p>Registration</p>		<p>Foreign investment is regarded as essential to the economic development of the country and is welcomed.</p> <p>The Government encourages investment for the development of mining, agriculture, industry and tourism. Labour intensive projects which afford training opportunities receive special consideration.</p> <p>None stipulated.</p>
<p>B. FINANCIAL TRANSFERS</p> <p>Profits</p> <p>Capital</p> <p>Loans (Principal &amp; Interest)</p> <p>Technology (Royalties, Fees etc)</p> <p>Exchange Control</p>		<p>No restrictions on repatriation.</p> <p>There are no exchange controls. Local currency is fully convertible to French Francs.</p>
<p>C. PATENTS/TRADEMARKS</p> <p>Patents</p> <p>Trademarks</p> <p>Protection of Industrial Property</p>		<p>Patents are granted by the Malagasy Industrial Property Office. They are valid for 20 years subject to payment of an annual renewal fee.</p> <p>The first applicant is entitled to registration and exclusive use of a trademark, but a prior user may oppose registration within a period of 3 years. Registration is valid for 20 years and is renewable for similar periods.</p> <p>Burundi is a signatory to the International Convention for the Protection of Industrial Property (1958).</p>
<p>D. TAXATION</p> <p>Corporate</p> <p>Property</p> <p>Indirect</p> <p>Direct</p>		

SUBJECT	REFERENCE	DETAILS
E. LABOUR Wages Working Hours Social Benefits Labour Disputes Foreign Labour		Monthly minimum wage (1979) US\$31 for unskilled workers.
F. INCENTIVE SCHEMES	Tax Exemption    Tax Stabilisation Double Taxation	Incentives include: <ol style="list-style-type: none"> <li>1. Exemption from duties and taxes on production and profits for up to 5 years.</li> <li>2. The right to write-off amortisation against taxes after the initial tax holiday period.</li> <li>3. Preferential access to utilities.</li> <li>4. Long term tax stabilisation on major capital investments.</li> <li>5. No double taxation.</li> </ol>







3.2



Microcopy Resolution Test Chart

1.0 1.1 1.25 1.4 1.6 1.8 2.0 2.2 2.5 2.8



EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**  
"Foreign Economic Trends and Their Implications for the United States" US Department of Commerce August 1980

**INSTITUTIONAL**  
Central African Republic Embassy, 21 Boulevard, Montmorrensy, 75106, Paris, France

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.



**GENERAL COUNTRY DATA**

Surface Area: 95,970,000 sq km  
 Capital City: Beijing  
 Inhabitants: 3.8 mn (end 1980)

Population: number (year): 982.6 mn (end 1980)

density: 102 per sq km

growth rate/year: 1.21% (1980)

Climate: Continental; sub-tropical in the South East

Languages: Putonghua (Mandarin Chinese), various local dialects

Religions: No major religions

Currency: 1 Yuan = 10 Jiao = 100 Fen

Exchange rate (per US\$): 1.768 (1981, Qtr 3)

Pegged to: None

GDP per capita: US\$247 (1980)

Inflation rate (%): 7.5 (1980)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP	bn Yuan	1977	1978	1979
at constant prices		265.9	301.1	335.0
Agriculture		98.4	108.4	127.3
Mining		...	...	...
Retail and wholesale		26.6	30.1	26.8
Manufacturing		130.3	150.6	167.5
Transport		10.6	12.0	13.4
GDP at current prices	bn Yuan	301.0	335.0	363.0
Imports/GDP		0.057	0.067	0.073
Exports/GDP		0.057	0.063	0.075
Savings/Investment		...	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations, IMF.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Petroleum, Tungsten, Coal, Manganese, Mercury, Iron ore, Tin, Phosphate rock, Asbestos, Lead.

Labour Resources: Economically active population 405.8 mn (1979)  
 Skilled: 16 mn (1979)

Main manufacturing branches: Textiles, Iron & Steel, Cement, Chemical Fertilisers, Timber & Transport equipment.

Infrastructure: Transport: 50,880 km of rail network (1979); 890,000 km of highway (1978); 3 international airports; over 70 airports for internal flights; 10 major seaports.

Energy: Electricity production 297 bn kwh (1980).

**Financial and Development**

Institutions: People's Bank of China, Agricultural Bank of China, Bank of Construction, China International Trust and Investment Corporation.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is generally welcome; but equity joint-ventures with substantial technology transfers are preferred.

**FINANCIAL TRANSFERS.** Approval is required by the State General Administration of Exchange Control or its branches.

**PATENTS/TRADEMARKS.** Trademarks are protected for a period of 10 years and are renewable.

**TAXATION.** Corporate: 20-40%; Direct: 5-45%.

**LABOUR.** Wages for employees of joint-ventures are required to be at 120-150% of the real wages of the employees in corresponding state-owned enterprises.

**INCENTIVE SCHEMES.** Tax holidays; Investment allowances; Incentives to locate in backward areas and to enterprises exploiting petroleum and other resources; special economic zones.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): ...			
Money Supply growth (%): 22.5 (1981 Qtr 3)			
Budget Expenditure (by function) bn Yuan	1978	1979	1980
Total	111.1	127.3	121.3
% of which: Defence:	16.8	22.3	19.4
Education & Social Services:	13.6	14.6	15.6
Economic Services:	45.2	51.5	53.9
Budget Deficit: bn Yuan	1978	1979	1980
Total	0.8	-20.5	-13.8
of which: Foreign Financing	-1.0	17.0	12.8
Domestic Financing	0.2	3.5	1.0

EXPENDITURE COMPONENTS OF GDP

GDP			
Private consumption			
Government consumption			
Gross capital formation			
Net exports			
GDP, Investment & Sectoral Growth % (at constant 1970 prices)			
GDP	1978	1979	1980
Investment	...	...	...
Agriculture	8.9	8.6	2.7
Manufacturing	13.5	8.5	8.7
Construction	...	...	...

FOREIGN INVESTMENT FLOWS US\$ MN

Aggregate foreign investment flows	1980 1,000	1981 1,200
DAC countries stock of foreign direct investment	...	...
Direct Investment flows by source country	...	...

FOREIGN TRADE US\$mn

	1978	1979	1980
Total imports (cif)	11,130.0	15,680.0	19,410.0
Fuel imports (SITC 3)	0*	0*	0*
Manufactured goods (SITC 5-8)	6,070.0	8,760.0	...
Total exports (fob)	9,950.0	13,610.0	18,180.0
Fuel exports (SITC 3)	1,020.0*	1,580.0*	...
Manufactured goods (SITC 5-8)	4,690.0*	6,150.*	...

\* Estimate

Principal Export Markets (%)

	1979
Hong Kong	22.1
Japan	20.4
US	4.3
Romania	3.5

Principal Export Products (%)

	1979
Textile yarn, fabrics & rugs	16.3
Crude oil	11.6
Clothing	8.2
Fruits & vegetables	5.3

NATIONAL DEVELOPMENT PLAN

The Sixth Five-Year Plan (1981-85) has been abandoned. Planning on an annual basis to provide re-adjustment policies has been adopted. The general aims of these re-adjustment programmes are:

1. Accelerate the development of agriculture.
2. Shift resources from heavy industry to consumer goods industries.
3. Improve energy utilisation, increase investment in energy industry and economic infrastructure.
4. Increase efficiency in the production by enterprises and the running of their organisational structure.
5. Encourage capital investment by local authorities and enterprises.
6. Persist in an open-door policy and further economic and technological exchanges with other countries.
7. Improve the efficiency in the running of the economy.
8. Raise the scientific and cultural level of all working people.
9. Ensure that the growth of production leads to an improvement in the people's standard of living.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Tin	'000 t	1,500,000	15.5	17.0*	7.4
Tungsten	t	952,600	37.5	14,500	24.2
Iron ore	'000 t	6,100	2.7	66,000*	7.5
Mercury	flasks	1,000,000	23.3	20,300*	8.9
Coal	mn t	600,000	30.6	635	17.1
Manganese	'000 t	15,000	0.3	1,200*	5.0
Crude oil <sup>a</sup>	bn bbls & mn b/d	20.5	3.2	254	4.0

\* Estimate  
a 1980 data

**LABOUR RESOURCES '000,000 (1979)**

Total labour force	405.8
of which: employed by State in:	76.93
industrial enterprises	30.38
military & civil service	32.8
service trades	13.75
Employed in urban collectives	22.74
Urban self-employed	0.31
Employed in agriculture	305.82
of which Commune & brigade enterprises	29.09

**INFRASTRUCTURE**

Roads: 890,000 km of highway (1978).

Railways: 50,880 km of rail network (1979).

Shipping: 18 new berths were added in 1980; main international ports are Shanghai (100 berths), Dalian (48 berths), Qinhuangdos; Qingdao, Xiamen, Zhanjiang, Shijiusuo, Beilun, Huangpu and Tianjin.

Telecommunications:

Airports: 3 major international airports: Beijing, Shanghai and Quangdong.

**PRICE INDICATORS**

Inflation rate (%pa):	<u>1978</u> 0.7	<u>1979</u> 2.0	<u>1980</u> 7.5
Wholesale Price Index:			
Terms of Trade:	100.0	97.0	
	1978=100		

**STRUCTURE OF MANUFACTURING SECTOR** (manufacturing production - in mn metric tons unless otherwise stated)

Branch	1978	1979	1980
Steel	31.8	34.5	37.1
Cement	65.2	74.0	80.0
Chemical fertilisers	8.7	10.7	12.5
Machine tools	'000 units 183.0	140.0	134.0
Motor vehicles	'000 units 149.0	186.0	222.0
Bicycles	'000 units 8,540.0	10,090.0	13,020.0
Wrist watches	'000 units 13,510.0	17,070.0	22,160.0
Television sets	'000 units 517.0	1,327.0	2,492.0
Radio sets	'000 units 11,680.0	13,810.0	30,040.0
Cotton yarn	2.4	2.6	2.9
Cotton cloth	bn sq m 10.3	11.4	12.8





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b> Fundamental Policy		Foreign investment is generally welcome. Equity joint ventures, material processing and compensation trade are particularly encouraged, especially when substantial technology transfers are involved. Investors can seek advice from the China International Trust and Investment Corporation.
Eligibility Criteria	Joint Venture Law, July 1979	Criteria are set for individual cases. Equity joint ventures require the approval of the Foreign Investment Commission.
Minimum Capital	Joint Venture Law, July 1979	25% of foreign capital is stipulated in equity joint ventures.
Foreign Participation		No maximum limit; but investment lending to wholly foreign-owned enterprises is not encouraged.
Registration	Joint Venture Law, July 1979	Approved equity joint ventures are required to register with the General Administration for Industry and Commerce to obtain license to operate, except enterprises located in special economic zones.
<b>B. FINANCIAL TRANSFERS</b>		
Earnings of Enterprises (with Foreign Capital or joint ventures)	Provisional Foreign Exchange Control Regulations, March 1981	Enterprises are required to apply to the Bank of China for remitting abroad their net profits after tax and other legitimate earnings and to the State General Administration of Exchange Control or its branches for transferring foreign exchange capital abroad.
Earnings of Foreign Individuals Employed by these Enterprises		An amount not exceeding 50% of their net wages and other legitimate earnings after tax may be remitted abroad in foreign currency.
<b>C. PATENTS/TRADEMARKS</b>		
Patents		At present assurance may be given on a case by case basis. The first patent law is expected to be promulgated soon.
Trademarks	Measures for the Control of Trademarks, April 1963	The period of protection for foreign enterprises is 10 years and it is renewable. There is no fixed duration for the validity of the trademark's registration for Chinese enterprises.
<b>D. TAXATION</b>		
Corporate	Income Tax Law Concerning Joint Ventures, September 1980	30% on net income of equity joint ventures plus 10% surcharge on assessed income tax. Equity joint ventures exploiting petroleum, natural gas and other resources shall be stipulated separately. Further 10% is levied on remitted profit of the foreign participant.
	Income Tax Law Concerning Foreign Enterprises, January 1982	A progressive rate of 20% to 40% on net income derived in China by foreign enterprises with establishments in China. A surcharge of 10% is also levied on the same taxable income.

SUBJECT	REFERENCE	DETAILS
Property Indirect	Urban Real Property Tax, 1951	<p><b>DETAILS</b> A flat rate of 20% is levied on net income derived in China by foreign enterprises with no establishments in China. 1.5% per annum for land; 1% for buildings.</p>
Direct	Individual Income Tax Law, September 1980	<p>No specific capital gains tax; import tariffs and export duties for equity joint ventures are negotiable.</p> <p>For individuals residing for one year or more in China tax is levied on all incomes; while other individuals are taxed only on their income gained in China. A progressive rate of 5% to 45% is levied on income from wages and salaries in excess of a monthly allowance of 800 yuans; a flat rate of 20% is levied on income from other sources.</p>
<b>E. LABOUR</b>		
Wages	Regulations on Labour Management in Joint Ventures, 1980	<p>(For workers and staff members of a joint venture.) At 120%-150% of the real wages of the workers and staff members of state-owned enterprises of the same trade in the locality. The joint ventures may decide on the wage standards, the forms of wage paid, and bonus and subsidy systems.</p>
Working Hours Social Benefits		<p>As stipulated in individual approved signed labour contracts.</p> <p>Chinese workers' and staff members' labour insurance and their medical expenses are payable by the employer, including various kinds of government subsidies in line with standards prevailing in state-owned enterprises.</p>
Labour Disputes		<p>Labour disputes should first be solved by consultation by both parties. Either party or both may then request for arbitration by the local government's labour management department. A suite can also be filed at the local people's court upon the dissatisfaction of the results of the arbitration.</p>
Foreign Labour		<p>In an equity joint venture, the conditions of the employment of foreign labour are stipulated in the employment contracts.</p>
<b>F. INCENTIVE SCHEMES</b>		
Tax Holiday	Income Tax Law Concerning Joint Ventures, September 1980 and Income Tax Law Concerning Foreign Enterprises, January 1982	<p>A newly established equity joint venture scheduled to operate for a period of 10 years may, upon official approval, be exempted from income tax in the first profit-making year and allowed a 50% reduction in the second and third years. New equity joint ventures and foreign enterprises engaged in such low-profit operations as farming and forestry or located in remote, economically under-developed outlying areas may, upon the approval of the Ministry of Finance, be allowed a 15% to 30% reduction in income tax for a period of 10 years in addition to the exemptions and reductions mentioned in the proceeding paragraph.</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Beijing Air Catering Co Ltd (with registered capital of Rmb5.88 mn)	Civil Aviation Administration of China; China Air Catering of Hong Kong	51	49	...	...	...	...	...	...
China-Schindler Elevator Co Ltd (with registered capital of US\$16 mn)	China Construction Machinery Corporation; Schindler Holdings AG of Switzerland; Jardine Schindler (Far East) Holdings	75	25	...	...	...	...	...	...
China Otsuka Co Ltd (with registered capital of ¥1.6 bn)	China National Drug & Medical Control Agency; Otsuka pharmaceutical Co of Japan	50	50	...	...	...	...	...	...

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION	
<b>DOCUMENTARY</b>	
Peking Review	
People's Daily	
The Far Eastern Economic Review	
China Trade Report	
The Chinese Business Review	
"Taxes and Investment in Asia and the Pacific"	
Ta-Kung Pao (Hong Kong)	
The Asian Wall Street Journal	
<b>INSTITUTIONAL</b>	
State Statistical Bureau	
The Embassy of the People's Republic of China (in London)	
The School of Oriental and African Studies	
Xinhua News Agency	

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area. 342,000 sq km  
 Capital City: Brazzaville  
 Inhabitants: 422,402 (1980, estimate)

Population: number (year): 1.54 mn (1980)  
 density: 4.50 per sq km  
 growth rate/year: 2.7% (1980)

Climate: Tropical  
 Languages: French (OL), Lingala, Kikongo  
 Religions: Christianity, Traditional beliefs

Currency: 1 CFA Franc = 100 Centimes  
 Exchange rate (per US\$): 271.730 (1981)  
 Pegged to: French Franc  
 GDP per capita: US\$898 (1980)  
 Inflation rate (%): 16.5 (1981, Qtr 2)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant prices	bn CFA Fr	1975	1976	1977
Agriculture		18.1	17.1	17.1
Mining		25.8	26.8	23.9
Retail and wholesale		21.2	21.1	21.1
Manufacturing		27.1	27.5	23.1
Transport		33.2	32.6	32.6
GDP at current prices	bn CFA Fr	204.9	247.2	292.0
Imports/GDP		0.419	0.489	0.745
Exports/GDP		0.660	0.585	0.865
Savings/Investment		0.260	0.535	0.399

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations, the Franc zone, OAU, AFDB, BADEA and UDEAC.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Petroleum, Gold, Copper, Natural Gas.

Labour Resources: 487,267 (1974 Census)

Main manufacturing branches: Potash fertilisers, Sawwood, Cigarettes, Soap.

Infrastructure: Transport: 8,246 km of roads, 796 km railway track, 2 international airports.

Energy: Electricity production 112 mn kwh (1979).

**Financial and Development**

Institutions: Banque des Etats de L'Afrique Centrale; Banque Commerciale Congolaise; Banque Nationale de Developpement du Congo; Caisse Centrale de Cooperation Economique; Union Congolaise de Banques.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is actively encouraged in a wide range of activities.

**FINANCIAL TRANSFERS.** The exchange rules of the Franc zone apply to the Congo.

**PATENTS/TRADEMARKS.** Patents and trademarks are granted for 20 years. Congo is a signatory to the International Convention for the Protection of Industrial Property.

**TAXATION.** 10% import turnover tax.

**LABOUR.**

**INCENTIVE SCHEMES.** Enterprises are graded according to their contribution to the economy. Incentives mostly relate to exemption from taxes and duties and stabilisation of the tax system.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): ...			
Money Supply growth (%): 54.5 (1981, Qtr 3)			
Budget Expenditure (by function) bn CFAFr	1971		
Total	20.0		
% of which: Defence:	16.1		
Education & Social Services:	36.7		
Economic Services:	23.2		
Budget Deficit: bn CFAFr	1976	1977	1978
Total	-8.6	-10.4	-15.9
of which: Foreign Financing	2.8	1.9	-0.7
Domestic Financing	11.4	12.3	15.2

EXPENDITURE COMPONENTS OF GDP (at current prices) US\$ mn

	1974	1975	1976
GDP	744.7	725.6	739.6
Private consumption	510.9	505.9	501.5
Government consumption	253.4	256.1	249.1
Gross capital formation	192.2	151.1	133.5
Net exports	-228.3	-202.2	-150.4

GDP, Investment & Sectoral Growth %  
(at constant 1975 prices)

	1978	1979	1980
GDP	-1.0	7.4	8.0
Investment	...	...	...
Agriculture	...	...	...
Manufacturing	...	...	...
Construction	...	...	...

FOREIGN INVESTMENT FLOWS US\$ MN

	1976	1977	1978
Aggregate foreign investment flows	1.4	2.0	4.1
DAC countries stock of foreign direct investment ...	...	...	170.0
Direct Investment flows by source country ...	...	...	...

FOREIGN TRADE US\$mn

	1976	1977	1978
Total imports (cif)	186.8	180.9	147.3
Petroleum imports	15.1	19.5	26.4
Manufactured goods (SITC 5-8)	123.6	139.5	...
	1976	1977	1978
Total exports (fob)	175.3	173.2	250.7
	1978	1979	1980
Fuel exports (SITC 3)	222.1	352.9	740.4
	1975	1976	1977
Manufactured goods (SITC 5-8)	207.6	235.9	288.9

Principal Export Markets (%)

	1980
Italy	27.0
USA	10.3
Germany	6.1
Brazil	4.4

Principal Export Products (%)

	1978
Crude petroleum	53.9
Wood	8.2
Diamonds	7.4
Coffee	3.6

NATIONAL DEVELOPMENT PLAN

Duration: 1982-86.

Aims: The priority areas for government spending are agriculture, infrastructure, education and health. In particular the main areas for investment are sugar, livestock ranching, reafforestation and wood processing industries, especially in the north of the country.

Finance: Central Government; foreign investment.



**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Copper	short t	...	...	1.0	...
Gold	kg	...	...	203.0	...
Natural gas	'000 mn cu ft	2,000	0.1	...	...
Petroleum: reserves production	'000 bbl '000 b/d	} 660,000 <sup>a</sup>	...	79 <sup>b</sup>	...

a = 1980. b = 1981.

**LABOUR RESOURCES '000 (1968)**

Agriculture	8.1	Construction	7.0
Mining	2.9	Transport	12.4
Manufacturing	12.9	Commerce	6.8
Electricity, gas & water	0.9	Services	10.2

**INFRASTRUCTURE**

**Roads:** There are 8,246 km (1980) of roads which are usable throughout the year of which 535 km are metalled.

**Railways:** The main track is 510 km long and links Brazzaville to Pointe-Noire. There is a 286 km link to Moanda (Gabon). A major realignment of the railways is in progress and due to be completed in 1982.

**Shipping:** There is a highly developed inland waterway system, based on the River Congo and consisting of 2,300 km of navigable waters. Pointe-Noire is the main shipping port whilst Brazzaville is an important inland port.

**Telecommunications:** 0.9 telephones per 100 inhabitants (1979).

**Airports:** 2 international airports at Brazzaville and Pointe-Noire.

**PRICE INDICATORS**

Inflation rate (% pa):	<u>1978</u> 10.1	<u>1979</u> 8.1	<u>1980</u> 7.3
Wholesale Price Index: 1975=100	139.1	151.6	172.7
Terms of Trade: 1975=100	<u>1977</u> 96.0	<u>1978</u> 85.0	<u>1979</u> 91.0

**STRUCTURE OF MANUFACTURING SECTOR mn CFAFr (1973)**

No. of establishments	Employees ('000)	Salaries	Gross output	Value added
59	16.3	5,163.0	19,411.0	9,758.0

**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	1975	1976	1977	1978	1979
Potash fertiliser	'000 t	285.0	277.1	266.8	81.3	...
Cigarettes	mn	...	1,198.0	1,253.0	1,355.0	1,081.0
Soap	t	4,432.0	5,097.0	5,100.0	3,375.0	2,511.0
Sawnwood	'000 cu m	41.0	60.0	49.0	43.0	49.0 <sup>a</sup>

a estimate





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy	Investment Code, 1973	The Congolese government actively encourages foreign investment in an effort to diversify its foreign investment partners.
Eligibility Criteria		The government prefers private investment in agriculture, animal husbandry, forestry, mining, industry, public works, hotel and restaurant construction and tourism.
Minimum Capital		None stipulated.
Foreign Participation		Not stipulated.
Registration		Register with the Ministry of Planning.
<b>B. FINANCIAL TRANSFERS</b>		
Profits		
Capital		
Loans (Principles & Interest)		No restriction on repatriation except that 10% of annual profits must be invested locally.
Technology (Royalties, Fees etc)		
Exchange Control		The Congo applies the exchange rules of the Franc area of which it is a member.
<b>C. PATENTS/TRADEMARKS</b>		
Patents	Organisation Commune Africaine et Malagache Agreement, 1962	Patents must be registered with the African and Malagasy Industrial property office and are valid for a term of 20 years subject to the payment of annual renewal fees.
Trademarks		The first applicant is entitled to registration and exclusive use of a mark. Registration lasts for 20 years and is renewable for similar periods.
Protection of Industrial Property		The Congo is a signatory to the International (Lisbon) Convention for the Protection of Industrial Property.
<b>D. TAXATION</b>		
Corporate		
Property		
Indirect	Central African Customs & Economic Union	Import turnover tax: 10% on cif value; Supplementary tax levied on luxury items.
Direct		

SUBJECT	REFERENCE	DETAILS
E. LABOUR Wages Working Hours Social Benefits Labour Disputes Foreign Labour		<p>Foreign employees are subject to the same social and labour laws as the indigenous population.</p>
F. INCENTIVE SCHEMES	Investment Ordinance No. 11, 1973	<p>Enterprises are classified under categories A, B, C and D and benefits vary accordingly. System A and B incentives are applicable to undertakings whose activities and markets are restricted to the national territory, systems C and D to enterprises whose activities cover 2 countries (system C) or several countries of the UDEAC* (system D).</p> <p><u>System A Incentives:</u></p> <ol style="list-style-type: none"> <li>1. 5% reduction on duties and taxes on the import of equipment and raw materials necessary for the establishment of an enterprise.</li> <li>2. Exemption from taxes and duties on imports and direct and indirect taxes on raw materials and products necessary for production.</li> <li>3. Possible exemption from taxes on electricity.</li> </ol> <p><u>System B Incentives:</u></p> <p>In addition to the incentives offered to category A enterprises those in category B are also afforded protection for up to 25 years against increased duties (stabilisation of the tax system) and are exempt from payment of turnover tax.</p> <p><u>System C Incentives:</u></p> <ol style="list-style-type: none"> <li>1. Exemption, for 5 years, from tax on industrial and commercial profits</li> <li>2. Exemption, for a maximum of 10 years, from land tax on land used for the construction of new factories.</li> <li>3. Exemption, for a maximum of 10 years from land tax on new lands brought into cultivation and used for the rearing of livestock.</li> <li>4. Exemption for 5 years of the rent on land used for mining or forestry</li> </ol> <p><u>System D Incentives:</u></p> <p>Category D enterprises benefit from all the incentives offered under system C plus admission to the advantageous single tax system for products manufactured locally.</p> <p>* Central African Customs and Economic Union</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Agrip Recherches Congo SA (Exploration & Production of Oil and Gas)	ENI	20	80	...	...	0	69	...	...
Bata SA Congolaise (Footwear)	Bata	0	100	...	...	259	4	99	1

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Code des Investissement de la Republique  
Populaire du Congo"

"Foreign Economic Trends and their Implications US Department of Trade 1981  
for the US"

**INSTITUTIONAL**

Embassy of Congo, 37 bis Rue Paul, Valery, Paris 16, France

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 751 sq km  
 Capital City: Roseau  
 Inhabitants: 20,000 (1978)

Population: number (year): 0.08 mn (1981)  
 density: 106.52 per sq km  
 growth rate/year: 0.0% (1980)  
 Climate: Tropical  
 Languages: English (OL), French  
 Religions: Christianity

Currency: 1 East Caribbean Dollar = 100 Cents  
 Exchange rate (per US\$): 2.700 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$503.5 (1978)  
 Inflation rate (%): 17.9 (1979)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1977 prices	mn EC\$	1975	1976	1977
Agriculture		29.1	32.2	33.1
Mining		0.7	0.8	1.0
Retail and wholesale		6.9	7.8	7.5
Manufacturing		3.0	3.4	3.4
Transport		...	...	...
GDP at current prices	mn EC\$	72.4	90.4	90.9
Imports/GDP		...	...	...
Exports/GDP		...	...	...
Savings/Investment		0.766	...	1.411

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Dominica is a member of the UN and its associated organisations (except for ICAO, ILO, ITU, WHO, WMO and WIPO), Caricom and the Commonwealth.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Pumice

Labour Resources: 25,150 (1976)

Main manufacturing branches: Edible oils, Soap, Furniture

Infrastructure: Transport: 751 km of roads, no railways, 1 provincial airport.  
 Energy: Electricity production 17 mn kwh (1978).

**Financial and Development**

Institutions: Banque Francaise Commerciale; Dominica Co-operative Bank Ltd; National Commercial and Development Bank of Dominica.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is very welcome. Priority is given to labour intensive enterprises.

**FINANCIAL TRANSFERS.** Permission is required from the Ministry of Finance. A 10% withholding tax is imposed in all cases.

**PATENTS/TRADEMARKS.** UK law applies at present.

**TAXATION.** Corporate: 50%; Direct: 4-50%.

**LABOUR.** Average minimum wage EC\$80-100 per week. Foreign labour is only permitted if local expertise is not available.

**INCENTIVE SCHEMES.** Tax holidays; Export allowances; Exemption from import duty; Double taxation agreements.





ECONOMIC INDICATORS		MONETARY INDICATORS		
Interest rate (%): ...				
Money Supply growth (%): ...				
Budget Expenditure (by function) mn EC\$		1977	1978	1979
Total		27.7	44.2	53.4
% of which: Defence:		0.1	1.3	1.2
Education & Social Services:		40.3	26.6	24.5
Economic Services:		18.3	13.0	21.6
Budget Deficit: mn EC\$		1977	1978	1979
Total		0.2	-2.7	-8.1
of which: Foreign Financing		...	...	...
Domestic Financing		...	...	...
<hr/>				
EXPENDITURE COMPONENTS OF GDP US\$ mn				
		1976	1977	1978
GDP		26.8	33.5	33.7
Private consumption		18.9	25.4	23.7
Government consumption		7.5	3.9	10.2
Gross capital formation		6.2	7.7	8.7
Net exports		-5.0	-7.0	-8.9
<hr/>				
GDP, Investment & Sectoral Growth % (at constant 1977 prices)				
		1975	1976	1977
GDP		...	6.9	2.6
Investment		...	...	...
Agriculture		...	10.6	2.8
Manufacturing		...	14.7	0.5
Construction		...	6.9	-12.3
<hr/>				
FOREIGN INVESTMENT FLOWS US\$ MN				
Aggregate foreign investment flows ...				
DAC countries stock of foreign direct investment ...				
Direct Investment flows by source country ...				

FOREIGN TRADE US\$mn			
	1977	1978	1979
Total imports (cif)	21.9	28.4	22.2
Fuel imports (SITC 3)	1.4	1.7	1.4
Manufactured goods (SITC 5-8)	12.0	16.3	13.0
<hr/>			
	1977	1978	1979
Total exports (fob)	12.0	15.9	9.4
Fuel exports (SITC 3)	0.0	0.0	0.0
Manufactured goods (SITC 5-8)	1.8	2.8	2.5
<hr/>			
Principal Export Markets (%)			
	1979		
United Kingdom	55.5		
USA	3.9		
CARICOM	31.8		
<hr/>			
Principal Export Products (%)			
	1979		
Bananas	48.3		
Coconut oil	7.1		
Soap	18.9		
Bay oil	5.3		
<hr/>			
NATIONAL DEVELOPMENT PLAN			
1979/80-1984/85 Public Investment Programme.			
Finance: \$66.2 mn. 11% from Dominica.			

NATURAL RESOURCES					
MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1978)	WORLD %
Pumice	'000 t			110.0 <sup>a</sup>	
a estimate					
LABOUR RESOURCES '000 (1970)					
Agriculture		7.7		Commerce	1.7
Manufacturing		1.5		Transport	0.7
Construction		1.9		Services	4.7
Electricity, gas & water		1.2		Others	0.1

**INFRASTRUCTURE**

**Roads:** In 1976 there were 372 km of first class, 262 km of second class and 117 km of third class roads. Extensive road development is taking place.

**Railways:** Dominica has no railways.

**Shipping:** A deep-water harbour serves Roseau.

**Telecommunications:** 5.3 telephones per 100 inhabitant.

**Airports:** The main airport is at Melville Hall served by 4 provincial airlines.

PRICE INDICATORS			
Inflation rate (% pa):	<u>1977</u> 9.5	<u>1978</u> 7.8	<u>1979</u> 17.9
Wholesale Price Index:	...	...	...
Terms of Trade:	<u>1977</u> 100.0	<u>1978</u> 100.6	<u>1979</u> 99.5
	1977=100		

**STRUCTURE OF MANUFACTURING SECTOR**

PRODUCTION OF SELECTED MANUFACTURING PRODUCTS						
Product	Unit	1973	1974	1975	1976	1977
Rum	'000 hl	3	5	6	6	...
Soap	t	...	400	500	800	2,100





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy		The Dominican Government has a policy of encouraging foreign investment by providing financial and other incentives whilst maintaining a framework within which it can protect the environment and safeguard national interests.
Eligibility Criteria		Priority is given to labour-intensive enterprises.
Minimum Capital		None stipulated.
Foreign Participation		There is no legal limit on the extent of foreign participation.
Registration		Register with the Ministry of Finance. Application fee: EC\$300-500 plus registration fee of EC\$200-300 on capital less than EC\$400,000.
B. FINANCIAL TRANSFERS		
Profits		
Capital		
Loans (Principal & Interest)		Repatriation of profits, capital, loans, royalties and similar payments must be arranged specifically with the Ministry of Finance. A 10% withholding tax is imposed in all cases.
Technology (Royalties, Fees etc)		
Exchange Control		There is a foreign exchange tax of 2% on all purchases of foreign currency.
C. PATENTS/TRADEMARKS		
Patents		
Trademarks		Dominica's patent and trademark law is an extension of UK law since she does not have her own legislation on the subject at present. Apply to the Registrar of Patents to effect protection.
Protection of Industrial Property		
D. TAXATION		
Corporate		50%: A World Bank recommendation to cut tax to 40% is being considered.
Property		2% on purchases; 2% on sales; Land tax levied at nominal rate per acre.
Indirect		Hotel tax: 5% on every hotel bill; Consumption duty: 1-25%; Export duties; chargeable on principal agricultural products on a sliding scale basis; Custom duties: Preferential rate 5-30%; General rate 8-42½%
Direct	Income Tax Ordinance No. 28, 1966	4-50%; Personal allowance: EC\$300; Wife: EC\$600; Each child: EC\$200.



SUBJECT	REFERENCE	DETAILS
<p>E. LABOUR</p> <p>Wages</p> <p>Working Hours</p> <p>Social Benefits</p> <p>Labour Disputes</p> <p>Foreign Labour</p>		<p>Average minimum wage EC\$80-100 per week.</p> <p>Basic 40 hour week; 12 public holidays.</p> <p>Contributory pension and gratuity schemes.</p> <p>Workers have the right to join a trade union. There is no set mechanism for settling disputes but often a government minister will intervene.</p> <p>Foreign management and technicians are permitted only if local expertise is not available. Work permits are issued by the Ministry of Labour. There is a 10% employment levy on expatriates' annual income.</p>
<p>F. INCENTIVE SCHEMES</p>	<p>Pioneer Industries Act</p>	<p>Pioneer status may be granted to a person, enterprise, industry or product in common with the legislation in the rest of CARICOM. The entitlement includes:</p> <ol style="list-style-type: none"> <li>1. Duty free importation of building materials, plant and equipment.</li> <li>2. A tax holiday of up to 15 years depending on the nature of the investment and capital outlay.</li> </ol>
	<p>Fiscal Incentives Act</p>	<p>The FIA classifies enterprises into 4 groups and incentives are determined accordingly:</p> <ol style="list-style-type: none"> <li>1. More than 50% of local value added - 15 year tax holiday.</li> <li>2. 25-50% of local value added - 12 year tax holiday.</li> <li>3. Less than 25% of local value added - 10 year tax holiday.</li> <li>4. Enclave industries - 15 year tax holiday.</li> </ol>
	<p>Export Allowances</p>	<p>Export profit, taken as a percentage of company profit, is measured for the purpose of granting a rebate on company tax:</p> <ol style="list-style-type: none"> <li>1. Export profit 10-21% - company tax rebate of 25%.</li> <li>2. Export profit 21-41% - company tax rebate of 35%.</li> <li>3. Export profit 41-61% - company tax rebate of 45%.</li> <li>4. Export profit greater than 61% - company tax rebate of 50%.</li> </ol> <p>NB: Company tax rebate is taken as a percentage of company tax on export profits.</p>
	<p>Double Taxation</p>	<p>Treaties exist with the USA, the UK, New Zealand, Norway, Sweden, Switzerland, Denmark, Barbados, Jamaica, Trinidad and Tobago and Uganda.</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

...

**INSTITUTIONAL**

Dominica Embassy, 4 Braemar Mansions, Cornwall Gardens, London SW7  
British High Commission, Commercial Section, Barclays Bank Building, 147-9 Roebuck Street,  
P.O. Box 676c, Bridgetown, Barbados

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 1,101,449 sq km  
 Capital City: Cairo  
 Inhabitants: 5,074,100 (1976)

Population: number (year): 41.99 mn (1980)  
 density: 38.12 per sq km  
 growth rate/year: 2.5% (1980)  
 Climate: Semi-arid, with mild winters  
 Languages: Arabic (OL)  
 Religions: Islam

Currency: 1 Egyptian Pound = 100 Piastres  
 Exchange rate (per US\$): 0.700 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$540 (1980)  
 Inflation rate (%): 10.5 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP mn EE at constant 1975 prices	1975	1976	1977
Agriculture	1,468.5	1,491.0	1,698.5
Mining	0.0	0.0	0.0
Retail and wholesale	636.3	662.0	713.3
Manufacturing	998.5	1,138.0	1,325.0
Transport	246.1	412.0	451.2
<b>GDP at current prices mn EE</b>	<b>9,782.0</b>	<b>12,475.0</b>	<b>15,883.7</b>
Imports/GDP	0.286	0.460	0.405
Exports/GDP	0.217	0.370	0.431
Savings/Investment	0.588	0.625	0.761

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations, AFDB, Arab League, Arab Monetary Fund, Council of Arab Economic Unity, Islamic Development Bank and the OAU.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Petroleum, Phosphate Rock, Aluminium, Iron Ore

Labour Resources: Employment 10.02 mn (1979)

Main manufacturing branches: Textiles, petroleum products, iron and steel, aluminium

Infrastructure: Transport: 90,000 km roads, 5,000 km railway track, 1 international airport.

Energy: Electricity production 14,500 mn kwh (1978).

**Financial and Development**

Institutions: Central Bank of Egypt; 33 Commercial Banks.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is very welcome. Priority given to export-orientated and import-substitution industries.

**FINANCIAL TRANSFERS.** Very liberal. Companies are permitted to maintain and operate their own foreign exchange accounts.

**PATENTS/TRADEMARKS.** Legislation is similar to that of the UK. Projects may not be nationalised.

**TAXATION.** Corporate: 39.7%; Direct: 2-27% on basic income plus a further tax of 8-50% on earnings over E£1,200 p.a.

**LABOUR.** Minimum working week 42 hours. 1 months vacation. Expatriate workers are required to hold a residence visa and a work permit.

**INCENTIVE SCHEMES.** Tax exemptions; Exemptions from customs and import duties; Free Zones.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%):	12.0	(1981)	
Money Supply growth (%):	29.9	(1981)	
Budget Expenditure (by function) mn EE	1976	1977	1978
Total	3,773.4	3,910.7	4,151.1
% of which: Defence:	8.9	8.8	8.2
Education & Social Services:	27.9	31.5	31.3
Economic Services:	20.6	17.2	23.5
Budget Deficit: mn EE	1977	1978	1979
Total	-1,113.6	-1,245.6	-1,964.3
of which: Foreign Financing	525.7	300.7	397.0
Domestic Financing	587.9	944.9	1,567.3

**EXPENDITURE COMPONENTS OF GDP US\$ mn**

	1977	1978	1979
GDP	20,981.0	24,998.0	17,821.8
Private consumption	12,553.1	16,046.6	12,318.8
Government consumption	5,055.0	5,768.0	3,584.3
Gross capital formation	4,520.1	6,690.1	4,780.1
Net exports	-2,019.0	-3,503.7	-2,860.1

**GDP, Investment & Sectoral Growth %  
(at constant 1975 prices)**

	1978	1979	1980
GDP	10.1	8.7	10.0
Investment	...	...	...
Agriculture	1.5 <sup>1</sup>	13.9 <sup>2</sup>	...
Manufacturing	14.0 <sup>1</sup>	16.4 <sup>2</sup>	...
Construction	...	...	...

<sup>1</sup> 1976.    <sup>2</sup> 1977.

**FOREIGN INVESTMENT FLOWS US\$ MN**

	1978	1979	1980
Aggregate foreign investment flows	105.1	318.0	1,215.8
DAC countries stock of foreign direct investment	...	245.0	...
Direct Investment flows by source country	1974	1975	1976
Germany	3.2	15.0	23.9

**FOREIGN TRADE US\$mn**

	1978	1979	1980
Total imports (cif)	6,726.6	3,837.4	4,860.0
Fuel imports (SITC 3)	109.1	100.8	31.3
Manufactured goods (SITC 5-8)	3,114.6	2,686.9	2,568.8
Total exports (fob)	1,737.1	1,839.7	3,046.0
Fuel exports (SITC 3)	413.5	481.9	764.9
Manufactured goods (SITC 5-8)	460.3	512.9	417.1

**Principal Export Markets (%)**

	1980
Italy	30.2
Greece	10.2
USA	9.4
USSR	3.7

**Principal Export Products (%)**

	1979
Crude petroleum	30.8
Cotton	21.6
Textile yarn & thread	10.1
Cotton fabric woven	3.2

**NATIONAL DEVELOPMENT PLAN**

Duration: 1980-84.

- Targets:
1. An annual increase in GDP of 10%.
  2. A 3% per annum growth in agriculture.
  3. A 12% growth in industry by 1984.

- Aims:
1. To move away from capital intensive to labour intensive projects.
  2. The development of the textile industry.
  3. The promotion of drainage projects.

Finance: Domestic resources; Foreign aid and loans.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Petroleum:					
reserves	'000 bbl	2,900,000	0.4	585.0	1.0
production	'000 b/d	...	...	...	...
Phosphate rock	'000 t	...	...	644.0	0.5
Aluminium	'000 t	...	...	101.0	...
Iron ore	'000 t	...	...	1,435.0	0.2

**LABOUR RESOURCES '000 (1979)**

Agriculture	4,002.0	Commerce	918.4
Mining	22.8	Transport	488.4
Manufacturing	1,532.1	Finance	116.8
Electricity, gas & water	65.7	Services	1,820.5
Construction	448.5	Others	608.3

**INFRASTRUCTURE**

**Roads:** 90,000 km of roads. Good metalled main roads exist between Cairo and Alexandria and Cairo and Suez. The Ahmed Hamdi road tunnel beneath the Suez Canal has now been opened.

**Railways:** 5,000 km of railway track.

**Shipping:** The chief port is at Alexandria. The 173 km Suez Canal is open to shipping.

**Telecommunications:** 1.2 telephones per 100 inhabitants (1979).

**Airports:** There is an international airport at Heliopolis (Cairo).

**PRICE INDICATORS**

Inflation rate (%pa):	1979 9.9	1980 20.6	1981 10.5
Wholesale Price Index: 1970=100	194.5	256.9	260.5
Terms of Trade: 1975=100	1977 91.0	1978 32.0	1979 75.0

**STRUCTURE OF MANUFACTURING SECTOR mn EE (1974)**

Branch - ISIC Class	No. of units	Invest- ment	Employ- ment ('000)	Salaries	Gross output	Value added
31. Food & beverage	1,914	45.8	126.7	44.2	610.2	106.0
32. Textile	1,224	100.3	284.9	93.1	481.2	218.0
33. Wood	169	2.3	9.3	2.7	17.4	6.9
34. Paper	204	14.4	31.1	12.3	74.6	27.9
35. Chemicals	228	150.4	79.6	35.7	271.5	95.0
36. Mineral products	440	29.0	37.3	12.8	66.4	20.7
37. Basic metals	60	128.9	46.5	17.6	130.3	25.1
38. Machinery	469	34.1	39.8	38.5	219.6	89.4
39. Others	25	0.2	1.0	0.3	4.4	1.0





SUBJECT	REFERENCE	DETAILS
<p><b>A. GENERAL PRINCIPLES</b></p> <p>Fundamental Policy</p> <p>Eligibility Criteria</p> <p>Minimum Capital</p> <p>Foreign Participation</p> <p>Registration</p>	<p>General Authority for Investment and the Free Zones (GAIFZ), Law No. 32, 1977</p>	<p>Foreign investors are actively encouraged. A licence is required.</p> <p>Priority is given to export orientated and import substitution industries, tourism and projects involving advanced technology. Investment opportunities which are favoured include land reclamation, agro-industrial projects and housing construction. Labour intensive projects are preferred.</p> <p>No minimum stipulated.</p> <p>This is negotiable with GAIFZ. A majority foreign holding is usually allowed except for joint venture banks.</p> <p>Registration is controlled by GAIFZ. Permission from the relevant authority of the sector and the General Organisation for Industries is also required. Takes about 2 months.</p>
<p><b>B. FINANCIAL TRANSFERS</b></p> <p>Profits</p> <p>Loans (Principal &amp; Interest)</p> <p>Technology (Royalties, Fees etc)</p> <p>Exchange Control</p>	<p>Investment Law</p>	<p>Repatriation is allowed up to the value of a projects export earnings or if a project is not basically export orientated, within a limit specified by GAIFZ. Repatriation is permitted provided it is approved by the Investment Authority's Board and 5 years have elapsed since registration of the capital. In the case of investments which run into practical difficulties the latter proviso may be waived.</p> <p>Under the investment law, transfer of interest at the free market rate is permitted provided there is enough foreign exchange in a company's exchange account to cover the payment.</p> <p>The same rules apply as for the transfer of interest payments.</p> <p>Projects may maintain and use their own foreign currency accounts. The 1977 investment law contains a theoretical guarantee against inconvertibility.</p>
<p><b>C. PATENTS/TRADEMARKS</b></p> <p>Patents</p> <p>Trademarks</p> <p>Protection of Industrial Property</p>	<p>Law 132, 1949 } Law 57, 1939 }</p>	<p>The protective legislation for patents and trademarks closely follows the UK pattern.</p> <p>Egypt is a signatory to the International Conference for the Protection of Industrial Property.</p>
<p><b>D. TAXATION</b></p> <p>Corporate</p>		<p>39.7% consisting of: 17% business income tax; 1.7% municipal surcharge; 10.5% defence tax; 8% national security tax; and 2.5% war tax applicable to profits over EE500.</p>

SUBJECT	REFERENCE	DETAILS
Property Indirect Direct	Law 56, 1954	Built on property tax: 30%. Capital Taxes: None. Earned income is taxed at a rate ranging from 2-22%. Net income from earnings over E£1,200 is subject to further taxation at rates of 8-50%. If annual net income is less than E£3,000 deductions, of E£75 for a non-working spouse and for each dependent child, are allowed.
E. LABOUR		
Wages		Minimum wage E£20 per week. Workers receive 125% of basic pay for overtime during daylight hours, 150% for nightwork and double-time for work on the 7th day. Bonuses are paid.
Working Hours		The minimum working week is 42 hours. Workers receive 1 day off per week with full pay plus 14 official holidays and 1 months vacation after a years service.
Social Benefits		Workers are entitled to full sick pay for 30 days. Employers contribute 3% of an employees wages for accident insurance, 2% for unemployment insurance, 4% for sickness insurance and 15% for pension, life and disability insurance.
Labour Disputes	Unified Labour Law 91, 1959	Workers have the right to organise trade unions. Strikes are illegal although isolated work stoppages do occur. The 1959 Labour Law provides for compulsory conciliation and arbitration procedures.
Foreign Labour		Foreign employees are required to hold a residence visa and a work permit. Foreign labour can represent up to 25% of the numbers employed on a project in the free zones.
F. INCENTIVE SCHEMES		
	Customs & Import Duties Law 60, 1963	Exemption from or deferment of customs duties on necessary capital equipment for approved projects.
	Foreign Exchange	Foreign-owned companies are permitted to maintain and use foreign exchange accounts for business transactions without special authorisation.
	Public Sector Law Exemptions	Foreign enterprises are exempt from the laws applicable to the industrial public sector, even if the project is a joint venture with public sector participation, i.e. the distribution of a fixed proportion of profits to labourers and their representatives on boards of directors.
	Tax Exemption	Companies may be exempt from the following taxes for 5 to 8 years, provided profits are not subject to taxation in the investors home country or any other country: 1. Corporate taxes. 2. Proportional stamp duty on shares. 3. Tax on revenue from movable assets. 4. General tax on distributed profits.





**EXAMPLES OF MANUFACTURING ENTERPRISES**

COMPANY	PARENT COMPANY	CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
		Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Belaym Petroleum Co (Exploration & Production of oil & gas)	ENI	50	50	...	...	1,570	28	...	...
Swisspharma (Pharmaceuticals)	Ciba-Geigy Sandoz & Wander	40	60	...	...	430	3	100 EE20 mn	0
Xerox Egypt SAE (Office Machinery)	Rank Xerox	33	67	...	...	...	...	...	...

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"How to Invest in Egypt"	GAIFZ
"Legal Guide to Invest in Egypt"	GAIFZ
"The Investment of Arab and Foreign Funds and the Free Zones as Amended by Law No. 32 of 1977"	GAIFZ

**INSTITUTIONAL**

Embassy of the Arab Republic of Egypt, Commercial Section, 23 South Street, London W1Y 6EL

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.



**GENERAL COUNTRY DATA**

Surface Area: 18,333 sq km  
 Capital City: Suva  
 Inhabitants: 66,018 (1980)

Population: number (year): 0.62 mn (1980)  
 density: 33.47 per sq km  
 growth rate/year: 0.5% (1980)  
 Climate: Tropical  
 Languages: Fijian (OL), English, Hindustani  
 Religions: Christianity, Hinduism, Islam

Currency: 1 Fiji Dollar = 100 Cents  
 Exchange rate (per US\$): 0.853 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$1,505 (1981)  
 Inflation rate (%): 11.2 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP	mn F\$	1978	1979	1980
at constant 1977 prices		605.9	676.7	669.5
Agriculture		128.7	152.1	141.1
Mining		0.4	0.4	0.3
Retail and wholesale		...	...	...
Manufacturing		70.0	80.9	77.5
Transport		56.5	64.3	62.9
GDP at current prices	mn F\$	651.1	684.1	833.8
Imports/GDP		0.397	0.416	0.547
Exports/GDP		0.376	0.381	0.475
Savings/Investment		...	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for IMCO, UNESCO and WMO), ADB and the Colombo Plan.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Gold, silver, lime-stone

Labour Resources: Economically active population 0.18 mn

Main manufacturing branches: Food processing, soap, tobacco, cement, beer, paint, matches, toilet paper.

Infrastructure: Transport: 1,330 km of roads, 644 km of commercial railway track, 1 international airport.

Energy: Electricity production 321 mn kwh (1981)

**Financial and Development**

Institutions: The Central Monetary Authority of Fiji; Fiji Development Bank; National Bank of Fiji.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is welcome as long as it is seen to contribute to Fiji's economic and social development.

**FINANCIAL TRANSFERS.** There is a liberal policy towards financial transfers which are under the control of the Central Monetary Authority.

**PATENTS/TRADEMARKS.** Patents and trademarks are granted for 14 years.

**TAXATION.** Corporate: 2-42.5%; Direct: Basic tax of 5-7.5% plus normal tax levied at a rate of 5-50%.

**LABOUR.** Foreign labour is permitted if local expertise is unavailable and local training programmes are set up.

**INCENTIVE SCHEMES.** Tariff protection; Tax incentives; Accelerated depreciation allowance; Hotel aid; Export incentives.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): ...			
Money Supply growth (%): 19.3 (1981)			
Budget Expenditure (by function) mn F\$	1978	1979	1980
Total	207.6	229.6	252.4
% of which: Defence:	6.7	9.1	11.1
Education & Social Services:	68.8	77.2	94.9
Economic Services:	31.9	33.5	38.5
Budget Deficit: mn F\$	1977	1978	1979
Total	-35.2	-30.6	-24.8
of which: Foreign Financing	19.2	-2.2	8.2
Domestic Financing	16.0	32.8	16.6

**EXPENDITURE COMPONENTS OF GDP US\$ mn**

	1977	1978	1979
GDP	710.0	808.1	997.9
Private consumption	453.9	501.5	586.4
Government consumption	137.7	166.7	201.7
Gross capital formation	138.2	176.5	265.2
Net exports	-19.8	-36.6	-55.4

**GDP, Investment & Sectoral Growth %  
(at constant 1977 prices)**

	1978	1979	1980
GDP	1.5	11.7	-1.1
Investment	...	...	...
Agriculture	-1.7	18.2	-7.2
Manufacturing	0.9	15.6	-4.2
Construction	0.0	3.9	-6.9

**FOREIGN INVESTMENT FLOWS US\$ MN**

	1977	1978	1979
Aggregate foreign investment flows	0.0	0.0	10.2
DAC countries stock of foreign direct investment ...		22.0	...
Direct Investment flows by source country ...		...	...

**FOREIGN TRADE US\$mn**

	1979	1980	1981
Total imports (cif)	392.9	458.8	540.1
Fuel imports (SITC 3)	72.4	105.7	138.5
Manufactured goods (SITC 5-8)	231.9	259.4	292.1
	1979	1980	1981
Total exports (fob)	167.6	229.7	193.4
Fuel exports (SITC 3)	0.0	0.0	0.0
Manufactured goods (SITC 5-8)	231.9	259.4	292.1

**Principal Export Markets (%)**

	1981
United Kingdom	34.8
New Zealand	11.3
Japan	10.0
USA	14.3

**Principal Export Products (%)**

	1981
Sugar	52.5
Coconut oil	2.4

**NATIONAL DEVELOPMENT PLAN**

Duration: 1981-85.

- Targets:
1. An economic growth rate of 5% per annum.
  2. Food production to increase at 5% per annum.
  3. Exports to increase at 5% per annum.
  4. Tourism to expand at 4% per annum.

- Aims:
1. Growth in the manufacturing sector is to concentrate on food and fish canning, sawmilling and ethanol production.
  2. Further growth in unemployment to be arrested.

Finance: Local borrowing; Overseas borrowing and aid.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1980)	WORLD %
Gold	kg	...	...	960.0 <sup>b</sup>	0.1
Silver	kg	...	...	208.0	...
Limestone	t	...	...	1,308.0 <sup>a</sup>	...

a 1979. b 1981.

**LABOUR RESOURCES '000 (1980)**

Agriculture	2.7	Commerce	10.1
Mining	1.0	Transport	7.8
Manufacturing	14.4	Finance	4.7
Electricity, gas, water	2.1	Services	24.3
Construction	8.1		

**INFRASTRUCTURE**

**Roads:** There are 3,300 kms of roads of which 1,200 kms are usable in all weathers.

**Railways:** The Fiji Sugar Corporation Railway consists of 644 km of permanent and 225 km of temporary track.

**Shipping:** The main ports are at Suva, Lautoka and Levuka.

**Telecommunications:** Fiji has cable, satellite, telephone and telex facilities.

**Airports:** There is an international airport at Nadi.

**PRICE INDICATORS**

	1979	1980	1981
Inflation rate (% pa):	7.2	14.5	11.2
Wholesale Price Index:	...	...	...
Terms of Trade:	...	...	...

**STRUCTURE OF MANUFACTURING SECTOR mn F\$ (1979)<sup>p</sup>**

Branch - ISIC Class	No. of units	Invest- ment	Employ- ment	Salaries	Gross output	Value added
31. Food & beverage	75	25.1	6,081	20.6	254.7	60.2
32. Textile	90	0.4	643	0.8	4.8	1.5
33. Wood	135	1.9	1,780	4.7	19.8	7.8
34. Paper	34	0.7	850	2.8	11.4	4.9
35. Chemicals	26	0.3	574	2.1	18.5	4.7
36. Mineral products	8	1.0	356	1.7	10.5	3.8
37. Basic metals	...	...	...	...	...	...
38. Machinery	85	1.0	1,517	5.4	31.7	9.5
39. Others	15	0.1	102	0.2	1.1	0.3

p = provisional





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy		Foreign investment is welcomed as long as it does not discourage local investment.
Eligibility Criteria		Priority is given to capital intensive enterprises which introduce technical and managerial expertise.
Minimum Capital		None stipulated.
Foreign Participation		The Government favours participation by Fiji citizens in new foreign capital enterprises and an overseas applicant for approval of a project is expected to include a plan for the sale of some shares to Fiji citizens.
Registration	Companies Ordinance, 1944	Overseas investors require CMA* approval to make an investment in Fiji. They must also register with the Registrar of Companies at a fee of F\$50.
<b>B. FINANCIAL TRANSFERS</b>		
Profits		The repatriation of capital and the remittance of profits are free from major restrictions.
Capital		
Loans (Principal & Interest)		
Technology (Royalties, Fees etc)		
Exchange Control		Exchange control is maintained by the CMA.
<b>C. PATENTS/TRADEMARKS</b>		
Patents		Local patents are granted for 14 years. British patents may be carried over.
Trademarks		Local trademarks may be registered for 14 years and renewed for a similar period.
Protection of Industrial Property		
<b>D. TAXATION</b>		
Corporate	Income Tax Act, 1974	Non-resident companies - 45%; Non-resident life assurance companies - 27.5%; Non-resident shipping companies - 2.0%; All other companies - 37.5%
Property	Land Sales Tax, 1974	Land sales tax: 6.6-30% per dollar of profit.
Indirect	Duties Ordinance	Customs Duty: 5-7.5%. Fiscal Duty: 5-140%.
		* Central Monetary Authority of Fiji.

SUBJECT	REFERENCE	DETAILS
Direct	Income Tax Act, 1974	Basic tax: 2.5 cents in every dollar on net income. In addition to basic tax normal tax is levied on chargeable income at a rate of 5-50% (on income greater than F\$20,000 p.a.). Personal deductions include a wife allowance of F\$750 p.a. and child allowance of F\$200 each for the first two children.
E. LABOUR Wages  Working Hours Social Benefits  Labour Disputes Foreign Labour	Employment Act, Cap 75 Wage Council Act, Cap 81    Trade Union Act, Cap 80	Minimum wages are determined by collective agreement and the wage council. Wage Regulations Orders are enforced by the Department of Labour.  Employers and employees contribute 7% of wages paid to the Fiji National Provident Fund.  The use of foreign labour is permitted if local expertise is not available. The investor is required, however, to file a programme for the training and upgrading of local employees in order to be able to phase out the use of expatriate personnel.
F. INCENTIVE SCHEMES	Protection by licence control or tariff  Tax Incentives  Accelerated Depreciation Allowance  Hotel Aid  Export Incentives	The Customs tariff features low rates of duty for imports of capital items, inputs and some other items, as well as high levels for imports for which local substitutes are available.  Enterprises considered important to Fiji's growth qualify for tax concessions for the period of 5 years. The amount is F\$8,000 p.a. or, if greater, 20% and 25% respectively of the lesser of: - the paid-up equity of the company; - the total tax written down value of depreciable assets.  Accelerated depreciation allowances of up to 20% of approved capital expenditure may be written off against assessable tax in each of any 5 out of 8 years of an enterprise.  Under the Hotel Aid Ordinance, a new approved hotel or an extension of an existing hotel, may qualify for an incentive allowance of 55% of approved capital expenditure which can be set-off against taxable income with any unused balance carried forward after the first year.  1. A rebate of 50% of the tax payable on profits derived from exports for 3 years. 2. A deduction from profit derived from exports during the next 5 years equal to the excess export profits for each of these years over the average of export profits for the 3 years immediately preceding the year of income.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION

DOCUMENTARY

"Investing in Fiji"

INSTITUTIONS

Economic Development Board of Fiji

INSTITUTIONAL

Ministry of Commerce and Industry, Government Buildings, Suva, Fiji

Fiji High Commission, 34 Hyde Park Gate, London SW7

Economic Development Board of Fiji, 10th Floor Velop House, 371 Victoria Parade, Suva, Fiji

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 238,537 sq km  
 Capital City: Accra  
 Inhabitants: 1,000,000 (1979 estimate)

Population: number (year): 11.45 mn (1980)  
 density: 48.00 per sq km  
 growth rate/year: 1.1% (1980)  
 Climate: Tropical  
 Languages: English (OL), Ashanti, Fanti  
 Religions: Christianity, traditional beliefs

Currency: 1 Cedi = 100 Pesewas  
 Exchange rate (per US\$): 2.750 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$1,342 (1980)  
 Inflation rate (%): 121.9 (1981, Qtr 3)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1975 prices	mn Cedis	1974	1975	1976
Agriculture		3,145.1	2,518.3	2,476.6
Mining		110.9	104.5	100.1
Retail and wholesale		775.8	642.4	595.0
Manufacturing		674.5	735.9	703.6
Transport		203.4	206.0	167.9
<b>GDP at current prices</b>	<b>mn Cedis</b>	<b>23,094.3</b>	<b>27,882.3</b>	<b>42,245.5</b>
Imports/GDP		0.084	0.099	0.094
Exports/GDP		0.076	0.117	0.083
Savings/Investment		0.782	1.027	0.853

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations, AFDB, the Commonwealth, OAU and ECOWAS.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Aluminium, Manganese, Gold, Bauxite, Natural rubber

Labour Resources: Labour force 4.24 mn (1980)

Main manufacturing branches: Aluminium, Sawwood, Food Processing

Infrastructure: Transport: 32,000 km roads, 953 km railway track, 1 international airport.  
 Energy: Electricity production 4,764 mn kwh (1980).

**Financial and Development**

Institutions: Bank of Ghana; 8 commercial banks including the Agricultural Development Bank, Ghana Commercial Bank and the National Investment Bank.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is recognised as vital to the economy and is consequently encouraged.

**FINANCIAL TRANSFERS.** Free repatriation of funds is allowed in principle but in practise depends on the state of the nation's foreign exchange reserves.

**PATENTS/TRADEMARKS.** Only patents granted in the UK may be registered. Trademarks are registered for 7 years.

**TAXATION.** Corporate: 45-55% - depending on sector; Direct: 0-60%. Ghana's tax laws have recently been revised (1981).

**LABOUR.** Unskilled labour wage: ø5,940 p.a. Foreign labour permitted provided Ghanians are trained to fill future posts.

**INCENTIVE SCHEMES.** Tax exemptions; Special incentives in mining and agriculture.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): 19.5 (1981)			
Money Supply growth (%): 64.7 (1981)			
Budget Expenditure (by function) mn Cedis	1977	1978	1979
Total	2,136.3	3,164.8	4,295.7
% of which: Defence:	5.3	5.3	4.4
Education & Social Services:	38.6	36.3	31.9
Economic Services:	21.3	24.2	25.1
Budget Deficit: mn Cedis	1976	1977	1978
Total	-734.8	-1,056.8	-1,896.7
of which: Foreign Financing	1.8	12.7	176.7
Domestic Financing	733.0	1,044.1	1,720.0

EXPENDITURE COMPONENTS OF GDP (current prices) US\$ mn

	1975	1976	1977
GDP	4,594.1	5,675.0	9,707.0
Private consumption	3,368.0	4,496.7	7,511.6
Government consumption	599.0	695.0	1,225.0
Gross capital formation	533.9	557.4	912.2
Net exports	42.6	-19.1	-102.6

GDP, Investment & Sectoral Growth %  
(at constant 1975 prices)

	1974	1975	1976
GDP	6.9	-12.4	-3.5
Investment	...	...	20.2
Agriculture	8.8	-19.9	-1.7
Manufacturing	-5.7	9.1	-4.4
Construction	24.0	-21.3	1.6

FOREIGN INVESTMENT FLOWS US\$ MN

Aggregate foreign investment flows	1977 19.3	1978 9.8	1979 -1.4
DAC countries stock of foreign direct investment	...	280.0	...
Direct Investment flows by source country	1973	1974	1975
United Kingdom	8.0	14.0	6.0

FOREIGN TRADE US\$mn

	1975	1976	1977
Total imports (cif)	787.9	862.0	1,143.5
Fuel imports (SITC 3)	131.2	128.7	179.5
Manufactured goods (SITC 5-8)	514.4	562.2	681.1
Total exports (fob)	1975 737.0	1976 765.2	1977 951.1
Fuel exports (SITC 3)	20.4	16.4	15.3
Manufactured goods (SITC 5-8)	37.6	101.6	104.3

Principal Export Markets (%)

	1980
USA	14.3
United Kingdom	16.2
Germany	5.1
Netherlands	10.0

Principal Export Products (%)

	1980
Cocoa	62.9 <sup>a</sup>
Gold	17.8
Wood	3.1

a 1978.

NATIONAL DEVELOPMENT PLAN

The broad outlines of Ghana's 1981-85 development plan have been presented to parliament (1981, Qtr 3). The plan calls for:

1. Spending of Cedis 25 billion, of which 23% will be devoted to agriculture and 10% to manufacturing industry.
2. 2% per annum real economic growth in the first few years of the plan.

No details are currently available of the sources of revenue.



NATURAL RESOURCES					
MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Aluminium	'000 t	117,900	2.3	168.7	1.1
Manganese	'000 t	...	...	340.0	1.4
Gold	kg	...	...	11,094.0	0.9
Bauxite	'000 t	335,000	1.5	251.0	0.3
Natural rubber	t	...	...	5,000.0	0.1

LABOUR RESOURCES '000 (1971)			
Agriculture	457.0	Construction	443.0
Mining	241.0	Trade	358.0
Manufacturing	567.0	Transport	321.0
Electricity, gas & water	165.0	Services & finance	464.0

**INFRASTRUCTURE**

**Roads:** Ghana has some 32,000 km of roads but only one-third of the 12,000 km trunk road network is metalled.

**Railways:** 1978 there was 953 km of railway track forming a triangle between the main cities of Accra, Kumaji and Takoradi.

**Shipping:** The main ports are Tema near Accra, and Takoradi. New quays are to be constructed at Tema.

**Telecommunications:** 0.7 telephones per 100 inhabitants (1977).

**Airports:** The main international airport is at Kotoka (Accra). There are also airports at Takoradi, Kumasi, Sunyani and Tamale.

PRICE INDICATORS			
Inflation rate (% pa):	1978 73.1	1979 54.4	1980 50.1
Wholesale Price Index: 1975=100	334.8	567.0	796.4
Terms of Trade: 1975=100	1977 152.0	1978 197.0	1979 144.0

STRUCTURE OF MANUFACTURING SECTOR					mn Cedis (1972)	
No. of establishments	Employees ('000)	Salaries	Gross output	Value added		
362	60.7	56.8	295	572		

PRODUCTION OF SELECTED MANUFACTURING PRODUCTS						
Product	Unit	1974	1975	1976	1977	1978
Aluminium	'000 t	157	143	147	153	114
Sawnwood	'000 cu m	457	403	381	381	...
Sugar	'000 t	5	8	12	25	20
Cement	'000 t	...	688	650	610	610
Motor spirit	'000 t	...	239	224	225	230
Cigarettes	mn	...	2,339	3,107	3,325	...





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy	Investment Code, 1981 Act 437	The Ghanaian government considers the attraction of foreign investment as vital to the economy.
Eligibility Criteria		Priority is given to those industries which use local raw materials, are export-orientated, are labour intensive and train Ghanians for management positions.
Minimum Capital		None stipulated.
Foreign Participation		40% Ghanaian participation is required in priority sectors in agro-industry; 55% in consumer industries i.e. brewing; and, 45% in most other sectors.
Registration		
<b>B. FINANCIAL TRANSFERS</b>		
Profits		
Capital		
Loans (Principal & Interest)		The Investment Code makes provision for the free repatriation of corporate dividends, fees, royalties, etc, once taxes have been paid. The code adds cautiously, however, that repatriation depends on the state of the Central Bank's foreign exchange reserves.
Technology (Royalties, Fees etc)		
Exchange Control		
<b>C. PATENTS/TRADEMARKS</b>		
Patents	Patents Registration Decree, 1972	Only patents registered in the UK may be registered in Ghana and this must be done within 3 years of issue in the UK. Protection lasts until the UK patent expires.
Trademarks	Trademarks Act, 1965 Trademark Regulations, 1970	Registration lasts for a period of 7 years and can be renewed for a further 14 years. Fees are ₵15 and ₵25 respectively. Register with the Registrar General of Ghana.
Protection of Industrial Property		The Investment Code guarantees that approved enterprises and their assets will not be expropriated by the state.
<b>D. TAXATION</b>		
Corporate		General rate: 55%; Farming/Mining enterprises: 45%; Consumer goods manufacturers: 50%.
Property		Rates on property are levied by individual district councils.
Indirect	Sales Tax Act, 1980	Import duty: 7.2%; Advertisement tax: 15%; Export duty: levied on cocoa beans and gold; Sales tax: 20% on the cif value of imported goods.
Direct	Income Tax Regulations, 1980	0-60% (on income greater than ₵13,000 p.a.).

SUBJECT	REFERENCE	DETAILS
<p>E. LABOUR</p> <p>Wages</p> <p>Working Hours</p> <p>Social Benefits</p> <p>Labour Disputes</p> <p>Foreign Labour</p>	<p>Industrial Relations Act 1965, Act 299</p>	<p>Average wages: unskilled - ø5,940 p.a; skilled - ø12,108 p.a.</p> <p>Basic 40 hour week.</p> <p>Ghana operates a social security scheme.</p> <p>In the event of a dispute the Minister of Labour is empowered to establish an arbitration tribunal or a board of enquiry.</p> <p>The Investment Code guarantees entry into the country for necessary expatriate personnel but stipulates that a person granted access thus should institute, within 6 months, arrangements for the training of Ghanians to fill the post in the future. Full personal remittances are also guaranteed.</p>
<p>F. INCENTIVE SCHEMES</p>	<p>Investment Code 1981</p> <p>Agriculture incentives</p> <p>Mining Incentives</p> <p>Regional Incentives</p>	<p>Benefits for enterprises approved by the Ghana Investments Centre include:</p> <ol style="list-style-type: none"> <li>1. Complete exemption from payment of customs duties on spare parts and other imports, other than raw materials, imported specially and exclusively for approved enterprises for the first 3 years after the establishment of the enterprise.</li> <li>2. Complete exemption from payment of customs duties on machinery, equipment, and accessories imported specially and exclusively for the establishment of an approved enterprise for the first 5 years.</li> <li>3. Exemption from Selected Alien Employment tax under the Selective Alien Employment Tax decree of 1973 for the first 5 years.</li> <li>4. In the area of scientific research where capital expenditure is made for the purposes of development or advancement of an approved enterprise the code provides for deductions from chargeable income for 4 years beginning from the year the said expenditure was incurred.</li> </ol> <p>Enterprises involved in the rearing of livestock or cultivation of tree crops are exempt payment of income tax and customs duties for up to 10 years.</p> <p>In the case of mineral exploration and exploitation a company is allowed complete exemption from company income tax for as long as it has not recovered the whole of its initial development expenditure. Such enterprises may also be granted exemption from the payment of turnover tax.</p> <p>Manufacturing industry which locates outside the jurisdiction of Accra City Council and Tema District council benefits from:</p> <ol style="list-style-type: none"> <li>1. A 25% rate of corporate tax.</li> <li>2. A 25% remission on the payment of customs duties on machinery and equipment.</li> </ol>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Ghana Aluminium Products Ltd	Alcan Aluminium Ltd	40	60	None		193	2	100	0
								(6.5 mn Cedis, 1981)	
Cadbury Schweppes Ltd (Chocolate)	Cadbury Schweppes Ltd	...	...	...	...	249	1	(9.5 mn Cedis 1980 - mostly domestic)	
Nestle - Ghana	Nestle	49	51	...	...	485	15	100	0

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**  
 "Financial Times" September 24, 1981

**INSTITUTIONAL**  
 Ghana Investments Centre, P.O. Box M193, Accra, Ghana  
 Ghana High Commission, 13 Belgrave Square, London SW1

Prepared as a service of the  
 Investment Co-operative Branch of UNIDO  
 on the basis of available information.  
 UNIDO disclaims responsibility for any inaccuracy  
 or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 344 sq km  
 Capital City: St George's  
 Inhabitants: 7,500 (1980, estimate)

Population: number (year): 0.11 mn (1980)  
 density: 311.05 per sq km  
 growth rate/year: 0.9% (1980)  
 Climate: Sub-tropical  
 Languages: English (OL)  
 Religions: Christianity

Currency: 1 East Caribbean Dollar = 100 Cents  
 Exchange rate (per US\$): 2.700 (1981)  
 pegged to: US\$  
 GDP per capita: US\$465 (1977)  
 Inflation rate (%): 36.2 (1980)

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: None

Labour Resources: Economically active population 0.05 mn

Main manufacturing branches: Agro-industries

Infrastructure: Transport: 980 km of roads, 1 provincial airport.

Energy: Electricity production 28 mn kwh (1977)

Financial and Development

Institutions: Grenada Co-operative Bank Ltd; Grenada Development Bank; Grenada National Bank and Trust Co.

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment is very welcome and incentives are offered under the Fiscal Incentives Act.

FINANCIAL TRANSFERS.

PATENTS/TRADEMARKS.

TAXATION. Corporate: 50%; Direct: 5-65%.

LABOUR.

INCENTIVE SCHEMES. Tax holidays; Exemption from customs duties; Double taxation agreements.

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant prices	mn EC\$	1977		
Agriculture		134.3		
Mining		38.5		
Retail and wholesale		...		
Manufacturing		24.3		
Transport		6.0		
		13.0		
GDP at current prices	mn EC\$	1975	1976	1977
		84.6	96.8	110.9
Imports/GDP		0.624	0.684	0.764
Exports/GDP		0.318	0.352	0.347
Savings/Investment		...	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Grenada is a member of the UN and its associated organisations (except for ICAO, ITU, WMO and WIPO), CARICOM, the Commonwealth and SELA.



**UNIDO** United Nations Industrial Development Organisation

INDUSTRIAL INVESTMENT PROFILE

Grenada

each country  
six pages: page **1**

see notes and warning on page 6.



ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): ...			
Money Supply growth (%): -1.2 (1981, Qtr 3)			
Budget Expenditure (by function) mn EC\$	1975	1976	1977
Total	24.5	34.4	34.8
% of which: Defence:	13.9	12.8	15.6
Education & Social Services:	43.0	36.9	40.8
Economic Services:	31.7	30.6	34.0
Budget Deficit: mn EC\$	1975	1976	1977
Total	-5.1	-6.4	-1.7
of which: Foreign Financing	-1.1	5.6	1.1
Domestic Financing	6.2	0.8	0.6

EXPENDITURE COMPONENTS OF GDP	US\$ mn		
	1975	1976	1977
GDP	44.3	43.0	49.7
Private consumption	34.3	29.4	36.6
Government consumption	9.6	11.6	11.7
Gross capital formation	2.9	5.7	7.8
Net exports	-2.8	-3.6	-6.3

GDP, Investment & Sectoral Growth %  
(at constant prices)

GDP	...
Investment	...
Agriculture	...
Manufacturing	...
Construction	...

FOREIGN INVESTMENT FLOWS US\$ MN

Aggregate foreign investment flows	1977	1978
	-0.2	-0.2

DAC countries stock of foreign direct investment	...	...
Direct Investment flows by source country	...	...

FOREIGN TRADE US\$mn

	1978	1979	1980
Total imports (cif)	35.7	43.6	50.0
	1972	1973	1974
Fuel imports (SITC 3)	2.4	2.5	3.2
Manufactured goods (SITC 5-8)	24.0	22.2	16.0
	1978	1979	1980
Total exports (fob)	17.0	23.5	16.3
Fuel exports (SITC 3)	...	...	...
Manufactured goods (SITC 5-8)	...	...	...

Principal Export Markets (%)

	1978
United Kingdom	42.0
Germany F.R.	22.0
Holland	10.0
Belgium	5.0

Principal Export Products (%)

	1979
Cocoa	42.6
Nutmeg	19.1
Bananas	16.5
Mace	3.9

NATIONAL DEVELOPMENT PLAN

NONE

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES WORLD %	PRODUCTION (1979)	WORLD %
---------	------	------------------	-------------------	---------

**LABOUR RESOURCES '000 (1970)**

Agriculture	8.7	Trade	2.5
Manufacturing	2.1	Transport	1.3
Electricity, gas, water	4.2	Finance	5.9
Construction	0.2	Others	19.2

**INFRASTRUCTURE**

**Roads:** There are 980 km of roads, most of which are suitable for motor traffic. A programme of further road construction is planned.

**Railways:** There are no railways.

**Shipping:** The chief port is at St George's.

**Telecommunications:** 2.9 telephones per 100 inhabitants (1977).

**Airports:** The main airfield at Pearls, 29 km from St George's, is served only by local services.

**PRICE INDICATORS**

Inflation rate (%pa):  $\frac{1980}{36.2}$

Wholesale Price Index:

Terms of Trade:

**STRUCTURE OF MANUFACTURING SECTOR**





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy		Grenada welcomes foreign investment and offers incentives under the 1954 Hotels Aid Ordinance and 1974 Fiscal Incentives Acts.
Eligibility Criteria		
Minimum Capital		
Foreign Participation		
Registration		
B. FINANCIAL TRANSFER		
Profits	Income Tax Law, 1980	30% withholding tax on remitted profits.
Capital		
Loans (Principal & Interest)		
Technology (Royalties, Fees etc)		
Exchange Control		
C. PATENTS/TRADEMARKS		
Patents		
Trademarks		
Protection of Industrial Property		
D. TAXATION		
Corporate		50%.
Property		
Indirect		
Direct		5-65% (on income over EC\$20,000 p.a.). Personal allowance: EC\$1,200; Wife: EC\$500; Each child: EC\$350.
E. LABOUR		
Wages		
Working Hours		
Social Benefits		
Labour Disputes		
Foreign Labour		



SUBJECT	REFERENCE	DETAILS
F. INCENTIVE SCHEMES	Fiscal Incentives Act, 1974	<p>The FIA classifies enterprises into 4 groups and incentives are determined accordingly:</p> <ol style="list-style-type: none"> <li>1. More than 50% of local value added - 15 year tax holiday.</li> <li>2. 25-50% of local value added - 12 year tax holiday.</li> <li>3. Less than 25% of local value added - 10 year tax holiday.</li> <li>4. Enclave industries - 15 year tax holiday.</li> </ol>
	Approved Enterprises	<p>Approved enterprises benefit from complete or partial exemption from payments of income tax or/and tax on profits. Losses accruing during the tax holiday period may be carried forward in the succeeding 5 years after the tax holiday.</p>
	Customs Duties	<p>Industrial investors are exempt payment of customs duties on plant, equipment, machinery, spare parts, raw materials and components.</p>
	Hotel Aid Ordinance, 1954	<p>Enterprises benefit from:</p> <ol style="list-style-type: none"> <li>1. The duty free import of hotel equipment and building materials necessary to establish the project.</li> <li>2. Drawback of customs duty on equipment and building materials purchased locally.</li> <li>3. Complete exemption from the payment of income tax for 10 years and exemption from tax on dividends over the same period.</li> </ol>
	Double Taxation	<p>Agreements have been signed with the United Kingdom, Canada and the USA.</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEPT <sup>m</sup> STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

DOCUMENTARY

...

INSTITUTIONAL

Grenada High Commission, Commercial Section, 1 Collingham Gardens, Earls Court, London SW5

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 215,000 sq km  
 Capital City: Georgetown  
 Inhabitants: 187,600 (1976, estimate)

Population: number (year): 0.88 mn (1980)  
 density: 4.09 per sq km  
 growth rate/year: 1.7% (1980)

Climate: Tropical inland, sub-tropical on the coast  
 Languages: English (OL), Creole, Amerindian dialects  
 Religions: Christianity, Hinduism, Islam

Currency: 1 Dollar = 100 Cents  
 Exchange rate (per US\$): 2.813 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$672 (1980)  
 Inflation rate (%): 21.1 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1977 prices	mn G\$	1979	1980	1981
Agriculture		213.0	214.0	219.0
Mining		132.0	140.0	124.0
Retail and wholesale		87.0	89.0	85.0
Manufacturing		131.0	132.0	140.0
Transport		63.0	64.0	64.0
GDP at current prices mn G\$		1,326.0	1,508.0	1,600.0
Imports/GDP		0.754	0.863	0.991
Exports/GDP		0.601	0.694	0.644
Savings/Investment		0.491	0.425	0.038

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for WIPO), CARICOM, IDB, Latin American Economic System, the Commonwealth and the EEC (ACP member).

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Gold, Bauxite, Diamonds

Labour Resources: Labour force 0.35 mn (1977)

Main manufacturing branches: Food Processing, Tobacco

Infrastructure: Transport: 4,830 km of roads, 188 km of railway track, 2 ports.  
 Energy: Electricity production 407 mn kwh (1979)

**Financial and Development**

Institutions: Bank of Guyana; Guyana Co-operative Agricultural and Industrial Development Bank; Guyana Co-operative Mortgage Finance Bank; Guyana National Co-operative Bank.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is only permitted as joint-ventures in non-strategic sectors of the economy.

**FINANCIAL TRANSFERS.** The Bank of Guyana operates a strict foreign exchange control policy and permission for large scale repatriation is unlikely to be forthcoming.

**PATENTS/TRADEMARKS.** Local patents are granted for 16 years. Trademarks are registered for 7 years.

**TAXATION.** Corporate: 25-35%; Direct: 5-70%.

**LABOUR.** There is a minimum wage agreement in operation. Foreign labour is encouraged but training of the local population must be undertaken.

**INCENTIVE SCHEMES.** Tax holidays; Duty free imports. **DIS-INCENTIVE:** the Government may acquire property at pre-World War II prices.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): 12.5 (1981)			
Money Supply growth (%): 8.9 (1981)			
Budget Expenditure (by function) mn G\$	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total	685.4	512.7	532.8
% of which: Defence:	12.6	12.1	8.3
Education & Social Services:	21.2	27.2	26.4
Economic Services:	25.8	22.7	18.2
Budget Deficit: mn G\$	<u>1979</u>	<u>1980</u>	<u>1981</u>
Total	-277.0	-457.0	-592.0
of which: Foreign Financing	63.0	79.0	363.0
Domestic Financing	214.0	378.0	229.0

EXPENDITURE COMPONENTS OF GDP US\$ mn

	<u>1978</u>	<u>1979</u>	<u>1980</u>
GDP	507.0	515.6	591.2
Private consumption	279.0	271.5	328.6
Government consumption	123.0	170.2	188.6
Gross capital formation	94.9	127.5	158.4
Net exports	-0.2	-53.6	-84.5

GDP, Investment & Sectoral Growth %  
(at constant 1977 prices)

	<u>1979</u>	<u>1980</u>	<u>1981</u>
GDP	-1.4	1.8	-0.5
Investment	...	...	...
Agriculture	-7.0	0.5	2.3
Manufacturing	4.0	0.8	6.1
Construction	3.0	2.9	1.4

FOREIGN INVESTMENT FLOWS US\$ MN

Aggregate foreign investment flows	<u>1977</u> 27.3	<u>1978</u> 3.4
DAC countries stock of foreign direct investment	...	230.0
Direct Investment flows by source country	...	...

FOREIGN TRADE US\$mn

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total imports (cif)	278.9	317.7	425.1
Fuel imports (SITC 3)	66.7	90.2	141.2
Capital goods imports	60.2	57.3	85.0
Consumer goods imports	51.4	57.9	78.6
Total exports (fob)	<u>1978</u> 294.2	<u>1979</u> 291.3	<u>1980</u> 388.9
Fuel exports (SITC 3)	0.0	0.0	0.0
Bauxite/alumina exports	128.7	128.4	188.0

Principal Export Markets (%)

	<u>1981</u>
United Kingdom	26.9
USA	22.0
Canada	3.5
Trinidad & Tobago	6.6

Principal Export Products (%)

	<u>1981</u>
Bauxite	35.0
Alumina	9.0
Sugar	34.0
Rice	11.0

NATIONAL DEVELOPMENT PLAN

NONE

NATURAL RESOURCES					
MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1981)	WORLD %
Bauxite	'000 t	700,000	3.1	1,511.1	3.3
Gold	kg	...	...	599.1	...
Diamonds (Industrial)	'000 carats	...	...	10.2 <sup>a</sup>	...

a 1980.

#### LABOUR RESOURCES '000

#### INFRASTRUCTURE

**Roads:** There are 4,830 km of roads which are especially well developed on the coastal strip.

**Railways:** There is 58 km of nationally owned track from Ituni to Mackenzie. Guynes also operate 130 km of track. Neither has passenger facilities.

**Shipping:** 2 ports at Georgetown and New Amsterdam. Most inland communication is done by river.

**Telecommunications:** 2.8 telephones per 100 inhabitants (1976). Telegram and telex facilities.

**Airports:** There is an international airport at Timehri, 42 km from Georgetown.

#### PRICE INDICATORS

Inflation rate (% pa):	1979 15.7	1980 12.8	1981 22.1
Wholesale Price Index:	...	...	...
Terms of Trade: 1979=100	1979 100.0	1980 95.1	1981 95.2

#### STRUCTURE OF MANUFACTURING SECTOR

#### PRODUCTION OF SELECTED MANUFACTURING PRODUCTS

Product	Unit	1977	1978	1979	1980	1981
Wheat flour	'000 t	35	36	40	36	34
Sugar	'000 t	246	330	303	274	307
Rum	'000 g	3,249	3,380	3,564	3,997	3,946
Beer & stout	'000 g	3,918	3,579	3,454	3,726	5,430
Cigarettes	mn	558	519	549	567	602
Rice (long)	'000 t	210	182	142	166	163
Edible oil	'000 g	312	336	477	594	305
Margarine	'000 lbs	4,481	4,271	4,371	6,366	5,308





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy	Investment Code, 1979	The Government aims to maintain control of the national economy. Foreign investment is permitted but only in joint-ventures. For joint ventures with the local private sector a licence is required. Investment has been mostly limited to the sale of services and turnkey projects.
Eligibility Criteria		Foreign investment is not permitted in strategic sectors e.g. bauxite mining, power generation, telecommunications, etc; otherwise enterprises which are export-orientated or promote the development of local resources are favoured. Manufacturing is a priority sector.
Minimum Capital Foreign Participation Registration	}	Each case is negotiated and decided on an individual basis.
B. FINANCIAL TRANSFERS		
Profits	}	No provision is made on these matters in the Investment Code. However, the foreign exchange situation is very tight and it is unlikely that free or even large-scale repatriation will be permitted. There is a 40% withholding tax on the repatriation of profits of commercial enterprises and 35% for non-commercial enterprises.
Capital	}	
Loans (Principal & Interest)	}	
Technology (Royalties, Interest)	}	
Exchange Control		The Bank of Guyana operates a rigid exchange control policy.
C. PATENTS/TRADEMARKS		
Patents		Local patents are granted for 16 years.
Trademarks		The first user may register a trademark for 7 years with a possible extension to 14 years.
Protection of Industrial Property		Nationalisation will not occur as long as this policy is consistent with self-reliant economic development.
D. TAXATION		
Corporate		35% for commercial enterprises: 25% for non-commercial companies.
Property		½% on the net worth of a company.
Indirect		Customs duties are levied on an ad valorem basis. Import duties range from 10-25% under the preferential tariff and from 15-45% under the general tariff. Consumption tax is levied on petroleum products, fertilisers, furniture, etc.

SUBJECT	REFERENCE	DETAILS
<p>Direct</p> <p>E. LABOUR</p> <p>Wages</p> <p>Working Hours</p> <p>Social Benefits</p> <p>Labour Disputes</p> <p>Foreign Labour</p>	<p>Minimum Wage Agreement, 1977</p>	<p>Income tax is levied on a PAYE basis and ranges from 5-70%. Personal allowance: EC\$8,000 p.a.</p> <p>Minimum Wage: G\$14 per day (1979).</p> <p>Foreign labour is encouraged although training of indigenous personnel is also seen as desirable.</p>
<p>F. INCENTIVE SCHEMES</p>	<p>Investment Code, 1979</p> <p>Acquisition of Property Act</p>	<p>Incentives are offered to industries in the export or non-extractive sectors and industries which promote employment or technology. They include:</p> <ol style="list-style-type: none"> <li>1. Tax holiday - there are no general rules as regards duration, etc. Instead each case is decided on its own merit.</li> <li>2. Duty free importation of materials for projects of a developmental nature.</li> <li>3. CARICOM based investors enjoy investment privileges provided under the Chaguaramas Treaty.</li> </ol> <p>This is a definite DIS-INCENTIVE. The Government may acquire property at pre-World War II prices plus compensation for subsequent development. Two companies were acquired by this means in 1979.</p> <p>NB: In 1980 Guyana planned to set up a 150,000 t aluminium smelter and invited foreign investment for the project. However, investors are waiting to see the outcome of the 750 mw hydro-electric plant scheme. This project could alter the attitude towards foreign investment.</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Demerera Tobacco Co Ltd	British America Tobacco Ltd	30	70	100	0	253	0	100	0
								G\$15 mn	

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Guyana Economic Report"

Lloyds Bank February 1981

"Guyana Investment Code"

Office of the Prime Minister February 1979

**INSTITUTIONAL**

Guyana High Commission, 3 Palace Court, Bayswater Road, London W2

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.



**GENERAL COUNTRY DATA**

Surface Area: 3,287,782 sq km  
 Capital City: New Delhi  
 Inhabitants: 9,166,000 (1981)

Population: number (year): 663.60 mn (1980)  
 density: 201.80 per sq km

growth rate/year: 1.9% (1980)

Climate: Tropical

Languages: Hindi (OL), English, Regional dialects

Religions: Hinduism, Islam, Christianity, Buddhism

Currency: 1 Rupee = 100 Paisa

Exchange rate (per US\$): 8.659 (1981)

Pegged to: Basket of currencies of India's principal trading partners

GDP per capita: US\$241 (1980)

Inflation rate (%): 13.0 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1970 prices	bn Rupees	1976	1977	1978
Agriculture		183.4	203.4	207.2
Mining		4.9	5.1	5.2
Retail and wholesale		50.6	54.3	57.8
Manufacturing		67.3	71.7	77.1
Transport		25.4	26.5	27.2
GDP at current prices bn Rupees		963.4	1,034.6	1,272.2

Imports/GDP	0.071 <sup>1</sup>	0.071 <sup>2</sup>	0.080 <sup>3</sup>
Exports/GDP	0.077 <sup>1</sup>	0.079 <sup>2</sup>	0.072 <sup>3</sup>

Savings/Investment	1975	1976	1977
	0.399	1.005	1.047

1 1976. 2 1977. 3 1978.

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations, ADB, the Colombo plan and the Commonwealth.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Manganese, Chromium, Titanium, Zinc, Uranium, Natural Gas, Coal, Bauxite

Labour Resources. Economically active population: 22.2 mn  
 Labour force: 266.2 mn

Main manufacturing branches: Chemicals, Textiles, Iron & Steel, Transport Equipment.

Infrastructure: Transport: 1,064,110 km of roads, 60,775 km of railway track, 4 international airports.

Energy: Electricity production: 111,576 mn kwh (1980).

**Financial and Development**

Institutions: Reserve Bank of India; State Bank of India; 25 Commercial Banks.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is welcome in so far as it is accompanied by new technology. A license is required.

**FINANCIAL TRANSFERS.** No restrictions on repatriation provided the regulations of FERA\* are satisfied.

**PATENTS/TRADEMARKS.** Patents are granted for 14 years and trademarks for 7 years. Compensation is paid if an enterprise is nationalised.

**TAXATION.** Corporate: 45-70%; Direct: 15-60%.

**LABOUR.** Average monthly wage R350 (semi-skilled). Foreign workers require a work permit and the approval of the relevant Ministry.

**INCENTIVE SCHEMES.** Tax holidays; Investment allowances; Additional depreciation allowances; Incentives to locate in backward areas; Double taxation agreements.



**UNIDO** United Nations Industrial Development Organisation

INDUSTRIAL INVESTMENT PROFILE

India

each country  
 six pages : page **1**

see notes and warning on page 6.



ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): 10.0 (1981)			
Money Supply growth (%): 16.3 (1981, Qtr 3)			
Budget Expenditure (by function) bn Rupees	1977	1978	1979
Total	121.4	141.3	169.9
% of which: Defence:	20.5	19.2	18.1
Education & Social Services:	7.2	7.4	7.2
Economic Services:	28.2	30.1	30.0
Budget Deficit: bn Rupees	1977	1978	1979
Total	-37.9	-50.8	-64.9
of which: Foreign Financing	3.8	4.5	4.5
Domestic Financing	34.1	46.3	60.4

EXPENDITURE COMPONENTS OF GDP (current prices) US\$ bn

	1977	1978	1979
GDP	103.2	118.9	130.6
Private consumption	72.1	82.4	90.5
Government consumption	11.4	16.3	18.6
Gross capital formation	19.7	23.4	25.3
Net exports	0.1	-0.4	-1.8

GDP, Investment & Sectoral Growth %  
(at constant 1970 prices)

	1976	1977	1978
GDP	1.6	7.7	4.9
Investment	13.4	7.3	6.8
Agriculture	-5.2	10.9	1.9
Manufacturing	9.4	6.5	7.5
Construction	12.5	6.8	2.5

FOREIGN INVESTMENT FLOWS US\$ MN

	1974	1975	1976
Aggregate foreign investment flows	-6.0	-10.9	-8.1
DAC countries stock of foreign direct investment	1978 2,500.0		
Direct Investment flows by source country	1974	1975	1976
USA	13.0	17.0	-5.0
Germany	1.4	1.5	0.2
United Kingdom	43.0	51.0	...

FOREIGN TRADE US\$mn

	1978/79	1979/80	1980/81 <sup>a</sup>
Total imports (cif)	8,312.7	11,102.3	14,985.8
Fuel imports (SITC 3)	2,059.0	4,100.2	...
Non-electrical machinery imports	924.6	972.1	...
Iron & steel imports	564.5	1,026.6	...
Total exports (fob)	1978/79	1979/80	1980/81
	6,966.9	7,861.9	8,366.3
Fuel exports (SITC 3)	1975	1976	1977
	38.7	35.3	33.6
Manufactured goods (SITC 5-8)	2,160.9	3,017.7	3,449.1

a Provisional.

Principal Export Markets (%)

	1980
USSR	13.4
USA	12.2
Japan	10.3
United Kingdom	7.4

Principal Export Products (%)

	1979
Leather goods	8.4
Precious stones	7.5
Tea	5.5
Jute manufactures	5.3

NATIONAL DEVELOPMENT PLAN

Sixth Five Year Plan.

Duration: 1980-85.

Targets. 1. An annual growth rate of GDP of 5.2%.

2. A 7.5% per annum growth rate in public consumption.

3. A 9% per annum growth rate in exports.

Aims: 1. A progressive reduction in poverty and unemployment.

2. The development of indigenous sources of energy and the infrastructure of the coal, energy, irrigation and transport sectors.

3. The promotion of rural development.

Finance: Central Government; Foreign Funds.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1980)	WORLD %
Manganese ore	'000 t	59,000	1.1	619	7.3
Chromium	'000 t	7,000	0.2	321	5.6
Titanium	'000 t	38,828	16.2	159 <sup>a</sup>	2.9
Zinc	'000 t	4,600	1.9	24	0.7
Uranium	t	29,800	1.6	...	...
Natural gas	mn cu m	...	...	1,462	4.0
Coal	mn t	22,634	1.1	109	2.9
Bauxite	'000 t	1,600,000	7.0	1,775	2.2

<sup>a</sup> 1979

**LABOUR RESOURCES '000 (Employees in the monetary sector, 1979)**

Agriculture	1,621.0	Trade	379.0
Mining	896.0	Transport	2,661.0
Manufacturing	5,839.0	Finance	846.0
Electricity, gas & water	670.0	Services	8,159.0
Construction	1,114.0		

**INFRASTRUCTURE**

**Roads:** There are 1,604,110 km of roads (1979) of which 29,340 km are main roads and 485,997 km of secondary standard.

**Railways:** In 1980 there was 60,933 km of railway track.

**Shipping:** The major ports are Bombay, Calcutta, Cochin, Kandla, Madras, Mangalore, Mormugao, Pradip, Tuticorin and Visha Khapatnam.

**Telecommunications:** 0.3 telephones per 100 inhabitants (1977).

**Airports:** There are 4 international airports at Bombay, Calcutta, Delhi and Madras.

**PRICE INDICATORS**

Inflation rate (% pa):	<u>1979</u> 6.3	<u>1980</u> 11.5	<u>1981</u> 13.0
Wholesale Price Index: 1975=100	117.2	141.1	157.7
Terms of Trade: 1970=100	<u>1978</u> 96.4	<u>1979</u> 91.8	<u>1980</u> 82.6

**STRUCTURE OF MANUFACTURING SECTOR mn Rupees (1976)**

Branch - ISIC Class	No. of units	Invest- ment	Employ- ment ('000)	Salaries	Gross output	Value added
31. Food & beverage	21,704		1,451	3,079	62,055	8,784
32. Textiles	12,423		1,618	8,268	58,570	13,170
33. Wood	3,573		73	200	1,760	458
34. Paper	4,506		245	1,458	9,436	3,175
35. Chemicals	6,983		508	4,116	69,868	15,094
36. Mineral products	5,309		294	1,235	9,929	2,794
37. Basic metals	4,988		483	4,177	36,164	9,672
38. Machinery	16,852		1,168	8,751	65,295	19,276
39. Others	1,290		28	158	1,222	449





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy		Foreign investment is welcomed as a source of modern technology rather than as a source of capital. A license is required.
Eligibility Criteria	The Industries (Development and Regulation) Act, 1975	Investment not accompanied by foreign technology is not permitted except for ventures in which the Oil Exporting and Developing Countries are involved. Ventures require the approval of the Foreign Investment Board.
Minimum Capital		None stipulated.
Foreign Participation		Foreign participation is normally limited to 40% of the equity capital but may be 74% for industries involving higher technology and serving a largely domestic market and 100% for high technology, export-orientated industries.
Registration	Companies Act, 1956	Registration is required under the 1956 Companies Act.
<b>B. FINANCIAL TRANSFERS</b>		
Profits		There are no restrictions on repatriation once the rules and regulations of FERA are satisfied i.e. after payment of income tax.
Capital		
Loans (Principal & Interest)	Foreign Exchange Regulation Act, 1973	
Technology (Royalties, Fees etc)		
Exchange Control		Remittances are not normally interfered with but the Reserve Bank of India has the power to restrict outflows if it sees fit.
<b>C. PATENT/TRADEMARKS</b>		
Patents	Patents Act, 1970	Patents are granted for 14 years except in the case of foodstuffs and drugs which are granted for 5 years from the date of sealing or 7 years from the date of filing, whichever is shorter.
Trademarks		Trademarks are registered for 7 years and may be renewed for subsequent periods of 7 years.
Protection of Industrial Property		Nationalisation does not normally occur but if it is considered necessary in the overall interests of the economy, fair and equitable compensation is invariably paid.
<b>D. TAXATION</b>		
Corporate	Companies Surtax Act, 1964	45-70% plus a surcharge of 7.5% on tax payable (2.5% from 1982).
Property		

SUBJECT	REFERENCE	DETAILS
Indirect		Capital gains tax: 40-50%; Customs duties: 5-20% on the cif value.
Direct	Income Tax Act, 1961	15% on the lowest level of R10,000 p.a. after permitted deductions; 60% on taxable income in excess of R100,000 p.a. A surcharge of 15% of tax computed is also levied.
<b>E. LABOUR</b>		
Wages	Minimum Wages Act, 1948 Payment of Bonus Act, 1965	The weekly wage consists of a basic rate plus a cost of living compensation rate, or "dearness allowance" which is linked to the Working Class Consumer Price Index. Bonus schemes are also in operation. Average monthly wage: R350 (semi-skilled); R250 (unskilled).
Working Hours	Factories Act, 1948	Basic 48 hour week: maximum 9 hour day.
Social Benefits	Employees State Insurance Act	Employers contribute 6½-8% of an employees wages to a Provident Fund. In respect of employees earning less than R500 per month a compulsory payment of 4% is payable by the employee and the employer. This pays for hospital and other medical benefit schemes for the workers. Other social security measures include family pension and gratuity schemes, leave, accident insurance etc.
Labour Disputes	Industrial Disputes (Amendment) Act, 1976	Disputes are governed under the Industrial Disputes Act through which the Government has established various arbitration procedures. Legitimate trade union activities are freely permitted.
Foreign Labour		Foreign workers require the approval of the relevant Ministry and a Work Permit from the Reserve Bank of India before arrival. They are subject to Indian income tax laws and are permitted to remit up to 50% of their income.
<b>F. INCENTIVE SCHEMES</b>		
	Tax Holiday	New enterprises are exempt for 8 years from income tax to the extent of 25% of profits earned or 7.5% of the capital employment.
	Investment Allowance	A deduction on account of investment allowance is allowed at the rate of 25% of the cost of new ships, aircraft etc provided that an amount equal to 75% of the investment allowance allowed is credited to an 'investment Allowance Reserve Account'.
	Scientific Research	All revenue expenditure incurred on scientific research related to an enterprise is admissible in full as deduction in computing the taxable business profits.
	Depreciation Allowance	There are liberal provisions for depreciation of capital assets with rates ranging from 5-100%. An additional depreciation allowance is allowed in respect of new plant and machinery, in the year of installation, for an amount equal to 50% of the normal depreciation allowance.
	Export Market Development Allowance	A deduction on account of expenses incurred in the promotion of certain export products is allowed at a rate of 133.33-150%.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Indian Oxygen Co Ltd	BOCI	60.0	40.0			6,000	1	R619.1 bn	
Nestle-India	Nestle	30.7	69.3			810	5	97	3
Ashok Leyland	BL	49.4	50.6	100	0	7,848	0	97	3
								R2,336.8 bn	
Ennore Foundries	BL	41.0	59.0	100	0	1,678	0	100	0
								R165.3 bn	
Chemicals & Fibres of India Ltd	ICI	45.0	55.0					79	21
India Explosives Ltd	ICI	49.6	50.4						
							531		
HMM Ltd (Pharmaceutical)	Beecham Products	60.0	40.0			2,200	2		
	Swedish Match	60.5	39.5			8,156	0	92	8

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Investing in India - A Guide to Entrepreneurs"  
 "Tax and Incentives - A Guide for Investors" May 1981

**INSTITUTIONAL**

Indian Investment Centre, Edinburgh House, 40 Great Portland Street, London W1N 5AH  
 Indian High Commission, India House, Aldwych WC2  
 British High Commission in India, Chanakyapuri, New Delhi, India

Prepared as a service of the  
 Investment Co-operative Branch of UNIDO  
 on the basis of available information.  
 UNIDO disclaims responsibility for any inaccuracy  
 or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 10,991 sq km  
 Capital City: Kingston  
 Inhabitants: 800,000 (1981)

Population: number (year): 2.23 mn (1981)  
                   density: 202.83 per sq km  
                   growth rate/year: 1.8% (1981)

Climate: Tropical at sea level; Temperate in the mountain areas  
 Languages: English (OL)  
 Religions: Christianity

Currency: 1 Jamaican Dollar = 100 Cents  
 Exchange rate (per US\$): 1.781 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$1,337 (1981)  
 Inflation rate (%): 12.8 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1974 prices	mn J\$	1979	1980	1981
Agriculture		166.4	157.2	162.7
Mining		148.0	162.3	164.8
Retail and wholesale		299.2	279.4	193.1
Manufacturing		315.9	279.1	280.2
Transport		129.9	124.5	124.3
<b>GDP at current prices</b>	<b>mn J\$</b>	<b>4,288.5</b>	<b>4,256.4</b>	<b>5,309.8</b>
Imports/GDP		0.497	0.693	0.579
Exports/GDP		0.481	0.569	0.480
Savings/Investment		...	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for the IDA), CARICOM, the Commonwealth and SELA.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Bauxite

Labour Resources: Economically active population 0.71 mn

Main manufacturing branches: Bauxite, Beer, Textiles, Tobacco

Infrastructure: Transport: 16,425 km of roads, 930 km of railway track, 2 international airports.  
 Energy: Electricity production 2,000 mn kwh (1977)

Financial and Development  
 Institutions: Bank of Jamaica; 7 Commercial Banks

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is very welcome and there are no limitations on the percentage of foreign owned equity.

**FINANCIAL TRANSFERS.** There are few restrictions on repatriation but foreign exchange reserves are currently low.

**PATENTS/TRADEMARKS.** Patents are granted for 14 years and trademarks for 5 years. Compensation is paid if an enterprise is expropriated.

**TAXATION.** Corporate: 25-35%; Direct: 30-57.5%.

**LABOUR.** The Government has set minimum wage levels. Work permits are granted to skilled foreign workers if indigenous personnel are not available.

**INCENTIVE SCHEMES.** Tax holidays; Export allowances; Double taxation agreements; Free Trade Zone.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%):	11.0 (1981)		
Money Supply growth (%):	-12.8 (1981)		
Budget Expenditure (by function) mn J\$	<u>1975</u>	<u>1976</u>	<u>1977</u>
Total	805.6	946.2	1,064.5
% of which: Defence:	2.5	2.8	2.7
Education & Social Services:	39.4	39.8	38.3
Economic Services:	23.4	22.6	22.8
Budget Deficit: mn J\$	<u>1977</u>	<u>1978</u>	<u>1979</u>
Total	-428.2	-625.0	-655.8
of which: Foreign Financing	...	...	...
Domestic Financing	...	...	...

EXPENDITURE COMPONENTS OF GDP (current prices) US\$ mn

	<u>1978</u>	<u>1979</u>	<u>1980</u>
GDP	2,612.5	2,427.3	2,655.4
Private consumption	1,660.0	1,547.9	1,781.5
Government consumption	563.0	507.5	582.2
Gross capital formation	357.6	410.1	392.3
Net exports	37.6	-38.3	-100.6

GDP, Investment & Sectoral Growth %  
(at constant 1974 prices)

	<u>1979</u>	<u>1980</u>	<u>1981</u>
GDP	0.1	-5.4	2.0
Investment	...	...	...
Agriculture	-10.4	-5.5	3.5
Manufacturing	-5.1	-11.6	0.4
Construction	0.6 <sup>1</sup>	-18.0 <sup>2</sup>	-18.7 <sup>3</sup>

FOREIGN INVESTMENT FLOWS US\$ MN

Aggregate foreign investment flows	<u>1975</u>	<u>1976</u>	<u>1977</u>
	-5.7	3.3	-7.3
DAC countries stock of foreign direct investment	<u>1978</u>		
	900.0		
Direct Investment flows by source country	<u>1974</u>	<u>1975</u>	<u>1976</u>
USA	-9.0	45.0	-77.0
United Kingdom	4.0	-14.0	...

FOREIGN TRADE US\$mn

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Total imports (cif)	1,010.8	1,178.1	1,461.9
Fuel imports (SITC 3)	335.0	456.6	470.0
Manufactured goods (SITC 5-8)	<u>1977</u>	<u>1978</u>	<u>1979</u>
	406.5	442.9	466.6
Total exports (fob)	<u>1979</u>	<u>1980</u>	<u>1981</u>
	818.2	964.9	994.0
Fuel exports (SITC 3)	31.7	17.9	20.0
Manufactured goods (SITC 5-8)	<u>1977</u>	<u>1978</u>	<u>1979</u>
	61.2	44.5	55.6

Principal Export Markets (%)

	<u>1980</u>
USA	36.3
United Kingdom	20.6
Norway	11.0
Canada	3.4

Principal Export Products (%)

	<u>1981</u>
Alumina	59.5
Bauxite	17.2
Sugar & honey	5.7

NATIONAL DEVELOPMENT PLAN

Five Year Development Plan.

Duration: 1982-86.

- Targets:
1. The ratio of investment/GDP to average 20%.
  2. A 5% real increase in GDP per annum over the period.
- Aims:
1. The expansion of export capability.
  2. Restoration of private sector viability.
  3. Progressive increase in foreign exchange reserves.
  4. Development of job-related training schemes for youths.

Finance: IMF; Central Government; Overseas Aid.



**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Bauxite	'000 t	2,000,000	8.8	11,505.0	13.1

**LABOUR RESOURCES '000 (1981)**

Agriculture	269.2	Public utilities & communication	34.5
Mining	8.8	Services	118.0
Manufacturing	84.8	Public administration	106.2
Construction	32.1	Others	4.2
Trade	103.6		

**INFRASTRUCTURE**

**Roads:** Jamaica has 4,737 km of asphalted main roads and 11,688 km of secondary roads, of which about two-thirds are suitable for motor traffic.

**Railways:** There are 330 km of railway track. The main lines are from Kingston to Montego Bay and May Pen to Frankfield.

**Shipping:** The principal port is Kingston which operates a modern transshipment and container service.

**Telecommunications:** 5.4 telephones per 100 inhabitants (1976).

**Airports:** There are 2 international airports at Kingston and Montego Bay.

**PRICE INDICATORS**

Inflation rate (% pa):	1979 29.1	1980 27.1	1981 12.8
Wholesale Price Index:	...	...	...
Terms of Trade: 1970=100	1975 118.0	1976 107.0	1977 37.0

**STRUCTURE OF MANUFACTURING SECTOR mn J\$ (1974)**

Branch - ISIC class	No. of units	Employment ('000)	Salaries	Value added
31. Food & beverages	344	19.9	100.3	260.5
32. Textiles	176	12.1	21.2	38.9
33. Wood	156	3.5	15.0	24.6
34. Paper	71	2.6	25.5	26.8
35. Chemicals	108	3.0	23.9	113.1
36. Mineral products	90	1.8	13.6	17.2
37. Basic metals	17	0.9	49.0	61.1
38. Machinery	306	11.0	9.2	21.7
39. Others	...	...	...	...





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy	Industrial Incentives Law Export Industry Encouragement Law	Foreign investment is very welcome in Jamaica especially when it aids the Economic Recovery Programme.
Eligibility Criteria	Agricultural Incentives Act (Amended), 1981	Priority is given to industries which process local raw materials for export or for the local market.
Minimum Capital		None stipulated.
Foreign Participation		Although there are no regulations governing the percentage of foreign owned equity preference is given to joint ventures.
Registration		Enterprises must be registered with the Bank of Jamaica in order to obtain approved status.
B. FINANCIAL TRANSFERS		
Profits		Remittances of profits and dividends are allowed in full when the application is accompanied by the appropriate set of accounts.
Capital		No restrictions on repatriation.
Loans (Principal & Interest)		Interest payments abroad are normally permitted by the exchange control authorities.
Technology (Royalties Fees etc)		Agreements have to be approved and registered with the Bank of Jamaica and payment of fees in connection with agreements are allowed subject to certification of the payment of the 12.5% withholding tax.
Exchange Control		Foreign exchange reserves are currently low which may impede transfers.
C. PATENTS/TRADEMARKS		
Patents		Patents are granted for a period of 14 years and maybe renewed for a further 7 years.
Trademarks		Trademarks are registered for 5 years and maybe renewed for a further period of 14 years.
Protection of Industrial Property		It is the policy of the Government to avoid compulsory acquisition of enterprises, but where this is found necessary adequate compensation is paid.
D. TAXATION		
Corporate		25-35% plus an additional 10% company profits tax.
Property		
Indirect		Excess profits tax: none; Dividend tax: 37.5% subject to double taxation agreements; Stamp duty: 10% on the cif value of imports.

SUBJECT	REFERENCE	DETAILS
Direct		30-57.5% (on taxable income greater than J\$14,000 p.a.). Personal exemption: Tax credit J\$600; J\$80 per child.
E. LABOUR		
Wages		Typical pay levels are: Clerks J\$400-1,000 per month; Labourers J\$1.4-4.0 per hour (1980). Minimum wage J\$30 per week (1981).
Working Hours	Holiday with Pay Law	Basic 40 hour week. Minimum of 10 working day holiday.
Social Benefits		There is a National Insurance Scheme (State Pension) which employers and employees contribute to.
Labour Disputes	Labour Relations & Industrial Disputes Act	All disputes are referred to the Industrial Disputes Tribunal.
Foreign Labour	Foreign Nationals & Commonwealth Citizens (Employment) Act, 1964	Work permits are granted for up to 5 years to skilled foreign labour if indigenous personnel are not available. They are renewable and the fee is J\$600.
F. INCENTIVE SCHEMES		
	Tax Holiday	Fiscal incentives have been harmonised with those approved in the CARICOM agreement and include: Industries are classified into 4 groups on the basis of local value added and incentives are administered accordingly: 1. More than 50% of local value added - 9 years tax holiday. 2. 25-50% of local value added - 7 years tax holiday. 3. Less than 25% of local value added - 5 years tax holiday. 4. Enclave industries - 10 years tax holiday.
	Export Allowances	Export profit, taken as a percentage of total profit, is measured for the purpose of granting a rebate on company tax: 1. Export profit 10-21% - company tax rebate 25%. 2. Export profit 21-41% - company tax rebate 35%. 3. Export profit 41-61% - company tax rebate 45%. 4. Export profit greater than 61% - company tax rebate 50%. Company rebate is taken as a percentage of company tax on export profits
	Double Taxation	Treaties exist with the USA, Canada, United Kingdom, Germany, Denmark, Norway and Sweden.
	Kingston Free Trade Zone Act, 1980	A Free Trade Zone has been established on 146 acres of land adjacent to the Kingston Container Terminal. To encourage the manufacture and processing of goods the Government offers a number of incentives to enterprises who locate in this zone: 1. Exemption from import duties on raw materials and machinery imported into the zone for processing and re-export. 2. Total exemption from income, in perpetuity, on export earnings of manufacturing enterprises.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Bush Boake	Bush Boake	30	70	...	...	12	2	100	0
Allen (Jamaica) Ltd (Food Processing & Chemicals)	Allen							J\$1.5 mn	
BICC - Jamaica (Electrical Cables)	BICC	5	95	...	...	91	3	J\$8.2 mn	
Nestle - Jamaica (Milk)	Nestle	0	100	...	...	463	6	87	13
Xerox (Jamaica) Ltd (Office Machinery)	Rank Xerox	25	75	...	...	...	...	...	...

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Government of Jamaica Statement of Policy  
on Foreign Investment"

"Doing Business in Jamaica"

"Jamaica National Investment Promotion News"

**INSTITUTIONS**

P. Waterhouse

Jamaica National Investment Promotions Ltd

**INSTITUTIONAL**

Jamaican High Commission, 50 St James's Street, London SW1

Jamaica National Investment Promotions Ltd, 15, Oxford Road, Kingston 5, Jamaica

New York Office: 866 Second Avenue, New York, NY 10017

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 97,754 sq km  
 Capital City: Monrovia  
 Inhabitants: 208,629 (1978)

Population: number (year): 1.87 mn (1980)  
 density: 19.13 per sq km  
 growth rate/year: 3.8% (1980)  
 Climate: Tropical  
 Languages: English (OL), Local African dialects  
 Religions: Christianity, Islam

Currency: 1 Liberian Dollar = 100 Cents  
 Exchange rate (per US\$): 1.000 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$615 (1980)  
 Inflation rate (%): 8.8 (1981, Qtr 3)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP mn L\$ at constant 1971 prices	1975	1976	1977
Agriculture	50.1	55.3	52.4
Mining	116.2	108.4	97.1
Retail and wholesale	27.6	27.6	30.6
Manufacturing	23.1	28.0	34.2
Transport	35.5	40.1	45.3
<b>GDP at current prices mn L\$</b>	<b>943.7</b>	<b>1,076.6</b>	<b>1,149.5</b>
Imports/GDP	0.510	0.470	0.465
Exports/GDP	0.515	0.498	0.522
Savings/Investment	0.498	0.762	0.322

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for GATT and WIPO), AFDB and OAU.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Gold, Iron Ore, Natural Rubber

Labour Resources: Economically active population 0.55 mn (1980)

Main manufacturing branches: Sawwood, Diamonds, Alcoholic Beverages, Asphalt

Infrastructure: Transport: 9,973 km of roads, 2 international airports.

Energy: Electricity production 890 mn kwh (1978).

**Financial and Development**

Institutions: National Bank of Liberia; 8 Commercial Banks including the Agricultural and Co-operative Development Bank and the Liberian Bank for Development and Investment.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is very welcome and there are no restrictions on the percentage of foreign equity.

**FINANCIAL TRANSFERS.** There is a very liberal policy in operation as regards repatriation of capital, profits etc.

**PATENTS/TRADEMARKS.** Patents are granted for 20 years. Trademarks are registered for 15 years. The Government guarantees that there will be no nationalisation.

**TAXATION.** Corporate: 4-45%; Direct: 2-35%.

**LABOUR.** Minimum wage for industrial workers; L\$240 per day. Foreign labour is prohibited except where there is a shortage of skilled indigenous experience.

**INCENTIVE SCHEMES.** Export benefits; Exemption from Customs duties; Tax exemptions.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): ...			
Money Supply growth (%): 4.3 (1981)			
Budget Expenditure (by function) mn L\$	1978	1979	1980
Total	232.7	344.3	281.0
% of which: Defence:	4.1	2.7	5.8
Education & Social Services:	31.0	22.2	26.9
Economic Services:	33.7	29.5	20.2
Budget Deficit: mn L\$	1978	1979	1980
Total	-56.2	-141.2	-88.3
of which: Foreign Financing	14.9	128.6	50.3
Domestic Financing	41.3	12.6	38.0

EXPENDITURE COMPONENTS OF GDP US\$ mn

	1978	1979	1980
GDP	943.7	1,076.6	1,149.5
Private consumption	572.8	621.5	634.4
Government consumption	121.8	141.2	223.0
Gross capital formation	297.7	347.7	292.6
Net exports	-48.6	-33.8	-0.5

GDP, Investment & Sectoral Growth %  
(at constant 1971 prices)

	1975	1976	1977
GDP	-3.9	5.1	2.8
Investment	-14.0 <sup>1</sup>	16.2 <sup>2</sup>	6.4 <sup>3</sup>
Agriculture	5.3	10.4	-5.2
Manufacturing	-11.2	21.2	22.1
Construction	-10.2	25.5	0.6

FOREIGN INVESTMENT FLOWS US\$ MN

Aggregate foreign investment flows	1978
DAC countries stock of foreign direct investment	1,230.0
Direct Investment flows by source country	...

FOREIGN TRADE US\$mn

	1978	1979	1980
Total imports (cif)	480.8	506.5	534.7
Fuel imports (SITC 3)	103.2	152.2	100.0
Manufactured goods (SITC 5-8)	317.1	306.3	302.4
Total exports (fob)	536.6	600.6	537.6
Fuel exports (SITC 3)	0.0	0.0	0.0
Manufactured goods (SITC 5-8)	3.8	5.0	5.5

Principal Export Markets (%)

	1980
Japan	25.5
Germany	18.2
USA	11.1
Italy	8.6

Principal Export Products (%)

	1981
Iron ore	61.6
Rubber	16.6
Diamonds	4.4

NATIONAL DEVELOPMENT PLAN

Framework for the construction of the National Development Plan as issued by the Government June 5, 1980.

- Aims:
1. To improve the well-being of the Liberian people as a whole.
  2. To promote rural development especially agriculture.
  3. To reduce unemployment.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Gold	kg	...	...	140.0	...
Iron ore	'000 t	1,400	0.6	1,529.0 <sup>a</sup>	2.2
Natural rubber	t	...	...	68,750.0	1.8

a 1980

**LABOUR RESOURCES '000 (1980)**

Agriculture	392.9	Commerce	20.6
Mining	28.0	Transport	8.1
Manufacturing	7.1	Services	54.8
Electricity, gas & water	0.3	Others	31.6
Construction	5.2		

**INFRASTRUCTURE**

**Roads:**In 1979 there were 9,973 km of roads of which 608 km were metalled. The main trunk road is the Monrovia to Sanniquelle Motor Road.

**Railways:**Liberia has no passenger railways.

**Shipping:**The main ports are Monrovia Free Port and the ports of Buchanan, Greenville and Harper.

**Telecommunications:**0.3 telephones per 100 inhabitants (1974).

**Airports:**The chief airports are the Roberts International Airport, 56 km east of Monrovia and James Spriggs Payne Airport.

**PRICE INDICATORS**

Inflation rate (%pa):	<u>1978</u> 7.3	<u>1979</u> 11.6	<u>1980</u> 13.8
Wholesale Price Index:	...	...	...
Terms of Trade: 1970=100	<u>1975</u> 76.0	<u>1976</u> 78.0	<u>1977</u> 93.0

**STRUCTURE OF MANUFACTURING SECTOR**
**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
Sawnwood	'000 cu m	71	159	121	140	140
Beer	'000 hl	5	6	7	8	...
Asphalt	'000 t	...	24	3	...	...
Cement	t	...	2,384	2,500	2,900	...





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy	National Investment Commission (NIC)	Liberia pursues an "open door" policy with regard to the attraction and promotion of foreign investment.
Eligibility Criteria		Priority is given to investments that process natural and agricultural resources for the domestic and export markets, through the use of labour intensive methods appropriate to the scale of capital and technology employed.
Minimum Capital		Minimum legal capitalisation of US\$1,000.
Foreign Participation		No statutory limit on foreign participation.
Registration		Enterprises are required to register with the Ministry of Commerce, Industry and Transportation. Decisions are based only on the ability of the company to meet the legal capitalisation requirement. Registration takes about one week to complete.
<b>B. FINANCIAL TRANSFERS</b>		
Profits		
Capital		There are no charges levied on the repatriation of profits, capital or on the repayment of loans.
Loans (Principal & Interest)		
Technology (Royalties, Fees etc)		There are no controls in operation on the repatriation of fees or royalties on licenses.
Exchange Control		Liberia uses the US\$ as its currency of exchange and imposes no exchange controls.
<b>C. PATENTS/TRADEMARKS</b>		
Patents		The Patent Registration Office is situated at the Foreign Ministry. Patents are granted for 20 years and are not renewable. Registration costs US\$75.
Trademarks		Trademarks are registered for 15 years and are renewable. Registration costs US\$26 and the renewal fee is US\$10.
Protection of Industrial Property		The Government guarantees that there will be no nationalisation of private business interests.
<b>D. TAXATION</b>		
Corporate		Progressive tax on net income: 5% on L\$0-5,000, 45% of L\$500,000 - 1 mn.
Property		Real estate tax: 0.5-1% of the assessed value of buildings; Real estate lease tax: 10% of the annual rentage.



SUBJECT	REFERENCE	DETAILS
Indirect	External Tariff Schedule, 1974	Customs duties: 10% on machinery, equipment and essential commodities, 75% on luxury goods; export duties: 10-16%, payable on exports of precious metals and stones and ivory.
Direct		Progressive tax ranging from 2-35%. Statutory deduction of L\$1,500 from gross income.
E. LABOUR		
Wages		Minimum wage: agricultural workers - L\$1.50/day, industrial workers - L\$2.40/day. Fringe benefits include travelling costs and lunch money and represent 0-33% of a workers wage.
Working Hours		Basic 40 hour week. Vacation leave: 3-6 weeks p.a.
Social Benefits		Benefits cover unemployment, health/dental care, disability and old age.
Labour Disputes		It is illegal to strike or to promote a strike until the grievance has been presented to the Labour Union which negotiates with management. Subsequent disagreement is referred to the Ministry of Labour.
Foreign Labour		The employment of foreign labour is prohibited by law except in administrative, supervisory or technical capacities where there is a shortage of local experience. A special work permit is required from the Ministry of Labour. Full repatriation of earnings is permitted.
F. INCENTIVE SCHEMES		
	Investment Incentive Code (Amended), 1975	Incentives are granted for a period not exceeding 5 years from the date of arrival at port, in respect of machinery and equipment and from the date when marketable production starts in respect of other incentives (see below). Certain incentives may be granted fully or partially depending on the fulfilment by an approved investment project of certain national development strategy criteria such as national development priority, location, employment and linkage effects.
	Customs Duties	Approved imports of machinery and equipment to be used in establishing an Approved Investment Project shall be exempt from import duty on up to 90% of their dutiable value. Similarly for approved imports of raw materials, semi-finished products and other supplies used in the productive operations of such projects.
	Tax Benefits	Profits re-invested in fixed assets are exempt from income tax. Exemption for reinvestment in housing for employees must receive prior approval from the Concession and Investment Commission. All remaining Profits of the enterprise shall be exempt from 50% of the income tax that would be otherwise payable.
	Export Benefits	Enterprises granted an Investment Incentive Contract are entitled to a full refund of import duties, income tax and excise tax paid by them in respect of manufactured goods exported from the production of the Approved Investment Project.





**EXAMPLES OF MANUFACTURING ENTERPRISES**

COMPANY	PARENT COMPANY	CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
		Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Liberia Refining Co		0	100	...	...	400	15	90	10

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"An Act Amending the Investment Incentive Code of the Republic of Liberia" Ministry of Foreign Affairs  
 "Economic Report of Liberia" Lloyds Bank

**INSTITUTIONAL**

Embassy of the Republic of Liberia, 21 Prince's Gate, London SW7 1QB  
 Republic of Liberia National Investment Commission, Mail Bag 9043, Monrovia, Liberia

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 118,484 sq km  
 Capital City: Lilongwe  
 Inhabitants: 98,718 (1977)

Population: number (year): 6.12 mn (1981)  
 density: 51.65 per sq km  
 growth rate/year: 2.51% (1981)

Climate: Tropical (cooler in highlands)  
 Languages: Chichewa (OL), English (OL)  
 Religions: Christianity, Hinduism, Islam, Traditional beliefs

Currency: 1 Kwacha = 100 Tambala  
 Exchange rate (per US\$): 0.895 (1981)  
 Pegged to: SDR  
 GDP per capita: US\$256 (1980)  
 Inflation rate (%): 9.5 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1973 prices	mn K	1977	1978	1979
Agriculture		216.3	224.4	229.9
Mining		...	...	...
Retail and wholesale		57.8	64.5	68.1
Manufacturing		58.2	63.1	66.5
Transport		25.9	26.2	78.4
GDP at current prices	mn K	887.9	1,049.6	1,241.4
Imports/GDP		0.461	0.502	0.459
Exports/GDP		0.267	0.261	0.294
Savings/Investment		...	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for IMCO), the ADB, the Commonwealth, the OAU and the EEC (ACP member).

**COMPARATIVE MANUFACTURING ADVANTAGES**
**Natural Resources:**

Labour Resources: Economically active population 2.75 mn (1980)

Main manufacturing branches: Sugar, Tea, Beer, Cigarettes, Sawwood

Infrastructure: Transport: 10,772 km of roads, 830 km of railway track, 2 international airports.

Energy: Electricity production 384 mn kwh (1981).

**Financial and Development**

Institutions: Reserve Bank of Malawi (central bank); Commercial Bank of Malawi Ltd; Investment and Development Bank of Malawi Ltd; National Bank of Malawi.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is very welcome. Large scale enterprises and joint ventures are preferred.

**FINANCIAL TRANSFERS.** There is a fairly liberal policy with just a few minor formalities of exchange control.

**PATENTS/TRADEMARKS.** Patents are granted for 16 years and trademarks are registered for 7 years. Malawi is a signator to the International Convention for the Protection of Industrial Property.

**TAXATION.**

**LABOUR.** Foreign labour is permitted provided training of local manpower is undertaken.

**INCENTIVE SCHEMES.** Depreciation allowances; Tariff Protection; Industrial drawback; Tariff rebates.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): 10.0 (1982, Qtr 1)			
Money Supply growth (%): 2.1 (1982, Qtr 1)			
Budget Expenditure (by function) mn K	1977	1978	1979
Total	159.8	214.8	279.6
% of which: Defence:	8.6	11.3	13.9
Education & Social Services:	19.8	21.9	18.5
Economic Services:	32.1	37.6	37.0
Budget Deficit: mn K	1977	1978	1979
Total	-44.9	-74.2	-72.8
of which: Foreign Financing	39.9	62.6	40.6
Domestic Financing	5.0	11.6	32.2

EXPENDITURE COMPONENTS OF GDP US\$ mn

	1978	1979	1980
GDP	1,052.0	1,285.0	1,529.0
Private consumption	738.0	969.0	1,227.0
Government consumption	165.0	180.0	147.0
Gross capital formation	317.0	336.0	332.0
Net exports	-167.0	-200.0	-177.0

GDP, Investment & Sectoral Growth %  
(at constant 1973 prices)

	1977 <sub>1</sub>	1978 <sub>2</sub>	1979 <sub>3</sub>
GDP	4.4	0.6	0.9
Investment	9.6	41.0	-8.0
Agriculture	2.1	3.7	2.5
Manufacturing	10.6	8.4	5.4
Construction	4.3	29.5	4.6

FOREIGN INVESTMENT FLOWS US\$ MN

Aggregate foreign investment flows	1977 5.5	1978 9.8	1979 13.4
DAC countries stock of foreign direct investment ...		100.0	...
Direct Investment flows by source country 1973	1974	1975	
United Kingdom	0.4	7.0	75.0

FOREIGN TRADE US\$mn

	1979	1980	1981
Total imports (cif)	277.6	438.6	363.9
Fuel imports (SITC 3)	1978 40.3	1979 58.0	1980 68.1
Manufactured goods (SITC 5-8)	1977 178.2	1978 274.4	1979 306.0
Total exports (fob)	1979 222.4	1980 294.6	1981 285.1
Fuel exports (SITC 3)	1978 0.1	1979 0.1	1980 0.1
Manufactured goods (SITC 5-8)	1977 13.7	1978 13.2	1979 13.7
Principal Export Markets (%)			
United Kingdom	1981 23.0		
USA	33.0		
Netherlands	7.0		
South Africa	6.0		

Principal Export Products (%)

	1981
Tobacco	39.0
Tea	12.2 <sup>a</sup>
Sugar	15.6 <sup>a</sup>

a 1980.

NATIONAL DEVELOPMENT PLAN

Five Year Development Plan.

Duration: 1981/82-1985/86.

Aims: To restore balance to the economy by increasing and diversifying exports and decreasing imports.

Finance: Malawi relies heavily on foreign aid for its development programmes.

NATURAL RESOURCES			
MINERAL	UNIT	RESERVES WORLD %	PRODUCTION (1979) WORLD %
<hr/>			
<b>LABOUR RESOURCES '000 (1978)</b>			
Agriculture	170.8	Trade	39.0
Mining	0.6	Transport	17.9
Manufacturing	36.2	Finance	6.9
Electricity, gas & water	2.9	Services	47.8
Construction	31.6		
<hr/>			
INFRASTRUCTURE			
<p><b>Roads:</b>In 1980 there were 10,772 km of roads, of which 2,745 km were classed as main roads. The entire network is being steadily upgraded.</p>			
<p><b>Railways:</b>There is 830 km of railway track at present but a new 116 km track is under construction which will link to the Tazara line connecting Zambia and Tanzania.</p>			
<p><b>Shipping:</b></p>			
<p><b>Telecommunications:</b>1.3 telephones per 100 inhabitants (1977).</p>			
<p><b>Airports:</b>The main international airport is at Blantyre whilst another was opened at Lilongwe in 1981.</p>			

PRICE INDICATORS						
Inflation rate (% pa):	<u>1979</u> 11.3	<u>1980</u> 18.4	<u>1981</u> 9.5			
Wholesale Price Index:	...	...	...			
Terms of Trade:	<u>1977</u> 89.6	<u>1978</u> 78.9	<u>1979</u> 76.1			
<hr/>						
STRUCTURE OF MANUFACTURING SECTOR mn K (1975)						
Branch - ISIC class	No. of units	Gross invest- ment	Employ- ment ('000)	Salaries	Gross output	Value added
31. Foods & beverages	42	9.4	15.1	7.2	101.2	18.3
32. Textiles	26	3.0	5.5	2.7	24.6	5.3
33. Wood	7	0.2	1.2	0.5	4.2	1.7
34. Paper	8	0.6	1.2	1.1	8.5	1.5
35. Chemicals	14	0.7	1.5	1.5	28.9	4.8
36. Mineral products	5	0.4	1.7	0.8	5.0	1.9
38. Machinery	13	0.4	1.7	1.3	14.0	4.0





SUBJECT	REFERENCE	DETAILS
<p>A. GENERAL PRINCIPLES</p> <p>Fundamental Policy</p> <p>Eligibility Criteria</p> <p>Minimum Capital</p> <p>Foreign Participation</p> <p>Registration</p>	<p>Industrial Development Act, 1966</p>	<p>Foreign investment is very welcome and there is a policy of minimum interference with business.</p> <p>Large scale enterprises are favoured. Agriculture, industry and commerce are all seen as priority sectors.</p> <p>None stipulated.</p> <p>A flexible approach is followed although joint ventures are preferred and local participation is encouraged up to a "Maximum Practical Amount".</p> <p>Industrial licence applications have to be made to the Ministry of Trade, Industry and Tourism for units employing more than 10 persons or using machinery of greater than 25 horse power. The fee is K150.</p>
<p>B. FINANCIAL TRANSFERS</p> <p>Profits</p> <p>Capital</p> <p>Loans (Principal &amp; Interest)</p> <p>Technology (Royalties, Fees etc)</p> <p>Exchange Control</p>		<p>Current profits are freely transferable provided no use is made of local credit at the time of transfer.</p> <p>Repatriation of capital is subject to the approval of the Exchange Control Authority.</p> <p>Freely transferable provided no use is made of local credit at the time of transfer.</p> <p>The Reserve Bank of Malawi is the Exchange Control Authority.</p>
<p>C. PATENTS/TRADEMARKS</p> <p>Patents</p> <p>Trademarks</p> <p>Protection of Industrial Property</p>	<p>Federal Patents Act, 1957</p> <p>Federal Trademarks Act, 1957</p>	<p>Patents can be registered for 16 years with possible extensions of 5-10 years.</p> <p>The first user of a trademark can register it for a term of 7 years with a possible extension up to 14 years.</p> <p>Malawi is a signator to the International Convention for the Protection of Industrial Property as revised at Lisbon, 1958.</p>
<p>D. TAXATION</p> <p>Corporate</p> <p>Property</p> <p>Indirect</p> <p>Direct</p>		<p>Import duty: 3% on the cif price of all imports plus a 20% surtax.</p>

SUBJECT	REFERENCE	DETAILS
E. LABOUR Wages Working Hours Social Benefits Labour Disputes Foreign Labour		<p>Foreign labour is permitted provided training of suitable local manpower is undertaken.</p>
F. INCENTIVE SCHEMES	Depreciation Allowances	<p>Initial allowances on capital expenditure are granted at a rate of 10% for industrial buildings and 20% for plant and machinery. Additional annual allowances assessed by the Commissioner of Taxes, may also be awarded at a rate of 5% on certain industrial buildings and from 5-33% on plant and equipment.</p>
	Investment Allowance	<p>An allowance of 10% is granted to manufacturers for new plant and equipment other than motor vehicles.</p>
	Initial Expenditure	<p>Expenditure incurred by a manufacturing industry, up to 18 months prior to the start of operations, is deductible as if it had been incurred after the commencement of operations.</p>
	Exclusive Protection	<p>In exceptional cases exclusive protection is granted for a limited period. Consequently no other enterprises are granted licences to manufacture products deemed to be competitive with those of the protected firm.</p>
	Tariff Protection	<p>This may be granted in individual cases but is not considered as a major policy tool.</p>
	Industrial Rebates & Drawbacks	<p>Manufacturers' rebates are granted on imported materials required for further processing in Malawi. Also registered manufacturers can claim drawback of tariff duties paid on materials which have been used in the manufacture of articles which have been exported.</p>
	Other Tariff Rebates	<p>A special tariff item (100.15) allows goods imported for the establishment or development of an enterprise which is deemed by the Ministry of Finance to be of national importance to enter Malawi at concessionary duty rates. Similarly for parts and materials, but not fuels, of a kind suitable only for consumption in a process of manufacture.</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Lever Bros (Malawi) Ltd (Household Products)	Unilever	20	80	...	...	533	7	90	10
ICI (Malawi) Ltd (Paints, Chemicals etc)	ICI	0	100	...	...	...	...	...	...
BAT (Malawi) Ltd (Tobacco)	BAT	25	75	100	0	218	1	100	0

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION

DOCUMENTARY

"Malawi Economic Report"

Lloyds Bank December 1980

"Hints to Exporters"

British Overseas Trade Board 1980/81

INSTITUTIONAL

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Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.



**GENERAL COUNTRY DATA**

Surface Area: 1,030,700 sq km  
 Capital City: Nouakchott  
 Inhabitants: 134,986 (1976)

Population: number (year): 1.63 mn (1980)  
 density: 1.58 per sq km  
 growth rate/year: 2.5% (1980)

Climate: Semi-arid

Languages: Arabic (OL), French (OL)

Religions: Islam

Currency: 1 Ouguiya = 5 Khoums

Exchange rate (per US\$): 48.258 (1981)

Pegged to: US\$

GDP per capita: US\$424 (1980)

Inflation rate (%): 19.0 (1981, Qtr 1)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1977 prices	mn Ogs	1975	1976	1977
		19,000.0	21,210.0	20,290.0
Agriculture		5,225.0	5,366.1	4,646.4
Mining		3,287.0	3,733.0	2,942.1
Retail and wholesale		2,280.0	2,502.8	2,394.2
Manufacturing		1,729.0	1,866.5	1,947.8
Transport		...	...	...
GDP at current prices	mn Ogs	1978	1979	1980
		24,988.0	27,807.0	31,728.0
Imports/GDP		0.684	0.675	0.709
Exports/GDP		0.287	0.328	0.373
Savings/Investment		1975	1976	1977
		0.131	0.027	0.002

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations, the AFDB and the OAU.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Iron-ore, Copper, Gypsum.

Labour Resources: Economically active population 0.57 mn

Main manufacturing branches: Fish processing, Iron production

Infrastructure: Transport: 8,900 km of roads, 650 km of railway track, 2 international airports.

Energy: Electricity production 97 mn kwh (1978).

Financial and Development

Institutions: Banque Centrale de Mauritanie; 5 commercial banks.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is welcome in order to develop basic industries. Small and medium scale projects are preferred.

**FINANCIAL TRANSFERS.** Foreign exchange is presently in extremely short supply.

**PATENTS/TRADEMARKS.** Patents and trademarks are granted for 20 years. Protection of industrial property is guaranteed.

**TAXATION.**

**LABOUR.**

**INCENTIVE SCHEMES.** Stabilisation of the tax system; Tax holidays.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%):	5.0	(1980)		
Money Supply growth (%):	8.5	(1981, Qtr 3)		
Budget Expenditure (by function)	mn Ogs	1977	1978	1979
Total		10,406.0	9,071.0	11,013.0
% of which: Defence:		...	39.0	29.4
Education & Social Services:		...	20.8	18.6
Economic Services:		...	12.4	13.5
Budget Deficit:	mn Ogs	1977	1978	1979
Total		1,685.0	870.0	1,464.0
of which: Foreign Financing		-56.0	1,047.0	1,037.0
Domestic Financing		1,741.0	-176.0	427.0

**EXPENDITURE COMPONENTS OF GDP US\$ mn**

	1978	1979	1980
GDP	541.4	605.9	691.0
Private consumption	361.5	414.6	498.5
Government consumption	203.0	207.6	193.6
Gross capital formation	162.8	176.0	222.1
Net exports	-185.9	-192.4	-223.2

**GDP, Investment & Sectoral Growth %  
(at constant 1973 prices)**

	1976	1977	1978
GDP	6.6	-1.5	-0.5
investment	...	...	...
Agriculture	2.1	-12.1	1.4
Manufacturing	6.9	12.5	3.3
Construction	10.2	8.3	-18.0

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows	1977	1978	1979
	4.1	2.9	83.5
DAC countries stock of foreign direct investment	...	25.0	...
Direct Investment flows by source country	...	...	...

**FOREIGN TRADE US\$mn**

	1979	1980	1981
Total imports (cif)	258.7	285.7	265.1
	1973	1974	1975
Fuel imports (SITC 3)	6.3	14.5	13.2
Manufactured goods (SITC 5-8)	70.8	72.7	96.5
	1978	1979	1980
Total exports (fob)	123.3	146.7	194.2
	1973	1974	1975
Fuel exports (SITC 3)	0.2	1.7	1.2
Manufactured goods (SITC 5-8)	0.7	2.0	1.7

**Principal Export Markets (%)**

	1974
France	17.0
Spain	13.2
Germany F.R.	10.6
Japan	10.6

**Principal Export Products (%)**

	1980
Iron ore	77.8
Fish	21.9

**NATIONAL DEVELOPMENT PLAN**

In 1980 the Government changed its economic policy, channelling resources from prestigious industrial projects to the rural sector in an attempt at self-sufficiency in food crops.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Iron ore	'000 t	...	...	9,300.0	1.1
Copper	'000 t	...	...	49.0	...
Gypsum	'000 t	...	...	17.0	...

**LABOUR RESOURCES '000 (1978)**

Agriculture 405.0

**INFRASTRUCTURE**

**Roads:** There are 8,900 km of roads of which only 1,133 km are asphalted. An improvement programme started in 1975 and was expected to have rehabilitated 3,500 km of the network by 1982.

**Railways:** A 650 km railway track links Nouadhibou with Tazadit. It is used primarily for transporting iron ore.

**Shipping:** The chief port is at Point-Central.

**Telecommunications:** 0.3 telephones per 100 inhabitants (1980).

**Airports:** There are international airports at Nouadhibou and Nouakchott.

**PRICE INDICATORS**

Inflation rate (% pa):	<u>1978</u> 10.3	<u>1979</u> 9.2	<u>1980</u> 10.8
Wholesale Price Index:	...	...	...
Terms of Trade: 1970=100	<u>1975</u> 75.0	<u>1976</u> 75.0	<u>1977</u> 79.0

**STRUCTURE OF MANUFACTURING SECTOR**
**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Products	Unit	1975	1976	1977
Frozen fish	'000 t	6.0	9.5	12.0
Canned fish	cartons	1,500.0	1,300.0	2,000.0
Fish flour	'000 t	...	2.0	5.0





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b> Fundamental Policy  Eligibility Criteria  Minimum Capital Foreign Participation Registration	Investment Code, 1979	Mauritania is anxious to attract private foreign investors willing to develop basic industries.  There are enhanced privileges for enterprises engaged in processing domestically produced raw materials, particularly from the agriculture, livestock and fisheries sectors. Small and medium scale projects are preferred.
<b>B. FINANCIAL TRANSFERS</b> Profits Capital Loans (Principal & Interest) Technology (Royalties, Fees, etc) Exchange Control		Mauritania is suffering from an extreme shortage of foreign exchange.
<b>C. PATENTS/TRADEMARKS</b>  Patents Trademarks  Protection of industrial property	Agreement of Libreville, 1962	Register with the African and Malagasy Industrial Property Office. Patents valid for 20 years subject to the payment of annual renewal fees. The first applicant is entitled to registration and exclusive use of a mark for 20 years but a prior user may oppose the registration within a period of 3 years. Renewable for further 20 year periods.  Mauritania is a signatory to the International (Lisbon) Convention for the Protection of Industrial Property.
<b>D. TAXATION</b> Corporate Property Indirect  Direct		Statistical tax: 4% of the cif value of imports; Tax forfaitaire: 2-30%. Turnover tax: 12-25%. The later are both calculated on the cif value of imports plus the preceding taxes and duties.

continued from page 1.

SUBJECT	REFERENCE	DETAILS
<p>E. LABOUR</p> <p>Wages</p> <p>Working Hours</p> <p>Social Benefits</p> <p>Labour Disputes</p> <p>Foreign Labour</p>		
<p>F. INCENTIVE SCHEMES</p>	<p>Investment Code, 1979</p> <p>Tax Exemptions</p>	<p>The Investment Code provides for 2 types of investment regime. The first is for projects involving investment of US\$20,000-400,000. The second is for projects that involve investment of US\$200,000 or more (the overlap providing the investor with a choice of regime). Qualifying enterprises are offered long term tax stabilisation agreements.</p> <p>Tax exemptions for up to 12 years are also offered on exports, raw material imports and re-invested profits.</p>





**EXAMPLES OF MANUFACTURING ENTERPRISES**

COMPANY

PARENT COMPANY

CAPITAL STRUCTURE (%)

Domestic Foreign

DEBT STRUCTURE (%)

Domestic Foreign

NO. OF EMPLOYEES

Domestic Foreign

ANNUAL SALES (%)

Domestic Foreign

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Foreign Economic Trends and Their Implications for the US" US Department of Commerce

"Hints to Exporters" British Overseas Trade Board 1981

**INSTITUTIONAL**

Mauritania Embassy, 5 Rue de Montevideo, Paris, France

Mauritania Chamber of Commerce, Industry and Business, P.O. Box 215, Nouakchott, Mauritania

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 141,059 sq km  
 Capital City: Kathmandu  
 Inhabitants: 393,494 (1981, census)

Population: number (year): 15.02 (1981)  
 density: 106.48 per sq km  
 growth rate/year: 7.2% (1981)  
 Climate: Temperate  
 Languages: Nepali (OL), Maithir, Bhojpuri  
 Religions: Hinduism, Buddhism

Currency: 1 Nepalese Rupee = 100 Pice  
 Exchange rate (per US\$): 12.359 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$142 (1980)  
 Inflation rate (%): 3.9 (1982, Qtr 1)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1975 prices	mn	Nr	1975	1976	1977
Agriculture			11,550.0	11,615.0	11,466.0
Mining					
Retail and wholesale			5,021.0	5,685.0	6,387.0
Manufacturing					
Transport					
GDP at current prices	mn	Nr	1978	1979	1980
			19,598.0	21,152.0	23,867.0
Imports/GDP			0.172	0.186	0.214
Exports/GDP			0.121	0.134	0.131
Savings/Investment			...	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for GATT and WIPO) and the ADB.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: None.

Labour Resources: Economically active population 6.77 mn (1980)

Main manufacturing branches: Beer, Cigarettes, Shoes, Textiles

Infrastructure: Transport: 4,600 km of roads, 101 km of railway track.

Energy: Electricity production 180 mn kwh (1977)

Financial and Development

Institutions: Nepal Rastra Bank; Nepal Bank Ltd; Rastriya Baniyya Bank; Agricultural Development Bank; Nepal Industrial Development Corporation.

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment is welcome in medium to large scale projects.

FINANCIAL TRANSFERS.

PATENTS/TRADEMARKS.

TAXATION.

LABOUR.

INCENTIVE SCHEMES.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%):	...		
Money Supply growth (%):	8.6 (1981, Qtr 3)		
Budget Expenditure (by function) mn Nr	1977	1978	1979
Total	2,258.9	2,586.1	2,927.6
% of which: Defence:	7.2	6.5	6.6
Education & Social Services:	19.2	19.9	18.6
Economic Services:	52.2	55.2	53.0
Budget Deficit: mn Nr	1979	1980	1981
Total	-622.6	-805.3	-923.4
of which: Foreign Financing	390.2	534.9	654.7
Domestic Financing	213.2	200.3	268.7

EXPENDITURE COMPONENTS OF GDP US\$ mn

	1978	1979	1980
GDP	1,618.2	1,762.7	1,988.9
Private consumption	...	...	...
Government consumption	...	...	...
Gross capital formation	...	...	...
Net exports	...	...	...

GDP, Investment & Sectoral Growth %  
(at constant 1975 prices)

	1978	1979	1980
GDP	1.5	3.7	-1.4
Investment	...	...	...
Agriculture	1.7 <sup>1</sup>	0.6 <sup>2</sup>	-1.3 <sup>3</sup>
Manufacturing	...	...	...
Construction	...	...	...

FOREIGN INVESTMENT FLOWS US\$ MN

	1977	1978	1979
Aggregate foreign investment flows	0.0	0.0	0.0
DAC countries stock of foreign direct investment	...	10.0	...
Direct Investment flows by source country	...	...	...

FOREIGN TRADE US\$mn

	1978/79	1979/80	1980/81
Total imports (cif)	240.4	292.7	316.3
Fuel imports (SITC 3)	19.4	33.8	40.9
Manufactured goods (SITC 5-8)	186.0	217.6	220.4

	1978/79	1979/80	1980/81
Total exports (fob)	108.1	86.7	82.3
Fuel exports (SITC 3)	0.1	6.1	0.0
Manufactured goods (SITC 5-8)	23.8	28.1	23.8

Principal Export Markets (%)

	1980/81
India	62.2

Principal Export Products (%)

NATIONAL DEVELOPMENT PLAN

Sixth Five-Year Plan.

Duration: 1980-85.

Allocation of resources:	mn Nr 1979/80 prices
1. Agriculture, land reform, irrigation	10,570
2. Industry, commerce and tourism	8,810
3. Transport and communications	5,870
4. Education and social services	8,690
Total	33,940

Finance: 50% to be provided by foreign aid, impartially from India, Japan, Germany, France and China.



**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
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**LABOUR RESOURCES '000 (1971)**

Agriculture		4,579.6		Trade	63.6
Manufacturing		51.9		Transport	9.6
Electricity, gas & water		1.6		Finance	3.5
Construction		5.0		Services	137.8

**INFRASTRUCTURE**

**Roads:** Nepal has 4,600 km of roads of which some 1,900 km are asphalted.

**Railways:** There is 101 km of railway track which includes a link with Jayanagar in India. Provision has been made for the construction of a line between Udaipur Garhi in East Nepal and Calcutta.

**Shipping:**

**Telecommunications:** There are telegraph links with India and Pakistan. A satellite earth station is to be built to provide international communications.

**Airports:** Regular air services link India, Thailand and the larger towns in Nepal.

**PRICE INDICATORS**

	1979	1980	1981
Inflation rate (% pa):	6.2	16.5	12.3
Wholesale Price Index:	...	...	...
Terms of Trade:	...	...	...

**STRUCTURE OF MANUFACTURING SECTOR**
**QUANTITY OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	1977/78	1978/79	1979/80	1980/81
Jute	t	12,152	15,520	14,777	...
Cement	t	38,080	21,019	28,892	19,436
Cigarettes	mn	1,149	2,068	16,424	12,282
Shoes	pairs	43,631	55,779	70,299	68,214
Cotton textiles	'000 m	3,889	2,264	3,489	3,270
Synthetic textiles	'000 m	1,717	1,775	2,190	1,652





SUBJECT	REFERENCE	DETAILS
<p>A. GENERAL PRINCIPLES</p> <p>Fundamental Policy</p> <p>Eligibility Criteria</p> <p>Minimum Capital</p> <p>Foreign Participation</p> <p>Registration</p> <p>B. FINANCIAL TRANSFERS</p> <p>Profits</p> <p>Capital</p> <p>Loans (Principal &amp; Interest)</p> <p>Technology (Royalties, Fees etc)</p> <p>Exchange Control</p> <p>C. PATENTS/TRADEMARKS</p> <p>Patents</p> <p>Trademarks</p> <p>Protection of Industrial Property</p> <p>D. TAXATION</p> <p>Corporate</p> <p>Property</p> <p>Indirect</p> <p>Direct</p> <p>E. LABOUR</p> <p>Wages</p> <p>Working Hours</p> <p>Social Benefits</p> <p>Labour Disputes</p>	<p>Industrial Enterprises Act, 1974</p>	<p>Nepal is interested in attracting foreign capital and has adopted a liberal policy towards investment under the Industrial Enterprises Act. Foreign investment is permitted only in large scale industry. Small scale industry is prohibited to foreigners and in medium scale industry Nepalese participation is compulsory.</p> <p>Repatriation of profits is permitted.</p> <p>Nationalisation of foreign companies is unlikely except in special circumstances when just compensation will be paid.</p>

continued from page 4.

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GUIDELINES ON INDUSTRIAL INVESTMENT

SUBJECT	REFERENCE	DETAILS
Foreign Labour F. INCENTIVE SCHEMES		Foreign labour may repatriate up to 75% of their earnings.



**UNIDO** United Nations Industrial Development Organisation

INDUSTRIAL INVESTMENT PROFILE

Nepal

each country  
six pages : page **5**

see notes and warning on page 6.



EXAMPLES OF MANUFACTURING ENTERPRISES

CAPITAL STRUCTURE (%)

DEBT STRUCTURE (%)

NO. OF EMPLOYEES

ANNUAL SALES (%)

COMPANY

PARENT COMPANY

Domestic Foreign

Domestic Foreign

Domestic Foreign

Domestic Foreign

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION

DOCUMENTARY

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INSTITUTIONAL

Royal Nepalese Embassy, 12a Kensington Palace Gardens, London W8  
Trade Commercial Centre, P.O. Box 825, Lal Durbar, Kathmandu, Nepal

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 75,650 sq km  
 Capital City: Panama City  
 Inhabitants: 388,638 (1980, census)

Population: number (year): 1.94 mn (1980)  
 density: 25.64 per sq km  
 growth rate/year: 3.2% (1980)  
 Climate: Tropical  
 Languages: Spanish (OL)  
 Religions: Christianity

Currency: 1 Balboa = 100 Centesimos  
 Exchange rate (per US\$): 1.000 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$1,748 (1980)  
 Inflation rate (%): 7.3 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP mn B at constant 1960 prices	1976	1977	1978
Agriculture	182.4	196.5	192.6
Mining	2.9	3.2	3.0
Retail and wholesale	168.3	165.5	172.6
Manufacturing	153.5	155.0	156.6
Transport	111.8	123.8	131.2
<b>GDP at current prices mn B</b>	<b>2,458.2</b>	<b>2,840.2</b>	<b>3,390.9</b>
Imports/GDP	0.792	0.854	1.369
Exports/GDP	0.708	0.742	1.095
Savings/Investment	<u>0.691</u>	<u>0.707</u>	<u>0.693</u>

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for GATT and WIPO), IDB and SELA.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Gold, Silver, Copper, Coal.

Labour Resources: Economically active population: 0.53 mn (1979)

Main manufacturing branches: Petroleum products, Brewing, Cement, Sugar Refining

Infrastructure: Transport: 7,680 km of paved roads, 562 km of railway track, 1 international airport.

Energy: Electricity production: 1,812 mn kwh (1980).

**Financial and Development**

Institutions: Comision Bancaria Nacional; Ranco Nacional de Panama; Banco de Desarrollo Agropecuario; Banco Hipotecario Nacional.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is welcomed and there are no restrictions on the percentage of foreign equity.

**FINANCIAL TRANSFERS.** There is a very liberal policy with no restrictions on repatriation.

**PATENTS/TRADEMARKS.** Patents are granted for 5-15 years. Trademarks are registered for 10 years. The Government has the right to nationalise private enterprises but only through judicial processes.

**TAXATION.** Corporate: 20-50%; Direct 2.5-56%.

**LABOUR.** A system of minimum wages exists. Work permits are available for 1 year but expatriates must not comprise more than 15% of the workforce.

**INCENTIVE SCHEMES.** Corporate tax exemptions; Tariff protection; Colon Free Zone.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%): ...			
Money Supply growth (%): 10.3 (1981)			
Budget Expenditure (by function) mn B	1977	1978	1979
Total	649.8	736.7	1,051.5
% of which: Defence:	0.0	0.0	0.0
Education & Social Services:	46.7	43.9	39.9
Economic Services:	22.0	21.5	27.1
Budget Deficit: mn B	1977	1978	1979
Total	-119.0	-159.6	-368.3
of which: Foreign Financing	78.7	122.4	308.2
Domestic Financing	40.3	37.2	60.1

EXPENDITURE COMPONENTS OF GDP (current prices) US\$ mn

	1978	1979	1980
GDP	2,458.2	2,840.2	3,390.9
Private consumption	1,513.0	1,882.7	2,033.4
Government consumption	435.1	557.8	653.9
Gross capital formation	647.1	639.0	791.7
Net exports	-137.0	-239.3	-88.1

GDP, Investment & Sectoral Growth %  
(at constant 1960 prices)

	1975	1976	1977
GDP	6.5 <sup>1</sup>	7.1 <sup>2</sup>	4.9 <sup>3</sup>
Investment	33.5 <sup>1</sup>	-6.3 <sup>2</sup>	6.2 <sup>3</sup>
Agriculture	-0.7	7.7	-2.0
Manufacturing	-12.2	1.0	1.0
Construction	-15.3	0.2	-2.7

FOREIGN INVESTMENT FLOWS US\$ MN

	1976	1977	1978
Aggregate foreign investment flows	-10.6	24.4	63.4

DAC countries stock of foreign direct investment	...	...	3,140.0
Direct Investment flows by source country	1974	1975	1976
USA	55.0	303.0	50.0
Germany	6.8	20.0	1.6

FOREIGN TRADE US\$mn

	1978	1979	1980
Total imports (cif)	941.0	1,185.3	1,448.2
Fuel imports (SITC 3)	232.8	339.9	437.2
Manufactured goods (SITC 5-8)	1977	1978	1979
	484.2	617.0	729.3
Total exports (fob)	1979	1980	1981
	286.6	335.5	315.3
Fuel exports (SITC 3)	1978	1979	1980
	60.1	72.1	82.6
Manufactured goods (SITC 5-8)	1977	1978	1979
	23.9	22.6	32.4

Principal Export Markets (%)

	1980
USA	48.2
Germany F.R.	5.3
Panama Canal Zone	14.6
Costa Rica	6.4

Principal Export Products (%)

	1981
Refined petroleum	18.5
Bananas	21.9
Sugar	16.2
Shrimps	13.4

NATIONAL DEVELOPMENT PLAN

NONE

NATURAL RESOURCES					
MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
<hr/>					
LABOUR RESOURCES '000 (1979)					
Agriculture		154.9		Trade	70.9
Mining		0.7		Transport	28.6
Manufacturing		53.4		Finance	19.6
Electricity, gas & water		6.4		Services	144.1
Construction		30.8		Others	17.6
INFRASTRUCTURE					
<p><b>Roads:</b> There are 7,680 km of paved roads (1980). The two major routes are the Pan-American Highway and Trans-Isthmian Highway linking Panama City and Colon.</p> <p><b>Railways:</b> There is 562 km of railway track.</p> <p><b>Shipping:</b> Panama has deep-water ports at Puerto Armuelles, Bocas del Toro, Almirante and Aguadulce in addition to the terminal ports of the Panama Canal at Balboa and Cristobal.</p> <p><b>Telecommunications:</b> 9 telephones per 100 inhabitants (1976).</p> <p><b>Airports:</b> Panama's international airport is at Tocumen. A 137 acre industrial zone is to be located within its perimeter.</p>					

PRICE INDICATORS						
Inflation rate (%pa):	<u>1979</u> 7.9	<u>1980</u> 13.8	<u>1981</u> 7.3			
Wholesale Price Index:	138.8	160.2	176.2			
Terms of Trade: 1970=100	<u>1975</u> 73.0	<u>1976</u> 72.0	<u>1977</u> 67.0			
STRUCTURE OF MANUFACTURING SECTOR mn B (1976)						
Branch - ISIC class	No. of units	Invest- ment	Employ- ment ( '000)	Salaries	Gross output	Value added
31. Food & beverage	218	20.6	10.3	30.1	372.7	138.3
32. Textiles	103	2.2	5.2	11.4	53.1	24.9
33. Wood	66	1.4	2.0	4.8	20.8	10.5
34. Paper	56	1.9	2.6	9.6	56.5	23.8
35. Chemicals	53	2.6	1.7	6.0	58.7	25.8
36. Mineral products	46	2.2	2.0	6.6	39.8	16.1
37. Basic metals	6	0.3	0.3	1.1	6.8	3.9
38. Machinery	77	2.4	1.8	5.9	39.1	20.1
39. Others	12	1.1	0.9	6.0	294.8	...





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy		Panama welcomes foreign investors and does not discriminate against them.
Eligibility Criteria		The law does not permit foreign companies to engage in the retail trade or certain professional activities. Firms investing in labour intensive export industries, i.e. light manufacturing, receive favourable treatment as regards incentives.
Minimum Capital		None stipulated.
Foreign Participation		There are no restrictions on the percentage of foreign equity except for public utilities in which Panamanians must have a majority interest.
Registration		No basic foreign investment approval mechanism exists but investors must comply with organisational formalities and obtain a license from the Ministry of Commerce and Industry. Registration fees range from US\$24 for the first US\$10,000 of capital to US\$1,725 for US\$10 mn of capital.
B. FINANCIAL TRANSFERS		
Profits		
Capital		
Loans (Principal & Interest)		No restrictions on repatriation.
Technology (Royalties, Fees etc)		
Exchange Control		Panama imposes no exchange controls and the transfer of funds has never been blocked.
C. PATENTS/TRADEMARKS		
Patents	Patent & Trademark Rules, 1939	Patents are granted for 5-15 years for an annual fee of US\$10. There are no working or compulsory licensing requirements in effect for revalidated foreign patents.
Trademarks		Trademarks are registered for 10 years and are renewable. They must be registered at the Trademark Office for a fee of US\$50.
Protection of Industrial Property		The constitution gives the Government the right to nationalise private property for reasons of public interest, but only through judicial processes and with prior compensation.
D. TAXATION		
Corporate		Enterprises are required to pay income tax on both their Panama-sourced and their export income. Levied at a rate of 20-50% (on income greater than US\$500,000). There is also a 10% dividend tax on 40% of the after-tax income. Depreciation allowances are: 2.5-10% for buildings, 7.5-15% for machinery.



SUBJECT	REFERENCE	DETAILS
Property	Law 78, 1976	Graduated according to assessed value from 0-2.1% (for holdings valued over US\$75,000).
Indirect		2% Capital Gains Tax on real estate; 5% Sales Tax; 20-50% tax on interest.
Direct		2.5-56%; Personal allowances of US\$150 per dependent and on mortgage repayments.
<b>E. LABOUR</b>		
Wages	National Commission on Minimum Wages	A system of legal minimum wages exists. Salaries range from US\$200-400 per month for skilled workers. Fringe benefits represent 35-40% of base pay. A 13th month bonus is paid in 3 installments over the year.
Working Hours		Maximum normal work week: 48 hours for day work; 42 hours for night work. Time and a quarter paid for daylight overtime and time and a half for nightwork. 1 months paid vacation.
Social Benefits		The Cajo de Seguro Social is an autonomous state agency that pays sickness, maternity and old-age benefits. Employers contribute 9.75% of each employees base pay and employees contribute 6.75%.
Labour Disputes	Labour Code, 1972 & 1981	The 1972 code requires an attempt at conciliation before a strike maybe legally declared. Conciliation is handled by the Ministry of Labour.
Foreign Labour		At least 90% of an enterprise's employees must be locals and they must receive at least 90% of the wages paid by the company. However where foreign experts and technicians are required and are not available locally they are allowed to represent up to 15% of the workforce. Work permits are valid for 1 year with a possible extension up to 5 years. They are issued by the Ministry of Labour or direct from the manager of the Colon Free Zone.
<b>F. INCENTIVE SCHEMES</b>		
	Incentive Law Nos. 413, 1970; 172, 1971	
	Corporate Tax Incentives	Companies producing manufactured goods for domestic consumption may be exempt from income tax on net profits reinvested in fixed assets. A flat annual 12.5% depreciation rate for machinery and equipment is also available. Companies that produce manufactured goods exclusively for export may receive, in addition to the above, a 100% income tax exemption on profits from exports, as well as a 100% exemption from export and import duties, sales taxes and taxes on capital. Manufacturing operations locating in 9 designated districts in the interior (David, Renacimiento, Santiago, Chitre, Los Santos, Las Tablas, Aguadulce, Nata and Penonome) that produce for the local market may benefit from the same incentives.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Nestle - Panama (Compania Panamena de Alimentos SA)	Nestle	...	...	...	...	842	22	100	0
Xerox de Panama (office Machinery)	Rank Xerox	25	75	...	...	...	...	...	...

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

...

**INSTITUTIONAL**

The Panama Embassy, Eagle House, 109-10 Jermyn Street, London SW1

Ministerio de Plannificacion Politica Economica, Calle Sisca e Avenida, Panama; Republic of Panama

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 462,840 sq km  
 Capital City: Port Moresby  
 Inhabitants: 122,800 (1980)

Population: number (year): 3.08 mn (1980)  
 density: 6.67 per sq km  
 growth rate/year: 0.10% (1980)  
 Climate: Tropical  
 Languages: English (OL), Local dialects  
 Religions: Christianity

Currency: 1 Kina = 100 Toea  
 Exchange rate (per US\$): 0.672 (1981)  
 Pegged to: SDR  
 GDP per capita: US\$837 (1980)  
 Inflation rate (%): 4.7 (1982, Qtr 1)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP  
 at constant prices  
 Agriculture  
 Mining  
 Retail and wholesale  
 Manufacturing  
 Transport

	1978	1979	1980
GDP at current prices mn K	1,381.0	1,615.0	1,732.0
Imports/GDP	0.518	0.520	0.585
Exports/GDP	0.425	0.486	0.422
Savings/Investment	<u>1.562</u>	<u>1.514</u>	<u>1.387</u>

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for WIPO), Colombo Plan, the Commonwealth, Asian Development Bank, South Pacific Commission and the EEC (ACP member).

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Copper, Gold

Labour Resources: Economically active population 1.60 mn (1980)

Main manufacturing branches: Food Processing

Infrastructure: Transport: 18,500 km of roads, 2 international airports, 16 major ports.  
 Energy: Electricity production 1,249 mn kwh (1980).

Financial and Development

Institutions: Bank of Papua New Guinea (Central Bank); Papua New Guinea Development Bank.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is welcome in order to promote economic development. The government reserves the right for 30% participation.

**FINANCIAL TRANSFERS.** There is a fairly liberal policy with few restrictions except for payments in excess of certain specified limits.

**PATENTS/TRADEMARKS.** There is no formal legislation as regards patents and trademarks.

**TAXATION.** Corporate: 36.5-50%; Direct 4-50%.

**LABOUR.** Wages: urban industry - K27.18/week for a basic 42 hours. Foreign labour is permitted if local expertise is not available.

**INCENTIVE SCHEMES.** Infant industry loans; Export incentives; Accelerated depreciation; Reduced infrastructure charges.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%):	...		
Money Supply growth (%):	-3.6 (1981)		
Budget Expenditure (by function) mn K	1976	1977	1978
Total	400.8	449.0	504.5
% of which: Defence:	4.4	4.3	4.3
Education & Social Services:	37.1	32.7	30.3
Economic Services:	31.0	25.6	22.1
Budget Deficit: mn K	1977	1978	1979
Total	-19.4	-21.5	-47.8
of which: Foreign Financing	10.0	2.2	...
Domestic Financing	9.4	19.3	...

EXPENDITURE COMPONENTS OF GDP

	1978	1979	1980
GDP	1,948.0	2,268.0	2,581.0
Private consumption	1,089.0	1,198.0	1,460.0
Government consumption	560.0	594.0	715.0
Gross capital formation	379.0	448.0	589.0
Net exports	-67.8	-1.4	-199.8

GDP, Investment & Sectoral Growth %  
(at constant 1975 prices)

	1979	1980	1981
GDP	3.0	-0.6	2.0
Investment	9.4 <sup>1</sup>	12.7 <sup>2</sup>	14.3 <sup>3</sup>
Agriculture	...	...	...
Manufacturing	...	...	...
Construction	...	...	...

FOREIGN INVESTMENT FLOWS US\$ MN

	1977	1978	1979
Aggregate foreign investment flows	15.4	25.4	41.6

DAC countries stock of foreign direct investment	...	...	...
Direct Investment flows by source country	...	...	...

FOREIGN TRADE US\$mn

	1978	1979	1980
Total imports (cif)	769.7	903.6	1,173.6
Fuel imports (SITC 3)	...	...	175.8
Manufactured goods (SITC 5-8)	...	...	517.9
Total exports (fob)	965.2	1,031.8	860.9
Energy exports (SITC 3)	0.0	0.0	0.0
Manufactured goods (SITC 5-8)	18.5		

Principal Export Markets (%)

	1981
Japan	39.4
Germany F.R.	23.3
Australia	9.5
USA	3.3

Principal Export Products (%)

	1981
Copper concentrate	52.9
Coffee	12.9
Cocoa	5.9
Copra & coconut oil	5.5

NATIONAL DEVELOPMENT PLAN

Duration: 1981-84.

Aims: 1. The promotion of indigenous ownership in the economy so as to increase economic self-reliance.

2. The development of small-scale industry.

Targets: 1. Real GDP to grow at a rate of 2.5% per annum.

2. Exports to grow at a rate of 3.9% per annum.

Finance: Foreign aid; Commercial banks.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1980)	WORLD %
Copper	'000 t	16,000	2.9	146.8	2.2
Gold	kg	...	...	14,050.0	1.6
Silver	t	...	...	36.9	...

**LABOUR RESOURCES '000 (1977)**

Agriculture	33.7	Commerce	14.1
Mining	4.5	Transport	6.4
Manufacturing	12.2	Services	57.5
Electricity, gas, water	2.0	Others	0.1
Construction	7.2		

**INFRASTRUCTURE**

**Roads:** In 1981 there was 18,500 km of roads of which 4,800 km are classed as main roads. There are plans to link Port Moresby with the Highlands and the north coast.

**Railways:** There are no railways.

**Shipping:** Papua New Guinea has 16 major ports.

**Telecommunications:** 1.3 telephones per 100 inhabitants (1977).

**Airports:** There are international airports at Port Moresby and Lae.

**PRICE INDICATORS**

Inflation rate (%pa):	1979 5.8	1980 12.1	1981 8.0
Wholesale Price Index:	...	...	...
Terms of Trade:	...	...	...

**STRUCTURE OF MANUFACTURING SECTOR** mn K (1978)

Branch - ISIC class	No. of units	Employment	Salaries	Gross output	Value of production
31. Food & beverage	130	5,073	11.3	184.1	83.8
33. Wood	121	4,501	14.2	45.5	22.9
34. Paper	30	995	2.7	12.4	6.9
35. Chemicals	20	348	1.0	12.9	7.8
36. Mineral products	16	482	1.5	10.8	5.9
37. Basic metals	127	4,011	17.9	60.2	26.1
38. Machinery					
39. <sup>a</sup> Others	14	356	0.8	1.0	1.0

<sup>a</sup> Includes ISIC 32 (Textiles)

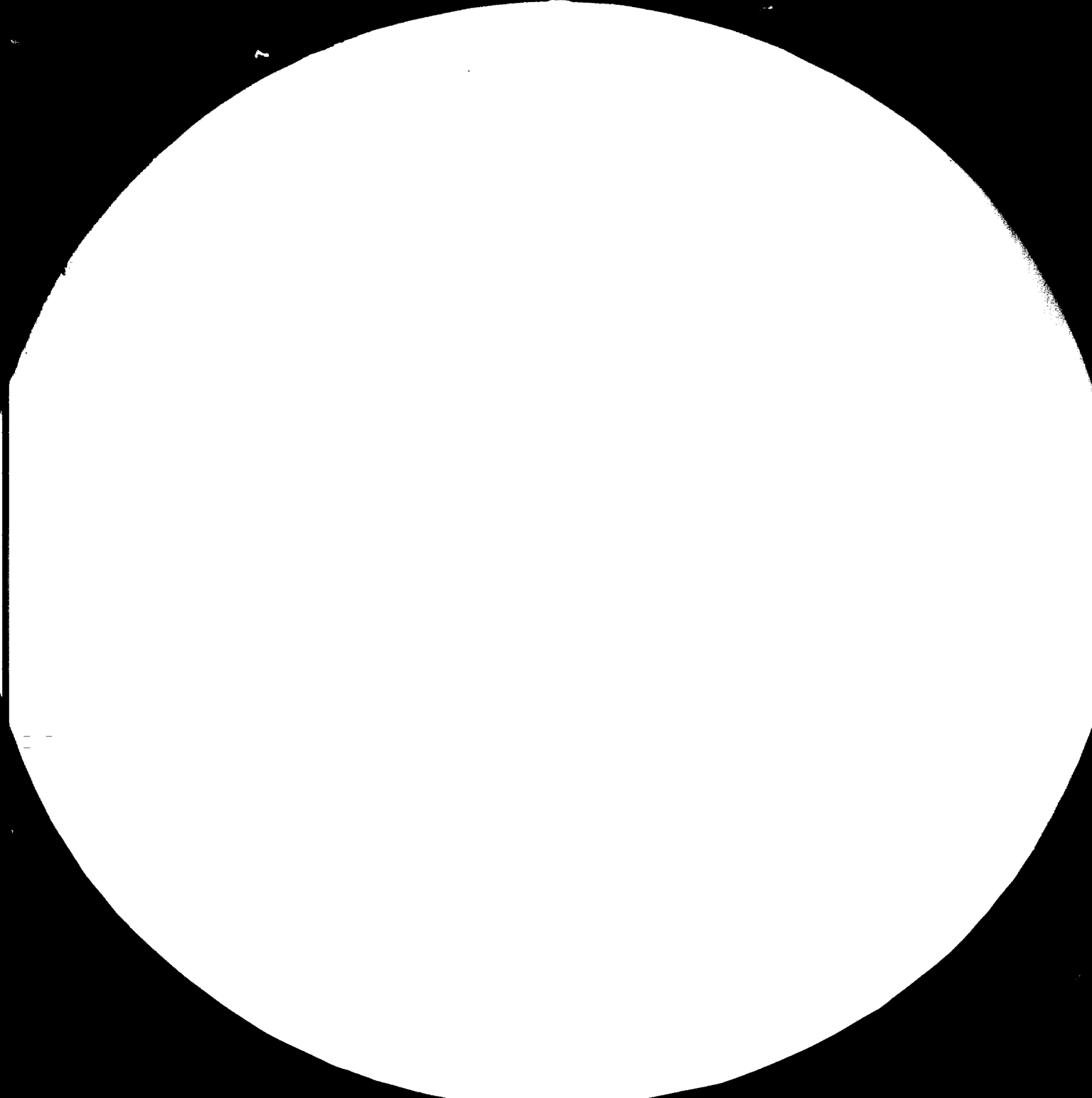
**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

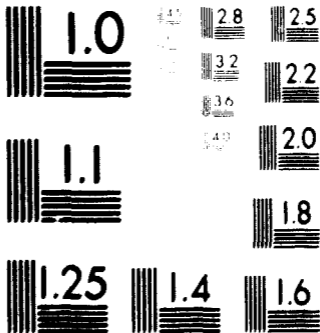
Product	Unit	1976	1977	1978	1979	1980
Palm oil	'000 t	49	53	55	80	...
Bear	'000 l	37,194	46,277	49,266	48,164	51,828





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy	National Investment & Development Act, 1974	Foreign investment is welcome in order to develop the economy.
Eligibility Criteria		Priority is given to investment in agriculture, petroleum/mining/sea resource based industries and ship building.
Minimum Capital		None stipulated.
Foreign Participation		The government reserves the right for 30% participation. Joint ventures are preferred.
Registration		New companies must register with the Registrar of Companies. The application fee is K100 and a decision takes 2-3 weeks.
<b>B. FINANCIAL TRANSFERS</b>		
Profits	Central Banking Act, 1973	Free repatriation is permitted.
Capital		Transfers of over K10,000 p.a. are permitted only after tax clearance otherwise there are no restrictions as long as the inflow of funds had the approval of the exchange control authorities.
Loans (Principal & Interest)		Normally freely transferable although at times a tax of 10% the gross value, or 48% the net value, is levied. Special approval is required for payments in excess of K2,000.
Technology (Royalties, Fees etc)		Exchange Control is administered by the Bank of Papua New Guinea.
Exchange Control		
<b>C. PATENTS/TRADEMARKS</b>		
Patents	Trademarks Act, 1978	A foreign company may retain a patent. A tax of 10% on the gross value or 48% on the net value may be imposed.
Trademarks		A tax of 10% on the gross value or 48% on the net value may be imposed. The 1978 Act is not yet in operation.
Protection of Industrial Property		Firms will only be nationalised if it is seen to be in the public interest. In such cases due compensation will be paid.
<b>D. TAXATION</b>		
Corporate	Income Tax Act	Resident companies (incorporated or carrying on business in PNG): 36.5%; Non-resident companies; 48%; Petroleum/Mining Companies: 50%.
Property	Customs & Imports Act	A nominal levy is imposed by some provincial governments.
Indirect		Sales tax: levied on drink, tobacco and gasoline; Capital gains tax; Export tax: 2½% of export value; Withholding tax: 15% on dividends. Import duties range from 5% on machinery and materials to 50% on cars, jewellery etc; 2½% import levy on all goods.
Direct	Income Tax Act	4-50% (on income in excess of K30,000 p.a.).





MICROCOPY RESOLUTION TEST CHART

NATIONAL BUREAU OF STANDARDS-1963-A



SUBJECT	REFERENCE	DETAILS
<b>E. LABOUR</b>		
Wages		Primary industry (rural) K9.43/week; Other industry (rural) K11.38/week; Urban industry K27.18/week.
Working Hours		Basic 42 hour week. 3 weeks holiday.
Social Benefits		There is no system of social security in operation.
Labour Disputes		Disputes are referred to the Ministry of Labour, Commerce and Industry.
Foreign Labour	Employment of Non-Citizens Act	Foreign labour is only permitted if local manpower is not available. Enterprises are required to undertake the training of local labour.
<b>F. INCENTIVE SCHEMES</b>	Infant Industry Loan Scheme	Loans of up to 15% of total capital funds are made available for the first 4 years should an approved enterprise make losses.
	Export Incentive Scheme	For manufactured goods: exemption from company tax of up to 50% of profits related to growth in export sales in the current year over the average value of export sales for the preceding 3 years.
	Training Scheme	200% deduction from assessable taxable income for wages paid to apprentices registered with the Apprenticeship Board.
	Accelerated Depreciation	Accelerated depreciation is allowed on items with a life longer than 5 years in manufacturing, construction, transport/communications and business service.
	Feasibility Studies	The government pay 50% of the costs or K100,000 (whichever is lower) towards a feasibility study of an approved project.
	Infrastructure Charge	Infrastructure is provided subject to a General User Charge. Industries locating outside Port Moresby, Lae and Arawa-Kieta-Panguna are charged at a lower rate.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
New Guinea Industries (Pty) Ltd	Steamships Trading Co Ltd	0	100	100	0	416	44	K11.3 mn	
Bougainville Copper Ltd	CRA Ltd	46	54	...	...	3,416	877	0	100
ICI (Papua New Guinea)	ICI	0	100	...	...	...	...	...	...
Dulux (Papua New Guinea)	ICI	30	70	...	...	...	...	...	...

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Papua New Guinea National Investment Priorities Schedule"

Ministry for National Planning and Development

**INSTITUTIONAL**

Papua New Guinea High Commission, 14 Waterloo Place, London SW1R 4AR

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 26,338 sq km  
 Capital City: Kigali  
 Inhabitants: 117,749 (1978)

Population: number (year): 5.05 mn (1980)  
 density: 191.70 per sq km  
 growth rate/year: 8.6% (1980)  
 Climate: Tropical  
 Languages: French (OL), Kinyarwanda (OL), Local dialects  
 Religions: Christianity, Islam, Animism  
 Currency: 1 Rwanda Franc = 100 Centimes  
 Exchange rate (per US\$): 92.840 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$230 (1980)  
 Inflation rate (%): 6.6 (1981)

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Tin, Tungsten, Gold

Labour Resources: Economically active population: 2.5 mn (1980, estimate).

Main manufacturing branches: Food processing, Textiles, Brewing, Pyrethrum refining, Pharmaceuticals.

Infrastructure: Transport: 8,000 km of roads, 2 international airports.

Energy: Electricity production 142 mn kwh (1977).

**Financial and Development**

Institutions: Banque Nationale du Rwanda; Banque Rwandaise de Developpement; 2 commercial banks.

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1972 prices	mn RwFr	1975	1976	1977
Agriculture		19,171.0	20,139.0	20,706.3
Mining		417.1	413.3	415.3
Retail and wholesale		1,423.8	1,537.4	1,699.1
Manufacturing		848.2	858.3	906.5
Transport		185.2	203.7	239.5
GDP at current prices	mn RwFr	<u>1978</u> 81.1	<u>1979</u> 96.2	<u>1980</u> 108.0
Imports/GDP		0.310	0.308	0.288
Exports/GDP		0.149	0.227	0.157
Savings/Investment		<u>1975</u> 1.02C	<u>1976</u> 1.118	<u>1977</u> 1.121

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment is welcomed and 100% foreign ownership is permitted.

FINANCIAL TRANSFERS. Repatriation requires the approval of the National Bank of Rwanda.

PATENTS/TRADEMARKS.

TAXATION.

LABOUR. Average wage: unskilled 2,750 RwFr p.a. 45 hour week.

INCENTIVE SCHEMES. Tax holidays; exemption from custom duties.

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for IMCO and WIPO), AFDB, OCAM and OAU.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%):	9.0 (1980, Qtr 2)		
Money Supply growth (%):	11.4 (1981)		
Budget Expenditure (by function) mn RwFr	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total	7,881.0	9,610.0	10,370.0
% of which: Defence:	12.7	16.0	12.4
Education & Social Services:	23.6	23.3	28.0
Economic Services:	43.4	40.3	29.3
 Budget Deficit: mn RwFr	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total	-1,225.0	-1,026.0	-1,291.0
of which: Foreign Financing	2,117.0	2,213.0	1,567.0
Domestic Financing	-892.0	-1,187.0	-276.0

**EXPENDITURE COMPONENTS OF GDP (current prices) US\$ mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
GDP	873.5	1,036.2	1,163.3
Private consumption	...	...	...
Government consumption	...	...	...
Gross capital formation	...	...	...
Net exports	...	...	...

**GDP, Investment & Sectoral Growth %  
(at constant 1975 prices)**

	<u>1976</u>	<u>1977</u>	<u>1978</u>
GDP	...	4.2 <sup>1</sup>	4.1 <sup>2</sup>
Investment	10.3	10.2	...
Agriculture	9.6	-4.6	-5.2
Manufacturing	9.7	17.2	-2.1
Construction	6.4	-3.1	12.1

**FOREIGN INVESTMENT FLOWS US\$ MN**

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Aggregate foreign investment flows	5.0	4.8	12.7
DAC countries stock of foreign direct investment	...	25.0	...
Direct Investment flows by source country	...	...	...

**FOREIGN TRADE US\$mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total imports (cif)	179.0	192.3	243.1
Fuel imports (SITC 3)	<u>1975</u>	<u>1976</u>	<u>1977</u>
	7.9	11.3	12.2
Manufactured goods (SITC 5-8)	<u>1974</u>	<u>1975</u>	<u>1976</u>
	40.4	62.0	71.6
Total exports (fob)	<u>1978</u>	<u>1979</u>	<u>1980</u>
	71.7	113.9	75.7
Fuel exports (SITC 3)	0.0	0.0	0.0
Manufactured goods (SITC 5-8)	<u>1974</u>	<u>1975</u>	<u>1976</u>
	0.7	0.0	1.6

**Principal Export Markets (%)**

	<u>1978</u>
Kenya	78.5
Belgium	7.2
Malaysia	3.9
United Kingdom	2.3

**Principal Export Products (%)**

	<u>1980</u>
Coffee	52.8
Tea	16.9
Tin	8.0

**NATIONAL DEVELOPMENT PLAN**

Duration: 1977-81 Second Development Plan.

- Aims:
1. To achieve self-sufficiency in foodstuffs through the modernisation of agriculture.
  2. Improved overland transport links.
  3. Restructuring of the educational system.
  4. In the industrial sector to achieve a 16.5% increase in production and to create 40,000 new jobs.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Tin	'000 t	...	...	1,910.0	...
Colombo-tantalite	'000 t	...	...	47.4	..
Gold	kg	...	...	14.7	...
Beryl	t	...	...	45.6	...
Tungsten	'000 t	...	...	732.0	...

**LABOUR RESOURCES '000 (1980)**

Agriculture	2,241
Others	262

**INFRASTRUCTURE**

**Roads:** In 1977 there were 8,000 km of roads, of which 3,100 km were main roads. Rwanda is linked by road to the Tanzanian railway system.

**Railways:** Rwanda has no railways.

**Shipping:** There are inland services on Lake Kivu from Cyangugu, Gisenyi and Kibuye to Zaire.

**Telecommunications:** 0.1 telephones per 100 inhabitants (1977).

**Airports:** There are 2 international airports at Kigali-Kanombe and Kamembe.

**PRICE INDICATORS**

Inflation rate (% pa):	<u>1979</u> 15.7	<u>1980</u> 7.2	<u>1981</u> 6.6
Wholesale Price Index: 1970=100	<u>1975</u> 184.4	<u>1976</u> 214.0	<u>1977</u> 235.7
Terms of Trade: 1970=100	80.0	117.0	169.0

**STRUCTURE OF MANUFACTURING SECTOR**

mn RwFr (1976)

<u>No. of establishments</u>	<u>Employees</u> ( '000)	<u>Salaries</u>	<u>Value added</u>	<u>Gross output</u>
50	3.9	361.0	1,787.0	3,860.0

**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

<u>Product</u>	<u>Unit</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Beer	'000 hl	...	457.2	457.2
Lemonade	'000 hl	128.3	142.6	...
Refined sugar	t	2,230.0	2,265.0	2,400.0
Soap	t	...	2,880.0	2,880.0
Shoes	'000 pairs	...	510.0	750.0





SUBJECT	REFERENCE	DETAILS
<p>A. GENERAL PRINCIPLES</p> <p>Fundamental Policy</p> <p>Eligibility Criteria</p> <p>Minimum Capital</p> <p>Foreign Participation</p> <p>Registration</p>	<p>Investment Code, 1977</p>	<p>Rwanda wishes to attract foreign investment and the Government is consequently trying to improve its information services in this area.</p> <p>Priority is given to enterprises involved in food processing, the manufacture of consumer goods, tourism and fishing.</p> <p>In order to qualify for incentives foreign investors must invest a minimum of RwFr20 mn. In the case of joint venture enterprises the minimum capital to be invested in order to qualify depends on the degree of foreign and local participation.</p> <p>100% foreign ownership is permitted but joint ventures with Government participation are particularly welcomed.</p> <p>Register with the Ministry of Finance.</p>
<p>B. FINANCIAL TRANSFERS</p> <p>Profits</p> <p>Capital</p> <p>Loans (Principal &amp; Interest)</p> <p>Technology (Royalties, Fees etc)</p> <p>Exchange Control</p>	<p>-----</p>	<p>Repatriation requires the approval of the National Bank of Rwanda.</p>
<p>C. PATENTS/TRADEMARKS</p> <p>Patents</p> <p>Trademarks</p> <p>Protection of Industrial Property</p>		
<p>D. TAXATION</p> <p>Corporate</p> <p>Property</p> <p>Indirect</p> <p>Direct</p>		
<p>E. LABOUR</p> <p>Wages</p>	<p>Labour Law No. 887, 1980</p>	<p>Unskilled: RwFr2,750 p.a; Semi-skilled: RwFr6,750 p.a.</p>

continued from page 1.

SUBJECT	REFERENCE	DETAILS
Working Hours Social Benefits  Labour Disputes  Foreign Labour F. INCENTIVE SCHEMES	Investment Code, 1977	<p>8 hour day; 45 hour week. 10 public holidays.</p> <p>Rwanda operates a social security system which deals with old age and accident pensions. Employers contribute 5% of an employees wage.</p> <p>Foreign workers are subject to the same labour and social security laws as the indigenous population.</p> <p>Under the investment code enterprises are classified as either "beneficiare" or "prioritaire".</p> <p>Incentives to "beneficiare" enterprises include:</p> <ol style="list-style-type: none"> <li>1. Exemption from tax and customs duties on raw materials and components necessary for the establishment of the enterprise.</li> <li>2. Exemption from tax and customs duties on raw material and components used in production.</li> <li>3. Partial or complete exemption from export duties on certain manufactured products approved by the Ministry of Finance.</li> <li>4. A 5 year tax holiday on profits followed by 2 years in which tax is paid at one-third and two-thirds the normal rate, respectively.</li> </ol> <p>Incentives to "prioritaire" enterprises include:</p> <ol style="list-style-type: none"> <li>1. A 5 year tax holiday on profits.</li> <li>2. A 5 year exemption from land tax.</li> </ol>





**EXAMPLES OF MANUFACTURING ENTERPRISES**

COMPANY	PARENT COMPANY	CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
		Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Decret-Loi No. 30/77 du 21/9/1977 Portant  
Code des Investissements"

**INSTITUTIONAL**

Embassy of Rwanda, 101 Boulevard Saint Michel, Brussels 4, Rwanda  
British Embassy, 9 Avenue de l'Equateur, BP 8049, Kinshasa

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.



**GENERAL COUNTRY DATA**

Surface Area: 616 sq km  
 Capital City: Castries  
 Inhabitants: 40,000 (1977)

Population: number (year): 0.12 mn (1981)  
 density: 192.20 per sq km  
 growth rate/year: 20.0% (1970-81)  
 Climate: Sub-tropical  
 Languages: English (OL), French  
 Religions: Christianity

Currency: 1 East Caribbean Dollar = 100 Cents  
 Exchange rate (per US\$): 2.700 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$702 (1978)  
 Inflation rate (%): 20.5 (1980)

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Large deposits of building clay, pumice, geothermal energy.

Labour Resources: Available workforce: 48,012

Main manufacturing branches: Plastics, Garments, Beer, Industrial Gases, Electronic components, Cardboard boxes.

Infrastructure: Transport: 800 kms of road, 1 international airport.  
 Energy: Electricity production 50 mn kwh (1977)

**Financial and Development**

Institutions: St Lucia has 4 development banks including the Caribbean Investment Corporation and 5 commercial banks.

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant prices	mn EC\$	1976	1977	1978
Agriculture		19.7	21.1	28.5
Mining		1.8	1.9	2.3
Retail and wholesale		19.3	23.1	27.7
Manufacturing		10.6	12.6	14.1
Transport		10.0	12.2	12.8
GDP at current prices	mn EC\$	152.5	176.1	227.3
Imports/GDP		...	...	...
Exports/GDP		...	...	...
Savings/Investment		...	...	...

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment is very welcome especially in export orientated and labour intensive enterprises.

FINANCIAL TRANSFERS. Repatriation of capital, profits, loans etc must be arranged with the Ministry of Finance.

PATENTS/TRADemarks. There are no provisions for the filing of foreign patents. Trademarks may be registered locally based on use or proposed use

TAXATION. Corporate: 50%; Direct: 5-60%.

LABOUR. Minimum wages exist for every category of worker. Foreign staff require a work permit.

INCENTIVE SCHEMES. Tax holidays; Export allowances; Double taxation agreements; Industrial estates.

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated agencies (except for the IDA, IFC, IMF, ITU, UPU, WHO, WMO and WIPO), the Commonwealth and CARICOM.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): ...		
Money Supply growth (%): 11.2 (1980)		
Budget Expenditure (by function) mn EC\$	<u>1976/77</u>	<u>1977/78</u>
Total	49.1	51.1
% of which: Defence:	...	...
Education & Social Services:	...	...
Economic Services:	...	...
 Budget Deficit: mn EC\$	<u>1976/77</u>	<u>1977/78</u>
Total	-5.8	-0.5
of which: Foreign Financing	...	...
Domestic Financing	...	...

<b>EXPENDITURE COMPONENTS OF GDP US\$ mn</b>			
	<u>1975</u>	<u>1976</u>	<u>1977</u>
GDP	57.0	56.5	65.2
Private consumption	44.7	40.4	40.9
Government consumption	13.8	11.1	17.4
Gross capital formation	23.2	23.0	28.8
Net exports	-25.3	-18.0	-21.9

**GDP, Investment & Sectoral Growth %**  
(at constant prices)

GDP ...
Investment ...
Agriculture ...
Manufacturing ...
Construction ...

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows ...

DAC countries stock of foreign direct investment ...  
Direct Investment flows by source country ...

**FOREIGN TRADE US\$mn**

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Total imports (cif)	59.3	82.8	101.2
Fuel imports (SITC 3)	<u>1976</u>	<u>1977</u>	<u>1978</u>
Fuel imports (SITC 3)	4.0	4.7	5.4
Manufactured goods (SITC 5-8)	29.9	22.2	27.1
Total exports (fob)	<u>1977</u>	<u>1978</u>	<u>1979</u>
Fuel exports (SITC 3)	22.6	26.8	28.0
Manufactured goods (SITC 5-8)	0.0	0.0	0.0
Manufactured goods (SITC 5-8)	<u>1976</u>	<u>1977</u>	<u>1978</u>
Manufactured goods (SITC 5-8)	7.0	1.6	1.8

**Principal Export Markets (%)**

	<u>1980</u>
United Kingdom	32.9
Barbados	4.8
Trinidad & Tobago	7.0
Dominica	4.4

**Principal Export Products (%)**

	<u>1980</u>
Bananas	31.2
Paper & paperboard	7.7
Clothing	8.5
Coconut oil	8.7

**NATIONAL DEVELOPMENT PLAN**

Duration: 1980/81-1984/85 Public Investment Programme.  
Aims: This involves expenditure of US\$78 mn of which 11% has been earmarked for transport, 30% for agriculture, 17% for power development and 13% for social infrastructure.  
Finance: Almost two-thirds of the total sum will have to come from external sources.





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy		Foreign investment is welcome. The government is committed to the encouragement of the free enterprise system within the context of the transfer of technology.
Eligibility Criteria		Export orientated and labour intensive enterprises are favoured with emphasis on agro-industries, light manufacturing and assembly operations and tourist related enterprises.
Minimum Capital		There are no minimal capital requirements in force.
Foreign Participation		There is no limitation on foreign participation in local companies.
Registration		Register with the Ministry of Finance. Application fee EC\$300-500 plus registration fee of EC\$200-300 on capital outlay of less than EC\$400,000
B. FINANCIAL TRANSFERS		
Profits		
Capital		Repatriation of foreign capital, loans, royalties and similar payments must be arranged specifically with the Ministry of Finance. A 10% withholding tax is imposed in all cases.
Loans (Principal & Interest)		
Technology (Royalties, Fees etc)		
Exchange Control		There is a 2% foreign exchange tax on all purchases of foreign currency.
C. PATENTS/TRADEMARKS		
Patents		There are no provisions for the filing of foreign patents except for UK patents.
Trademarks		Foreign trademarks maybe registered locally based on use or proposed use. There are also provisions for the registration of UK trademarks subject to the production of a UK certificate.
Protection of Industrial Property		
D. TAXATION		
Corporate		50%; A World Bank recommendation to cut corporate tax to 40% is being considered.
Property		2% tax on purchases of land; 2% tax on sales of land. Land tax is levied at a rate of EC\$0-1 per acre (on sites greater than 500 acres).
Indirect		Hotel tax: 5% on every hotel bill; Consumption tax: on specified items up to a rate of 5%; Export duty: levied on sugar, lobsters, live animals, molasses and cotton; Import duty: 5-30%
Direct		5-60%; Personal allowances: EC\$1,500 for a wife and EC\$600 per child.

SUBJECT	REFERENCE	DETAILS
<b>E. LABOUR</b>  Wages  Working Hours Social Benefits Labour Disputes  Foreign Labour		Minimum wages exist for every category of worker e.g. US\$0.40 per hour for a labourer, US\$0.45 per hour for an assembly worker. Time and a half is paid for overtime and double time for Sundays and holidays.  Basic 40 hour week.  Laws cover workmen's compensation and social security.  Management negotiates either directly with the unions or through the St Lucia Employers Federation.  Foreign managerial and technical expertise is permitted if not available locally. A work permit is required. There is a 10% employment levy on an expatriates' annual income.
<b>F. INCENTIVE SCHEMES</b>	Pioneer Industries Act   Fiscal Incentives Act No. 15, 1974   Export Allowance   Double Taxation   Industrial Sites	Pioneer status may be granted to a person, enterprise, industry or person in common with the legislation in force in the rest of CARICOM. Incentives include: 1. Duty free importation of building materials, plant and equipment. 2. A tax holiday of up to 15 years depending on the nature of the investment and capital outlay.  The FIA classifies enterprises into 4 groups and incentives are determined accordingly: 1. More than 50% of local value added - 15 year tax holiday. 2. 25-50% of local value added - 12 year tax holiday. 3. Less than 25% of local value added - 10 year tax holiday. 4. Enclave industries - 15 year tax holiday.  Export profit taken as a percentage of company profit is measured for the purpose of granting a rebate on company tax: 1. Export profit 10-21% - company tax rebate 25%. 2. Export profit 21-41% - company tax rebate 35%. 3. Export profit 41-61% - company tax rebate 45%. 4. Export profit greater than 61% - company tax rebate 50%.  NB: Company rebate is taken as a percentage of company tax on export profits.  Treaties have been signed with the USA, the UK, New Zealand, Norway, Sweden, Switzerland, Denmark, Barbados, Jamaica, Trinidad and Tobago, Uganda, Italy and Japan.  The National Development Corporation rent land and provide factory shells at reasonable rates and provide access roads and service connections for basic utilities. Presently there is a choice of 3 fully serviced industrial estates, at Bisee, Dennery and Vieux Fort, plus the Vieux Fort Free Zone.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Cariman Ltd		100		...	...	166	0	...	...

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

<b>DOCUMENTARY</b>	<b>INSTITUTIONS</b>
"Investor Advantages in St Lucia"	St Lucia National Development Corporation
"Saint Lucia Tax Summary"	Inland Revenue Department
"Profits Opportunities in St Lucia"	St Lucia National Development Corporation
"Investing in St Lucia"	St Lucia National Development Corporation

**INSTITUTIONAL**

Eastern Caribbean Commission, 10 Kensington Court, London W8

British High Commission, Barclays Bank Building, 147-9 Roebuck Street, P.O. Box 676c, Bridgetown, Barbados

St Lucia National Development Corporation, P.O. Box 495, Castries, St Lucia

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 389 sq km  
 Capital City: Kingstown  
 Inhabitants: 29,831 (1977, estimate)

Population: number (year): 0.12 mn (1980)  
 density: 308.30 per sq km  
 growth rate/year: 2.3% (1970-79)

Climate: Tropical  
 Languages: English (OL)  
 Religions: Christianity

Currency: 1 East Caribbean Dollar = 100 Cents  
 Exchange rate (per US\$): 2.700 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$423 (1980)  
 Inflation rate (%): 6.1 (1977)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP mn EC\$ at constant 1976 prices	1978	1979	1980
Agriculture	20.2	17.0	18.8
Mining	0.3	0.4	0.4
Retail and wholesale	11.5	11.0	12.7
Manufacturing	10.3	13.1	19.7
Transport	16.5	17.5	19.6
GDP at current prices mn EC\$	106.3	113.5	136.9
Imports/GDP	...	1.026	...
Exports/GDP	...	0.513	...
Savings/Investment	...	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN (GATT), the Commonwealth and CARICOM.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Agricultural products, Arrowroot.

Labour Resources: Labour force 45,000 (estimate).

Main manufacturing branches: Concrete, Furniture, Food Processing, Garments, Paper and plastic products, Flour, Metal Sheets

Infrastructure: Transport: 1,019 km of roads, 1 deep-water harbour, 1 airport.  
 Energy: Electricity production 76 mn kwh (1979)

**Financial and Development**

Institutions: There are 4 national banks which include the Co-operative Bank and the National Commercial Bank.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is very welcome especially in industry and tourism. Joint-ventures are preferred.

**FINANCIAL TRANSFERS.** Repatriation of funds must be arranged with the Ministry of Finance. A 10% withholding tax is levied.

**PATENTS/TRADEMARKS.** The patent and trademark law is an extension of UK law since St Vincent does not have her own legislation.

**TAXATION.** Corporate: 46%; Direct: 3-65%.

**LABOUR.** Basic minimum wage EC\$13.52 per day for men. Foreign labour is only permitted if local expertise is not available.

**INCENTIVE SCHEMES.** Tax holidays; Export allowances; Import duty exemption; Double taxation agreements.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): ...		
Money Supply growth (%): ...		
Budget Expenditure (by function) mn EC\$	<u>1979/80</u>	
Total	65.3	
% of which: Defence:	...	
Education & Social Services:	...	
Economic Services:	...	
Budget Deficit: mn EC\$	<u>1979/80</u>	
Total	-19.2	
of which: Foreign Financing	17.6	
Domestic Financing	1.6	

**EXPENDITURE COMPONENTS OF GDP US\$ mn (current prices)**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
GDP	50.2	46.8	59.8
Private consumption	48.9	36.6	...
Government consumption	13.8	11.2	...
Gross capital formation	13.6	11.0	...
Net exports	-26.1	-12.0	...

**GDP, Investment & Sectoral Growth % (at constant 1976 prices)**

	<u>1975</u>	<u>1976</u> <sup>1</sup>	<u>1977</u> <sup>2</sup>
GDP	...	26.0	26.0
Investment	...	...	...
Agriculture	...	27.6	-18.1
Manufacturing	...	-0.5	18.8
Construction	...	-20.4	17.4

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows ...
DAC countries stock of foreign direct investment ...
Direct Investment flows by source country ...

**FOREIGN TRADE US\$mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total imports (cif):	38.7	54.7	63.1
	<u>1975</u>	<u>1976</u>	<u>1977</u>
Fuel imports (SITC 3)	1.4	1.7	2.1
Manufactured goods (SITC 5-8)	13.5	12.5	17.1
	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total exports (fob)	30.9	40.0	45.6
	<u>1975</u>	<u>1976</u>	<u>1977</u>
Fuel exports (SITC 3)	0.0	0.0	0.0
Manufactured goods (SITC 5-8)	0.1	0.1	0.4

**Principal Export Markets (%)**

	<u>1976</u>
United Kingdom	75.4
Trinidad & Tobago	13.4
Barbados	3.9
USA	2.7

**Principal Export Products (%)**

	<u>1976</u>
Bananas	61.8
Roots	12.5
Nuts	2.8
Nutmeg	1.9

**NATIONAL DEVELOPMENT PLAN**

NONE



**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES WORLD %	PRODUCTION (1979)	WORLD %
---------	------	------------------	-------------------	---------

LABOUR RESOURCES '000

**INFRASTRUCTURE**

**Roads:** There are 1,019 km of roads of which 435 km are metalled.

**Railways:** There are no railways.

**Shipping:** There is a deep-water harbour at Kingstown with berths for two ocean-going vessels. There are weekly services to the UK and monthly to the USA/Canada.

**Telecommunications:** 5.3 telephones per 100 inhabitants (1977).

**Airports:** There is an airport at Arnos Vale, near Kingstown, which is served by LIAT, a Caribbean airline. There are regular connections to Barbados and Trinidad.

**PRICE INDICATORS**

	1975	1976	1977
Inflation rate (% pa):	21.4	13.5	6.1
Wholesale Price Index:	...	...	...
Terms of Trade:	...	...	...

**STRUCTURE OF MANUFACTURING SECTOR**





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy		St Vincent welcomes Foreign Investment.
Eligibility Criteria		There is a preference for investment in industry and tourism. The Development Corporation offers assistance to manufacturing and industrial enterprises worth over EC\$100,000.
Minimum Capital		None stipulated.
Foreign participation		The St Vincent Development Corporation is currently seeking foreign investment for joint ventures and re-export type 'enclave' industries.
Registration		Register with the Ministry of Finance. Application fee EC\$300-500 plus registration fee of EC\$200-300 on capital less than EC\$400,000.
<b>B. FINANCIAL TRANSFERS</b>		
Profits		
Capital		
Loans (Principal & Fees etc)		
Technology (Royalties, Fees etc)		Repatriation of profits, capital, loans, royalties and similar payments must be arranged specifically with the Ministry of Finance. A withholding tax of 10% is imposed in all cases.
Exchange Control		
<b>C. PATENTS/TRADEMARKS</b>		
Patents		
Trademarks		Foreign exchange tax of 2% on all purchases of foreign currency.
Protection of Industrial Property		To secure the protection of a patent it must be registered with the Registrar of Patents. The Patent and Trademark law is an extension of UK law since St Vincent has not issued her own legislation on the subject at present.
<b>D. TAXATION</b>		
Corporate		46%.
Property		2% tax on property purchases; 2% tax on sales. Land tax levied at a nominal rate per acre; House tax: 5% of annual gross rental value.
Indirect		Hotel tax: 5% on every hotel bill; Consumption tax on specific items ranges up to 15%; Export duty on sugar, lobsters, live animals, molasses and cotton; Import duty: 5-30% - imports from CARICOM member states are exempt.
Direct		3-65%.

SUBJECT	REFERENCE	DETAILS
E. LABOUR Wages Working Hours Social Benefits  Labour Disputes  Foreign Labour		<p>Basic minimum wage EC\$13.52 for men and EC\$10.40 for women per day.</p> <p>Basic 40 hour week.</p> <p>Social benefits include a contributory pension and gratuity scheme and payment of medical expenses.</p> <p>Workers have the right to form trade unions. There is no set mechanism for dealing with disputes.</p> <p>Foreign management and technicians are only permitted if local expertise is not available. Work permits are issued by the Ministry of Labour. A 10% employment levy is charged on expatriates' annual income.</p>
F. INCENTIVE SCHEMES	Pioneer Industries Act	<p>Pioneer status may be granted to a person, enterprise, industry or product in common with the legislation in force in the rest of CARICOM. Incentives include:</p> <ol style="list-style-type: none"> <li>1. Duty free importation of building materials, plant and equipment.</li> <li>2. A tax holiday of up to 15 years depending on the nature of the investment and the capital outlay.</li> <li>3. Freedom to repatriate profits.</li> </ol>
	Fiscal Incentives Act	<p>The FIA classifies enterprises into 4 groups and incentives are determined accordingly:</p> <ol style="list-style-type: none"> <li>1. More than 50% of local value added - 15 year tax holiday.</li> <li>2. 25-50% of local value added - 12 year tax holiday.</li> <li>3. Less than 25% of local value added - 10 year tax holiday.</li> <li>4. Enclave industries - 15 year tax holiday.</li> </ol>
	Export Allowances	<p>Export profit, taken as a percentage of company profit, is measured for the purpose of granting a rebate on company tax:</p> <ol style="list-style-type: none"> <li>1. Export profit 10-21% - company tax rebate 25%.</li> <li>2. Export profit 21-41% - company tax rebate 35%.</li> <li>3. Export profit 41-61% - company tax rebate 45%.</li> <li>4. Export profit over 61% - company tax rebate 50%</li> </ol>
	Double Taxation	<p>NB: Company rebate is taken as a percentage of company tax on export profits.</p> <p>Treaties exist with the USA, the UK, New Zealand, Norway, Sweden, Switzerland, Denmark, Barbados, Jamaica, Trinidad and Tobago and Uganda.</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Pico (St Vincent) Ltd	Pico Inc	0	100	...	...	...	...	...	...
St Vincent Children Wear Ltd	Baylis Bros	0	100	...	...	...	...	...	...
East Caribbean Flour Mill Ltd		60	40	...	...	...	...	...	...
St Vincent Container Corp	St Vincent Container Corp	0	100	...	...	...	...	...	...

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

Investment Opportunities Guide

**INSTITUTIONS**

Development Corporation

**INSTITUTIONAL**

Ministry of Finance, Kingstown, St Vincent

The Development Corporation, Box 841, St Vincent

St Vincent and the Grenadines Consulate, 41 East 42nd, New York, NY 10017, USA

East Caribbean Commission, 112 Kent Street, Suite 1701, Ottawa, Ontario, Canada

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 308 sq km  
 Capital City: Victoria  
 Inhabitants: 23,334 (1977, census)

Population: number (year): 0.064 mn (1980)  
 density: 207.79 per sq km  
 growth rate/year: 1.6% (1980)  
 Climate: Tropical  
 Languages: English (OL), French (OL), Creole  
 Religions: Christianity

Currency: 1 Seychelles Rupee = 100 Cents  
 Exchange rate (per US\$): 6.315 (1981)  
 Pegged to: SDR  
 GDP per capita: US\$1,291 (1978)  
 Inflation rate (%): 10.6 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP mn R at constant 1976 prices	1976	1977	
Agriculture	53.7	54.6	
Mining	0.2	0.2	
Retail and wholesale	73.0	75.5	
Manufacturing	19.8	21.3	
Transport	43.5	50.5	
GDP at current prices mn R	373.4	460.3	574.6
Imports/GDP	0.928	0.957	0.932
Exports/GDP	0.726	0.759	0.742
Savings/Investment	0.525	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for ITU and WIPO), BADEA, OAU, the African Development Bank, the Commonwealth and the EEC (ACP member).

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: None

Labour Resources: Employment 0.02 mn (1978)

Main manufacturing branches: Food Processing

Infrastructure: Transport: 246 km of roads, 1 international airport. The main seaport is at Victoria.

Energy: Electricity production 51 mn kwh (1980).

Financial and Development

Institutions: Seychelles Development Bank; Seychelles Monetary Authority; Seychelles Savings Bank; 6 commercial banks.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is welcome. Proposals are judged on their employment potential. 100% foreign participation is permitted in manufacturing enterprises.

**FINANCIAL TRANSFERS.** There is a very liberal policy. Payments are subject to a 15% withholding tax.

**PATENTS/TRADEMARKS.** Trademarks are registered for 7 years.

**TAXATION.** Corporate: up to a maximum of 35%; Direct: 10-35%.

**LABOUR.** Unskilled labour wage: R800 p.a. Employers and employees contribute to a social security scheme. Foreign labour is permitted if local expertise is unavailable.

**INCENTIVE SCHEMES.** Accelerated depreciation; Tax holiday; Exemption from import duty; Tariff protection; Double taxation agreements.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): ...			
Money Supply growth (%): 2.2 (1981)			
Budget Expenditure (by function) mn R	<u>1975</u>	<u>1976</u>	<u>1977</u>
Total	94.2	126.4	156.0
% of which: Defence:	0.0	0.0	0.0
Education & Social Services:	34.3	30.9	41.1
Economic Services:	25.9	33.7	25.2
Budget Deficit: mn R	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total	-3.1	20.1	-28.8
of which: Foreign Financing	-2.6	-0.1	16.8
Domestic Financing	5.7	-20.0	12.0

<b>EXPENDITURE COMPONENTS OF GDP</b> US\$ mn	<u>1976</u>	<u>1977</u>	<u>1978</u>
GDP	50.3	60.2	82.6
Private consumption	31.7	...	...
Government consumption	11.2	...	...
Gross capital formation	16.0	...	...
Net exports	-8.5	...	...

**GDP, Investment & Sectoral Growth %**  
(at constant 1976 prices)

GDP	<u>1977</u>
	5.8
Investment	...
Agriculture	1.7
Manufacturing	7.6
Construction	6.3

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows	<u>1977</u>	<u>1978</u>	<u>1979</u>
	4.0	2.9	5.3
DAC countries stock of foreign direct investment ...		12.0	...
Direct Investment flows by source country ...		...	...

**FOREIGN TRADE US\$mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total imports (cif)	57.8	84.5	98.2
Fuel imports (SITC 3)	10.6	20.4	23.9
Manufactured goods (SITC 5-8)	29.5	42.6	43.7
	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total exports (fob)	13.8	18.1	17.3
Fuel exports (SITC 3)	...	...	...
Manufactured goods (SITC 5-8)	...	...	...

**Principal Export Markets (%)**

	<u>1980</u>
Pakistan	47.4
Reunion	14.2
India	18.1
Mauritius	8.9

**Principal Export Products (%)**

	<u>1980</u>
Copra	15.4
Frozen fish	8.5
Cinnamon bark	1.9

**NATIONAL DEVELOPMENT PLAN**

Duration: 1980-84.

- Aims:
1. The development of natural resources and the formation of rural markets.
  2. Increased provision of social services.
  3. The extension of infrastructure imparticularly roads on Praslin and an airstrip at Desoches.

Finance: UK; Algeria; India; Ira; Kuwait.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
---------	------	----------	---------	-------------------	---------

**LABOUR RESOURCES '000 (1978)**

Agriculture	1.6	Trade	2.8
Manufacturing	0.7	Transport	1.6
Construction	1.5	Services	7.2

**INFRASTRUCTURE**

**Roads:** There are 246 km of roads. The majority are surfaced.

**Railways:** There are no railways.

**Shipping:** The main seaport is at Victoria.

**Telecommunications:** 6.2 telephones per 100 inhabitants (1977).

**Airports:** There is an international airport at Mane.

**PRICE INDICATORS**

	1979	1980	1981
Inflation rate (% pa):	12.6	13.5	10.6
Wholesale Price Index:	...	...	...
Terms of Trade:	...	...	...

**STRUCTURE OF MANUFACTURING SECTOR**
**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	1976	1977	1978	1979	1980/81 <sup>a</sup>
Beer	'000 hl	33.0	37.0	48.0	49.0	53.0
Cigarettes	mn	19.5	22.6	22.5	24.4	30.6

a Year ending March 31





SUBJECT	REFERENCE	DETAILS
<p><b>A. GENERAL PRINCIPLES</b></p> <p>Fundamental Policy Eligibility Criteria Minimum Capital Foreign Participation</p> <p>Registration</p>		<p>Foreign investment is welcome. Joint ventures are preferred. Proposals are judged on their employment potential. None stipulated.</p> <p>100% foreign ownership is permitted in manufacturing enterprises but this is unlikely to be granted for agro-industries. For hotels, with less than 60 beds, and restaurants, 51% local participation is required. Permission will not be given for any more large foreign owned hotels on Mahe but these are welcome on Praslin.</p> <p>Enterprises must be registered with the Ministry of Finance. The application fee is a ¼% of the authorised capital plus R500 and approval takes 2-3 weeks.</p>
<p><b>B. FINANCIAL TRANSFERS</b></p> <p>Profits Capital Loans (Principal &amp; Interest) Technology (Royalties, Fees etc) Exchange Control</p>	<p>Exchange Control (Amendment) Order, 1980</p>	<p>There are no restrictions on repatriation. Profits, loans and technology are subject to a 15% withholding tax.</p> <p>Exchange controls have been removed and presently only guidelines exist to restrict lending to foreign companies in certain sectors.</p>
<p><b>C. PATENTS/TRADEMARKS</b></p> <p>Patents Trademarks Protection of Industrial Property</p>	<p>Patents Act, 1901 Trademark Regulations, 1977</p>	<p>Applications must be made to the Registrar General. Protection is granted for 7 years and may be renewed.</p> <p>If an enterprise is nationalised fair compensation will be paid.</p>
<p><b>D. TAXATION</b></p> <p>Corporate Property Indirect  Direct</p>	<p>Income Tax Decree, 1978</p>	<p>Levied up to a maximum rate of 35%.</p> <p>None.</p> <p>Import duties are generally levied at 40% of the value but are 70-100% for motor vehicles and 60% for luxuries; Export duty: there is a 10% ad valorem duty on all goods; Capital Gains Tax: none.</p> <p>10-35% (on income exceeding R48,000 p.a.). Personal allowances: wife - R3,600 p.a; first child - R1,800 p.a; other children - R1,200 p.a.</p>



continued from page 1.

SUBJECT	REFERENCE	DETAILS
E. LABOUR Wages Working Hours Social Benefits  Labour Disputes   Foreign Labour		<p>Unskilled labour has a minimum wage of approximately R800 p.a. Basic 40 hour week.</p> <p>Employers and employees contribute 10% and 5% respectively towards a social welfare system.</p> <p>The wages and Income Policy provide that any grievances which remain after negotiations are completed between the relevant workers and employers organisations should be resolved by government arbitration or the Industrial Court.</p> <p>Skilled expatriates are provided with work permits where local expertise is not available. A deposit of R1,160 is required for every permit.</p>
F. INCENTIVE SCHEMES	Accelerated Depreciation Tax Holiday Infrastructure  Import Duty  Tariff Protection   Double Taxation	<p>Accelerated capital depreciation is permitted.</p> <p>Arrangement exist whereby tax holidays are negotiable.</p> <p>Office and factory space have been set aside on reclaimed land for industrial development.</p> <p>Machinery, building materials and raw materials for industry are exempt from import duty. Also no exchange control documentation is necessary.</p> <p>Exclusive and tariff protection may be granted on application to the Seychelles National Investment Corporation (SNIC) which has been set up to encourage investment.</p> <p>There are agreements with several countries for the avoidance of double taxation.</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

<b>DOCUMENTARY</b>	<b>INSTITUTIONS</b>
"Information for Investors"	Department of Finance May 1980
"Seychelles Business Information"	Standard Chartered Bank Ltd May 1981
"Seychelles National Development Plan 1980-84"	British Department of Trade August 1980
<b>INSTITUTIONAL</b>	
Seychelles Consulate General, 30 Woburn Place, London WC1	
Ministry of Finance, P.O. Box 313, Liberty House, Victoria, Seychelles	
Department of Trade, 1 Victoria Street, London SW1H 0ET	

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 618 sq km  
 Capital City: Singapore City  
 Inhabitants: 1.33 mn (1974)

Population: number (year): 2.44 mn (1981)  
 density: 3,948.22 per sq km  
 growth rate/year: 1.3% (1981)  
 Climate: Tropical  
 Languages: English (OL), Malay (OL), Tamil (OL)  
 Religions: Islam, Christianity

Currency: 1 Singapore Dollar = 100 Cents  
 Exchange rate (per US\$): 2.113 (1981)  
 Pegged to: SDR  
 GDP per capita: US\$5,291 (1981)  
 Inflation rate (%): 9.1 (1982, Qtr 1)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1968 prices	mn S\$	1978	1979	1980
Agriculture		155.4	160.7	165.0
Mining		36.4	41.5	52.8
Retail and wholesale		2,827.5	3,035.6	3,257.1
Manufacturing		2,507.1	2,873.3	3,211.4
Transport		1,875.1	2,128.8	2,378.4
GDP at current prices	mn S\$	19,653.0	22,437.7	27,278.8
Imports/GDP		2.136	2.504	2.343
Exports/GDP		2.029	2.367	2.211
Savings/Investment		0.779	0.746	0.651

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for IDA, FAO, IFAD and WIPO), ASEAN, Asian Development Bank, Colombo Plan and the Commonwealth.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: None

Labour Resources: Economically active population 1.08 mn (1980)

Main manufacturing branches: Petroleum refining and production; Electrical & electronic equipment.

Infrastructure: Transport: 26 km of railway track, 2,338 km of roads, 1 international airport, 1 seaport.

Energy: Electricity production 7,440 mn kwh (1981).

**Financial and Development**

Institutions: Economic Development Board; Development Bank of Singapore Ltd, 65 commercial banks.

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment is very welcome. Priority is given to skill-intensive and high technology industries.

FINANCIAL TRANSFERS. There are no exchange control restrictions.

PATENTS/TRADEMARKS.

TAXATION. Corporate: 40%; Direct: 4-45%.

LABOUR. Average hourly earnings of all workers S\$3.52 (1980). Basic 44 hour week. Employment passes are provided for skilled foreign personnel.

INCENTIVE SCHEMES. Capital assistance; Product development assistance; Export incentives; Accelerated depreciation; Double taxation.





ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%):	13.6	(1980)	
Money Supply growth (%):	18.0	(1981)	
Budget Expenditure (by function) mn S\$	1977	1978	1979
Total	3,299.0	3,530.0	4,079.0
% of which: Defence:	29.6	27.0	24.4
Education & Social Services:	33.0	34.0	32.4
Economic Services:	12.9	12.2	13.3
Budget Deficit: mn S\$	1977	1978	1979
Total	116.0	56.0	354.0
of which: Foreign Financing	299.0	47.0	10.0
Domestic Financing	-415.0	-103.0	-364.0

EXPENDITURE COMPONENTS OF GDP

	US\$ mn		
	1979	1980	1981
GDP	9,038.0	10,479.0	12,910.0
Private consumption	5,538.0	6,291.0	7,304.0
Government consumption	967.0	1,172.0	1,318.0
Gross capital formation	3,486.0	4,644.0	5,468.0
Net exports	-1,080.0	...	...

GDP, Investment & Sectoral Growth %  
(at constant 1968 prices)

	1978 <sub>1</sub>	1979 <sub>2</sub>	1980 <sub>3</sub>
GDP	9.4	10.2	9.9
Investment	10.5	10.4	19.0
Agriculture	0.7	3.4	2.7
Manufacturing	10.9	14.6	11.4
Construction	7.3	7.3	11.4

FOREIGN INVESTMENT FLOWS US\$ MN

	1977	1978	1979
Aggregate foreign investment flows	456.5	510.8	802.3
DAC countries stock of foreign direct investment	...	1,700.0	...
Direct Investment flows by source country	1974	1975	1976
Japan	51.0	55.0	27.0
Germany, F.R.	4.0	5.5	17.7

FOREIGN TRADE US\$mn

	1979	1980	1981
Total imports (cif)	17,636.3	23,984.2	27,570.9
Fuel imports (SITC 3)	3,121.6	4,449.4	6,953.7
Manufactured goods (SITC 5-8)	5,450.0	7,292.0	11,906.0
Total exports (fob)	14,234.3	19,362.0	20,964.2
Fuel exports (SITC 3)	2,866.7	3,409.9	5,583.3
Manufactured goods (SITC 5-8)	1,443.4	6,580.0	8,650.3

Principal Export Markets (%)

	1981
USA	13.2
Malaysia	12.1
Japan	10.1
Hong Kong	8.8

Principal Export Products (%)

	1981
Petroleum products	31.5
Crude rubber	5.5
Telecommunications	6.0
Machines	

NATIONAL DEVELOPMENT PLAN

Duration: 1980-89.

Aims: To build a modern industrial economy.

Targets: 1. Real GDP to grow at a rate of 8-10% per annum so as to match the present Japanese per capita GNP (S\$15-18,000) by 1990.

2. Productivity to increase at 6-8% per annum.

3. Inflation to be kept below the world average.

Finance: Internal Revenue; Central Provident Fund; World Bank; Asian Development Bank.

NATURAL RESOURCES			
MINE/FAL	UNIT	RESERVES WORLD %	PRODUCTION (1979) WORLD %
<b>LABOUR RESOURCES '000 (1980)</b>			
Agriculture	17.0	Trade	229.8
Mining	1.1	Transport	119.9
Manufacturing	324.1	Services	304.0
Electricity, gas & water	8.5	Others	0.4
Construction	72.3		
<b>INFRASTRUCTURE</b>			
Roads: There are 2,338 km of roads (1981) of which 2,030 km are asphalted.			
Railways: 26 km of railway track connects Singapore to the Johore Province of Malaysia.			
Shipping: Singapore is the largest port in S.E. Asia and is used by more than 200 major shipping lines.			
Telecommunications: 17.1 telephones per 100 inhabitants (1979).			
Airports: There is a new international airport at Changi which was opened in 1981.			

PRICE INDICATORS						
Inflation rate (%pa):	1979 4.1	1980 8.5	1981 8.2			
Wholesale Price Index: 1975=100	129.5	154.9	160.8			
Terms of Trade: 1975=100	1978 98.3	1979 98.4	1980 100.7			
<b>STRUCTURE OF MANUFACTURING SECTOR</b> mn S\$ (1977)						
Branch - ISIC class	No. of units	Invest- ment	Employ- ment ('000)	Direct exports	Output value	Value added
31. Food, beverage & tobacco	302	90	13.98	945	2,082	423
32. Textiles	570	95	39.67	880	1,438	457
33. Wood & wood products	248	44	16.52	506	977	265
34. Paper	382	85	16.39	123	823	372
35. Chemicals	371	640	21.09	8,320	13,064	2,100
36. Mineral products	89	47	4.66	138	648	199
37. Basic metals	29	22	2.34	217	529	154
38. Machinery	1,232	816	163.48	7,840	11,642	4,479
39. Others	132	22	7.12	204	456	133





SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy	Economic Expansion Incentives Act, 1978	Foreign investment is very welcome. There is generally no restriction on manufacturing activities although businesses which manufacture certain goods (such as iron steel, cigarettes) will require a license from the Registrar of Manufacturers.
Eligibility Criteria		Priority is given to skill intensive and high technology manufacturing industries.
Minimum Capital		None stipulated.
Foreign Participation		There is no legal limit on foreign participation but joint ventures are preferred in retailing, entertainment and similar industries.
Registration	Companies Act	All foreign companies must, within one month of establishing a business, register with the Registry of Companies.
B. FINANCIAL TRANSFERS		
Profits		
Capital		
Loans (Principal & Interest)	Monetary Authority of Singapore Act, 1970	No restrictions on repatriation.
Technology (Royalties, Fees etc)		
Exchange Control		There are no exchange control restrictions.
C. PATENTS/TRADEMARKS		
Patents		Patents must be first registered in the United Kingdom.
Trademarks		Trademarks can be registered with the Registry of Trademarks and Patents
Protection of Industrial Property		There is 15 year guarantee against war and non-commercial risks for enterprises from Canada, France, W. Germany, the Netherlands, the United Kingdom, the USA, Sri Lanka, Belgium, Luxembourg and Switzerland. Compensation is generally equivalent to the market value.
D. TAXATION		
Corporate	Income Tax Act	Levied at a rate of 40% after deduction of depreciation allowances, trading losses, approved donations etc.
Property		Rate of tax varies from 15-31%.
Indirect	Customs Act	2% pay roll tax; There is no capital gains, sales or development tax. Import duties are levied on alcohol, tobacco, petroleum products and some consumer goods.
Direct		4-45%.

SUBJECT	REFERENCE	DETAILS
E. LABOUR Wages  Working Hours Social Benefits  Labour Disputes  Foreign Labour	Employment Act	<p>Average hourly earnings (1980): S\$9.14 - professional; S\$2.96 - clerical; S\$2.27 - manual workers.</p> <p>Basic 44 hour week. 7-14 days annual leave. 11 paid public holidays.</p> <p>Singapore operates a Central Provident Fund entitling employees to substantial retirement benefits.</p> <p>Disputes are referred to the Ministry of Labour or the Industrial Arbitration Court.</p> <p>Employment passes are provided for skilled foreign personnel.</p>
F. INCENTIVE SCHEMES	Capital Assistance Scheme  Small Industries Finance Scheme  Product Development Assistance Scheme International Consultancy Service Scheme  Warehousing & Servicing Scheme Investment Allowance  Accelerated Depreciation  Export Incentives  Double Taxations	<p>Under this scheme up to 50% of the equity capital is provided on the initial establishment of an enterprise.</p> <p>Loans up to a maximum of S\$2 mn:</p> <ol style="list-style-type: none"> <li>1. Factory Loan - of up to 85% of the value of a standard factory building for a maximum of 10 years.</li> <li>2. Machinery loan - granted for up to 8 years on 70% of the cost of new machinery.</li> <li>3. Working capital loan - granted for 2 years.</li> </ol> <p>Interest for the scheme is generally levied at a rate of 9½% p.a.</p> <p>Loans up to S\$100,000 to companies with a majority Singapore shareholding to aid research and technology.</p> <p>For desirable consultancy projects with an expected revenue of at least S\$1 mn there is a 5 year reduction of tax on export profits from 40% to 20%.</p> <p>For desirable engineering products there is a 5 year tax reduction from 40% to 20% on profits from export sales and services.</p> <p>Up to a maximum of 50% of actual fixed investment on factory buildings and productive equipment is exempt from profits tax.</p> <p>Up to 33% p.a. for 3 years for capital expenditure on machinery and plant. The initial allowance for buildings is 25%.</p> <p>Reduced tax from 40% to 4% on export profits is normally granted for 5 years.</p> <p>There are double taxation agreements with 23 countries.</p>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Lever Bros Ltd (Household Products)	Unilever Ltd	0	100	...	...	73	3	90	10
Metal Box Ltd (Metal Packaging)	Metal Box Ltd	59	41	...	...	...	3	S\$116 mn	
Singapore Tobacco Co (PTE) Ltd	BAT Ind. Ltd	20	80	100	0	491	1	92	8
Singapore Oxygen Air Liquids (PTE) Ltd	BOCI	0	100	...	...	400	...	...	...

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Singapore Business Information" Standard Chartered Bank Ltd November 1980

"Investor's Guide to the Economic Climate of Singapore" Singapore International Chamber of Commerce July 1980

**INSTITUTIONAL**

Singapore High Commission, 2 Wilton Crescent, London

The Development Bank of Singapore Ltd, DBS Building, 6 Shenton Way, Singapore

British High Commission, Tanjong Road, P.O. Box 19, Singapore

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.



**GENERAL COUNTRY DATA**

Surface Area: 637,657 sq km  
 Capital City: Hargeisa  
 Inhabitants: 70,000 (1975)

Population: number (year): 3.65 mn (1980)  
 density: 5.72 per sq km  
 growth rate/year: 3.1% (1980)  
 Climate: Semi-arid  
 Languages: Somali (OL), Arabic (OL), English, Italian  
 Religions: Islam, Christianity

Currency: 1 Somali Shilling = 100 Centesimi  
 Exchange rate (per US\$): 6.295 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$129 (1977)  
 Inflation rate (%): 44.4 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant prices	mn S	1975	1976	1977
Agriculture		257.7	255.9	190.6
Mining		75.6	78.6	82.1
Retail and wholesale		224.1	231.6	237.9
Manufacturing		121.9	124.4	129.4
Transport		113.4	117.2	121.0
<b>GDP at current prices</b>	<b>mn S</b>	<b>2,172.3</b>	<b>2,531.0</b>	<b>2,713.0</b>
Imports/GDP		0.621	0.547	0.493
Exports/GDP		0.325	0.270	0.235
Savings/Investment		0.135	0.160	0.283

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for GATT and WIPO), AFDB, the Arab League, Arab Monetary Fund, the Council of Arab Economic Unity, OAU and the Islamic Development Bank.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: None.

Labour Resources: Economically active population 1.40 mn (1980)

Main manufacturing branches: Sawwood, Tin

Infrastructure: Transport: 19,380 km of roads, 1 international airport.

Energy: Electricity production 45 mn kwh (1977).

**Financial and Development**

Institutions: Central Bank of Somalia, Somali Development Bank and The Commercial and Savings Bank of Somali.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is welcome. Applications are considered on an individual basis. Joint ventures are preferred.

**FINANCIAL TRANSFERS.** Investors are allowed to remit up to 30 per cent of the capital invested as profit and to remit capital 5 years after registration.

**PATENTS/TRADEMARKS.**

**TAXATION.**

**LABOUR.** Foreign labour is only permitted if suitably qualified Somalis are not available.

**INCENTIVE SCHEMES.** Incentives are arranged on an individual basis.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): ...			
Money Supply growth (%): 32.0 (1981)			
Budget Expenditure (by function) mn S	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total	824.3	1,228.5	2,050.3
% of which: Defence:	20.1	16.3	25.0
Education & Social Services:	25.6	18.1	11.3
Economic Services:	28.1	21.2	11.5
Budget Deficit: mn S	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total	-422.9	-700.0	-450.0
of which: Foreign Financing	33.2	4.6	197.8
Domestic Financing	389.7	695.4	252.2

EXPENDITURE COMPONENTS OF GDP	US\$ mn		
	<u>1975</u>	<u>1976</u>	<u>1977</u>
GDP	345.1	402.1	431.0
Private consumption	...	...	...
Government consumption	...	...	...
Gross capital formation	...	...	...
Net exports	...	...	...

**GDP, Investment & Sectoral Growth %  
(at constant prices)**

	<u>1976</u>	<u>1977</u>
GDP	2.1	-2.7
Investment	...	...
Agriculture	...	...
Manufacturing	...	...
Construction	...	...

**FOREIGN INVESTMENT FLOWS US\$ MN**

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Aggregate foreign investment flows	7.8	0.3	0.0
DAC countries stock of foreign direct investment	...	100.0	...
Direct Investment flows by source country	...	...	...

**FOREIGN TRADE US\$mn**

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Total imports (cif)	236.7	275.5	199.1
	<u>1976</u>	<u>1977</u>	<u>1978</u>
Fuel imports (SITC 3)	10.5	9.9	16.0
Manufactured goods (SITC 5-8)	97.1	154.3	163.6
	<u>1979</u>	<u>1980</u>	<u>1981</u>
Total exports (fob)	110.8	141.0	199.8
Fuel exports (SITC 3)	0.0	0.0	0.0
	<u>1976</u>	<u>1977</u>	<u>1978</u>
Manufactured goods (SITC 5-8)	2.1	1.8	0.6

**Principal Export Markets (%)**

	<u>1979</u>
Saudi Arabia	76.9
Italy	14.6

**Principal Export Products (%)**

	<u>1981</u>
Live animals	90.9
Bananas	3.7
Hides & skins	1.6

**NATIONAL DEVELOPMENT PLAN**

Duration: 1979-81.

- Aims:
1. To increase, in real terms, national product per capita.
  2. To achieve the optimum utilisation of natural resources.
  3. To establish co-operatives in the agricultural, livestock and fisheries sectors.

Finance: Central Government; Foreign aid.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
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**LABOUR RESOURCES '000 (1980)**

Agriculture	1,120
Others	280

**INFRASTRUCTURE**

**Roads:** There are 19,380 km of roads (1978) of which 2,153 are asphalted. New road projects are being financed by the World Bank and International Development Association.

**Railways:** There are no railways.

**Shipping:** The chief ports are at Merca, Berbera, Mogadishu and Kismayu.

**Telecommunications:** 0.2 telephones per 100 inhabitants (1970).

**Airports:** There is an international airport at Mogadishu.

**PRICE INDICATORS**

Inflation rate (%pa):	<u>1979</u> 24.3	<u>1980</u> 58.8	<u>1981</u> 44.4
Wholesale Price Index:	...	...	...
Terms of Trade: 1970=100	<u>1975</u> 74.0	<u>1976</u> 84.0	<u>1977</u> 75.0

**STRUCTURE OF MANUFACTURING SECTOR** mn S (1978)

Branch - ISIC class	No. of units	Invest- ment	Employ- ment ('000)	Salaries	Gross output	Value added
31. Food & beverage	77	44.1	4.5	3.4	54.2	30.8
32. Textile	70	22.5	2.6	20.6	17.7	6.4
33. Wood	36	0.2	0.4	1.8	8.9	...
34. Paper	1	3.5	0.9	9.0	...	3.8
35. Chemicals	7	1.3	0.4	3.1	22.4	3.9
36. Mineral products	35	0.1	0.7	3.0	8.7	2.4
37. Basic metals	...	...	...	...	...	...
38. Machinery	14	1.6	0.3	1.3	4.5	1.9
39. Others	22	0.1	0.6	2.5	5.8	3.1





SUBJECT	REFERENCE	DETAILS
<p>A. GENERAL PRINCIPLES</p> <p>Fundamental Policy</p> <p>Eligibility Criteria</p> <p>Minimum Capital</p> <p>Foreign Participation</p> <p>Registration</p> <p>B. FINANCIAL TRANSFERS</p> <p>Profits</p> <p>Capital</p> <p>Loans (Principal &amp; Interest)</p> <p>Technology (Royalties, Fees etc)</p> <p>Exchange Control</p> <p>C. PATENTS/TRADEMARKS</p> <p>Patents</p> <p>Trademarks</p> <p>Protection of Industrial Property</p> <p>D. TAXATION</p> <p>Corporate</p> <p>Property</p> <p>Indirect</p> <p>Direct</p>		<p>The Somali Government welcomes foreign investment as a matter of necessity.</p> <p>Applications are considered on a case-by-case basis. Specific fields for development include oil prospecting and refining and uranium development.</p> <p>Not stipulated.</p> <p>Joint ventures are preferred.</p> <p>Must register with the State Planning Commission.</p> <p>Foreign investors are allowed to transfer profits up to a ceiling of 30% of the capital invested and have the right to accumulate any unused portion of this percentage for transfer in the succeeding 3 years.</p> <p>The investor is allowed to transfer freely the capital invested after 5 years from the date of registration.</p> <p>Somalia is presently suffering from a shortage of foreign exchange. Payments require an authorisation from the National Bank or an authorised dealer of foreign exchange.</p> <p>There is a guarantee against expropriation except where the protection of the public interest is deemed necessary in which case equitable compensation will be paid.</p>

SUBJECT	REFERENCE	DETAILS
E. LABOUR Wages Working Hours Social Benefits Labour Disputes Foreign Labour		Foreign labour is only permitted if suitably qualified Somali's are not available. Expatriates can remit up to 50% of their income.
F. INCENTIVE SCHEMES		Incentives are arranged on a case-by-case basis.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**  
...

**INSTITUTIONAL**  
Somalia Embassy, 60 Portland Place, London W1  
Ministry of Planning, Mogadishu, Somalia  
Department of Trade, 1 Victoria Street, London SW1H OET

Prepared as a service of the Investment Co-operative Branch of UNIDO on the basis of available information. UNIDO disclaims responsibility for any inaccuracy or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 2,505,813 sq km  
 Capital City: Khartoum  
 Inhabitants: 333,906 (1973)

Population: number (year): 18.90 mn (1981)  
 density: 7.54 per sq km  
 growth rate/year: 1.1% (1981)

Climate: Tropical  
 Languages: Arabic (OL), Nubian  
 Religions: Animism, Islam, Christianity

Currency: 1 Sudanese Pound = 100 Piastres  
 Exchange rate (per US\$): 0.535 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$444 (1980)  
 Inflation rate (%): 17.2 (1981, Qtr 1)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1975 prices	mn S£	1975	1976	1977
Agriculture		...	...	...
Mining		...	...	...
Retail and wholesale		...	...	...
Manufacturing		...	...	...
Transport		...	...	...
GDP at current prices mn S£		1978 3,091.0	1979 3,453.5	1980 4,150.0
Imports/GDP		0.112	0.135	0.175
Exports/GDP		0.099	0.104	0.124
Savings/Investment		...	...	...

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for GATT) AFDB, the Arab League, The Arab Monetary Fund, the Council of Arab Economic Unity, OAU and the Islamic Development Bank.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Chromium ore, salt, magnesite, manganese ore, mica, gold ore.

Labour Resources: Economically active population 5.70 mn (1980)

Main manufacturing branches: Brewing, Shoes, Textiles

Infrastructure: Transport: There are few good roads, 5,500 km of railway track, 4,068 km of navigable waterways.

Energy: Electricity production 810 mn kwh (1977).

**Financial and Development**

Institutions: Bank of Sudan; 7 commercial banks.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is welcome and there are a number of incentives offered to investors.

**FINANCIAL TRANSFERS.** There is a fairly liberal policy with remittances of profits, capital and loans guaranteed by the government.

**PATENTS/TRADEMARKS.** Patents are granted for 20 years and trademarks for 10 years. The government guarantees not to nationalise enterprises.

**TAXATION.**

**LABOUR.**

**INCENTIVE SCHEMES.** Exemption from business profits tax; Duty exemptions; Reduced costs of electricity and transport; Protection of products.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%):	...			
Money Supply growth (%):	29.4 (1982, Qtr 1)			
Budget Expenditure (by function) mn SE		1976	1977	1978
Total		379.6	538.5	556.5
% of which: Defence:		11.0	11.6	13.5
Education & Social Services:		11.3	10.6	12.2
Economic Services:		39.0	48.0	39.3
Budget Deficit: mn SE		1976	1977	1978
Total		-73.0	-181.3	-131.9
of which: Foreign Financing		61.7	17.0	76.7
Domestic Financing		11.3	164.3	55.2

**EXPENDITURE COMPONENTS OF GDP US\$ mn**

	1978	1979	1980
GDP	8,199.0	8,050.0	8,300.0
Private consumption	6,768.0	6,550.0	7,100.0
Government consumption	1,198.0	900.0	960.0
Gross capital formation	920.0	1,210.0	1,020.0
Net exports	...	...	...

**GDP, Investment & Sectoral Growth %  
(at constant 1975 prices)**

	1978	1979	1980
GDP	5.7	-1.5	-2.0
Investment	...	...	...
Agriculture	...	...	...
Manufacturing	...	...	...
Construction	...	...	...

**FOREIGN INVESTMENT FLOWS US\$ MN**

	1977	1978	1979
Aggregate foreign investment flows	0.0	0.0	0.0
DAC countries stock of foreign direct investment	...	60.0	...
Direct Investment flows by source country	...	...	...

**FOREIGN TRADE US\$mn**

	1979	1980	1981
Total imports (cif)	1,123.7	1,576.4	1,569.9
Fuel imports (SITC 3)	22.1	22.4	12.6
Manufactured goods (SITC 5-8)	741.7	743.6	665.0
Total exports (fob)	547.8	542.7	667.3
Fuel exports (SITC 3)	10.0	...	6.3
Manufactured goods (SITC 5-8)	3.4	...	1.5

**Principal Export Markets (%)**

	1980
Italy	12.6
China P.R.	15.2
France	6.4
Germany	5.2

**Principal Export Products (%)**

	1981
Cotton	18.6
Groundnuts	18.6
Sesame	9.9
Gum hashab	9.4

**NATIONAL DEVELOPMENT PLAN**

Duration: 1977/78-1982/83.

- Targets:
1. An annual growth rate of 7.5% at constant prices.
  2. A 6.5% per annum growth rate in agriculture.
  3. A 9.5% per annum growth rate in manufacturing.
  4. Government consumption to grow at 6.5% per annum.

- Aims:
1. Agriculture is to be the pivot of development and the leading sector of the economy. There are hopes of attaining self-sufficiency in selected foods.
  2. To consolidate and expand the basic infrastructure.
  3. To upgrade the social services.

Finance: 48% from domestic resources; 52% for external sources.



**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1978)	WORLD %
Gold ore	kg	...	...	31.0	...
Mica	t	...	...	400.0	...
Chromium ore	'000 t	...	...	13.0	...

**LABOUR RESOURCES '000 (1973)**

Agriculture	2,950	Trade	44
Mining	4	Transport	154
Manufacturing	179	Finance	6
Electricity, gas, water	45	Services	456
Construction	87	Others	315

**INFRASTRUCTURE**

**Roads:** Most roads are only cleared tracks which are impassable after rain. Highways from the capital and Port Sudan to the provinces are under construction.

**Railways:** There are 5,500 km of railway track. The main line runs from Wadi Haifa, on the Egyptian border, to El Obeid via Khartoum.

**Shipping:** Port Sudan is the only seaport. There are 4,068 km of navigable inland waterways.

**Telecommunications:** 0.3 telephones per 100 inhabitants (1977).

**Airports:** There are airports at Juba and Malati.

**PRICE INDICATORS**

Inflation rate (% pa):	<u>1978</u> 19.9	<u>1979</u> 30.8	<u>1980</u> 25.4
Wholesale Price Index: 1970=100	<u>1973</u> 120.8	<u>1974</u> 153.7	<u>1975</u> 177.4
Terms of Trade: 1970=100	<u>1975</u> 121.0	<u>1976</u> 126.0	<u>1977</u> 97.0

**STRUCTURE OF MANUFACTURING SECTOR** mn Sf

No. of establishments	Employees ('000)	Salaries	Value added	Gross output
1,274	48	14.6	49.5	156.2

**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	1974	1975	1976	1977
Wine	'000 l	4,369.7	4,809.4	4,709.7	...
Beer	'000 l	9,300.0	9,600.0	9,600.0	8,800.0
Shoes	mn pairs	13.4	13.2	12.0	...
Cotton fabric	mn sq m	97.0	103.0	...	...
Cigarettes	mn	571.0	680.0	690.0	730.0
Canned fruit	mn tins	19.0	14.2	...	...





SUBJECT	REFERENCE	DETAILS
<p>A. GENERAL PRINCIPLES</p> <p>Fundamental Policy</p> <p>Eligibility Criteria</p> <p>Minimum Capital</p> <p>Foreign Participation</p> <p>Registration</p> <p>B. FINANCIAL TRANSFERS</p> <p>Profits</p> <p>Capital</p> <p>Loans (Principal &amp; Interest)</p> <p>Technology (Royalties, Fees etc)</p> <p>Exchange Control</p> <p>C. PATENTS/TRADEMARKS</p> <p>Patents</p> <p>Trademarks</p> <p>Protection of Industrial Property</p> <p>D. TAXATION</p> <p>Corporate</p> <p>Property</p> <p>Indirect</p> <p>Direct</p> <p>E. LABOUR</p> <p>Wages</p>	<p>Encouragement of Investment Act, 1980</p> <p>Invention Patency Act, 1971</p> <p>Trademarks Act, 1969</p>	<p>The Sudanese Government officially welcomes and encourages foreign investment.</p> <p>Register with the Bank of Sudan.</p> <p>The Government guarantees that all profits arising out the foreign capital invested in a project, and all interest arising out of any loans, shall, after all taxes, duties, dues and other obligations to the government are paid or fulfilled, be transferable outside the country. Similarly for the capital invested in an enterprise.</p> <p>There is a scarcity of foreign exchange which has led to some repatriation difficulties.</p> <p>Patents are granted for a term of 20 years from the date of application subject to the payment of annual fees.</p> <p>Applications for registration of trademarks must be filed with the registrar. Registration lasts for 10 years from application date and may be renewed for similar periods.</p> <p>The Government guarantees not to nationalise or confiscate enterprises except where deemed necessary by the public interest or where stipulated by law. In such cases due compensation will be paid.</p> <p>Defence tax: 5% on the cif value of goods; Quay duty: 1.2%; Consumption duty levied on alcohol.</p>

SUBJECT	REFERENCE	DETAILS
Working Hours Social Benefits Labour Disputes Foreign Labour		
F. INCENTIVE SCHEMES	Exemption from Business Profits Tax	Enterprise may benefit from complete or partial exemption from a tax on income arising from profits income tax for a maximum period of 5 years starting from the date of the commencement of production. The period of exemption depends on the projects importance to the National Economy.
	Duty Exemption	Approved projects may be exempt wholly or partly from the following duties: <ol style="list-style-type: none"> <li>1. Customs duties relating to machinery and equipment necessary for the project.</li> <li>2. Customs duties on imported raw, artificial or intermediary materials necessary for the project which cannot be found locally.</li> <li>3. Excise duties imposed on materials or commodities locally produced which are necessary for the project.</li> </ol>
	Allotment of Land	The Government may allot the land necessary for the establishment of a project, reduce the price of such land or order that such price shall be paid in reasonable installments.
	Deduction of Costs of Electricity & Transport	Approved enterprises may benefit from reduced rates of electricity used for the purpose of the project and a reduction of transport fares imposed on the traffic of the imports and products of the project.
	Protection of Project Products	The Minister of Finance and National Economy may direct the authority concerned to: <ol style="list-style-type: none"> <li>1. Raise the customs duties on imported commodities which compete with, or act as substitutes to the products of the project for a limited period of time.</li> <li>2. Restrict importation of such competitive or substitute products for a limited period of time.</li> </ol>
	Preferential Facilities	Preferential facilities may be granted to enterprises which are established in certain regions.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
AGIP (Sudan) Ltd (Petroleum)	ENI	0	100	...	...	150	2	...	...

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

<b>DOCUMENTARY</b>	<b>INSTITUTIONS</b>
"Hints to Exporters"	British Overseas Trade Board
"The Encouragement of Investment Act, 1980"	Ministry of Finance & National Economy
"Sudan Economic Report"	Lloyds' Bank March 1980

**INSTITUTIONAL**  
 Sudanese Embassy, 3 Cleveland Row, London SW1  
 British Embassy, P.O. Box 801, New Aboulela Building, Barlaman Avenue, Khartoum, Sudan

Prepared as a service of the  
 Investment Co-operative Branch of UNIDO  
 on the basis of available information.  
 UNIDO disclaims responsibility for any inaccuracy  
 or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 5,128 sq km  
 Capital City: Port of Spain  
 Inhabitants: 120,000 (1979)

Population: number (year): 1.14 mn (1980)  
 density: 222.31 per sq km  
 growth rate/year: 0.7% (1980)  
 Climate: Tropical  
 Languages: English (OL)  
 Religions: Christianity, Hinduism, Islam

Currency: 1 Trinidad & Tobago Dollar = 100 Cents  
 Exchange rate (per US\$): 2.400 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$3,997 (1979)  
 Inflation rate (%): 11.5 (1982, Qtr 1)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP mn TT\$	1975	1976	1977
at constant 1970 prices	1,877.1	2,033.1	2,115.5
Agriculture	81.2	83.4	80.4
Mining	232.1	248.0	251.7
Retail and wholesale	413.3	490.0	537.3
Manufacturing	309.5	339.5	366.0
Transport	241.5	240.0	239.0
GDP at current prices mn TT\$	1977 8,390.7	1978 9,350.1	1979 10,809.7
Imports/GDP	0.395	0.414	0.495
Exports/GDP	0.446	0.448	0.497
Savings/Investment	1975 1.588	1976 1.380	1977 1.272

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for IFAD and WIPO), CARICOM, the Commonwealth, IDB, SELA and the Caribbean Development Bank.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Petroleum

Labour Resources: Economically active population 0.40 mn (1979)

Main manufacturing branches: Petroleum production & refining, Asphalt, Cotton textiles, Food processing, Cement.

Infrastructure: Transport: 7,080 km of roads, 1 international airport.

Energy: Electricity production 1,836 mn kwh (1980).

**Financial and Development**

Institutions: Central Bank of Trinidad & Tobago; Agricultural Development Bank; 4 commercial banks.

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** The Government welcomes foreign investment although its attitude is cautious.

**FINANCIAL TRANSFERS.** Repatriation of funds is regulated by the Central Bank of Trinidad and Tobago and is consistent with encouraging foreign investment.

**PATENTS/TRADEMARKS.**

**TAXATION.** Corporate: 45-50% plus a 5% unemployment levy; Direct: 5-70%.

**LABOUR.** Basic 40 hour week. The number of foreign workers is closely regulated by the Ministry of Labour.

**INCENTIVE SCHEMES.** Tax holidays; Depreciation allowances; Export allowances; Customs Duty exemptions; Import protection; Double taxation.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%):	6.0 (1981)
Money Supply growth (%):	42.6 (1981)
Budget Expenditure (by function) mn TT\$	<u>1979</u>
Total	3,654.7
% of which: Defence:	2.5
Education & Social Services:	36.2
Economic Services:	31.8
Budget Deficit: mn TT\$	<u>1979</u>
Total	-61.0
of which: Foreign Financing	132.3
Domestic Financing	71.3

**EXPENDITURE COMPONENTS OF GDP US\$ mn**

	<u>1977</u>	<u>1978</u>	<u>1979</u>
GDP	3,496.1	3,896.0	4,504.0
Private consumption	1,572.4	1,703.3	1,894.2
Government consumption	452.6	586.9	757.4
Gross capital formation	852.1	1,130.4	1,265.2
Net exports	...	...	...

**GDP, Investment & Sectoral Growth %  
(at constant 1970 prices)**

	<u>1975</u> <sub>1</sub>	<u>1976</u> <sub>2</sub>	<u>1977</u> <sub>3</sub>
GDP	9.2	9.3	6.1
Investment	...	...	...
Agriculture	9.9	2.0	2.2
Manufacturing	-4.1	12.9	2.1
Construction	5.2	29.8	10.6

**FOREIGN INVESTMENT FLOWS US\$ MN**

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Aggregate foreign investment flows	138.5	140.1	130.1
DAC countries stock of foreign direct investment	...	1,300.0	...
Direct Investment flows by source country	<u>1974</u>	<u>1975</u>	<u>1976</u>
Germany	0.2	19.2	11.7
United Kingdom	10.0	2.0	...

**FOREIGN TRADE US\$mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total imports (cif)	1,967.1	2,083.6	3,158.8
Fuel imports (SITC 3)	798.1	601.9	1,197.0
Manufactured goods (SITC 5-8)	924.3	1,183.8	1,563.2
Total exports (fob)	2,050.9	2,610.4	3,982.3
Fuel exports (SITC 3)	1,829.4	2,370.3	3,784.5
Manufactured goods (SITC 5-8)	144.8	153.4	202.8

**Principal Export Markets (%)**

	<u>1980</u>
USA	59.9
Netherlands	6.2
Suriname	3.4

**Principal Export Products (%)**

	<u>1980</u>
Petroleum & products	92.4
Chemicals	3.6

**NATIONAL DEVELOPMENT PLAN**

NONE

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
Petroleum: reserves production	'000 bbl '000 b/d	700,000	0.1	215.0	0.4

**LABOUR RESOURCES '000 (1978)**

Agriculture	50.4	Trade	65.7
Mining	...	Transport	29.9
Manufacturing	75.4	Services	94.6
Electricity, gas & water	...	Finance	...
Construction	69.1	Others	0.4

**INFRASTRUCTURE**

**Roads:** There are 7,080 km of roads of which only about 4 per cent are metalled although there are plans to extend and upgrade the network.

**Railways:** There are no railways.

**Shipping:** The chief ports are Port of Spain, Pointe-a-Pierre, and Pointe Lisas in Trinidad and Scarborough in Tobago.

**Telecommunications:** 6.5 telephones per 100 inhabitants (1976).

**Airports:** International flights operate through Piarco airport near the capital.

**PRICE INDICATORS**

Inflation rate (% pa):	1979 14.7	1980 17.5	1981 14.3
Wholesale Price Index:	...	...	...
Terms of Trade: 1970=100	1975 113.0	1976 111.0	1977 113.0

**STRUCTURE OF MANUFACTURING SECTOR mn TT\$ (19/5)**

No. of establishments	Employees ('000)	Salaries	Value added	Gross output
514	47.1	355.2	2,863	4,348

**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	1976	1977	1978	1979	1980
Cement	'000 t	238	215	220	214	183
Sugar	'000 t	205	176	144	140	111
Rum	'000 g	4,099	4,226	4,665	4,301	...
Fertiliser	'000 short t	373	377	697	667	757
Motor vehicles	units	11,562	14,320	16,181	15,247	11,852
Radios	units	17,676	15,050	10,029	7,991	8,287





SUBJECT	REFERENCE	DETAILS
<p><b>A. GENERAL PRINCIPLES</b></p> <p>Fundamental Policy</p> <p>Eligibility Criteria</p> <p>Minimum Capital</p> <p>Foreign Participation</p> <p>Registration</p>	<p>Companies Ordinance, 1939</p>	<p>The Government welcomes foreign investment to aid industrial development. Nevertheless their attitude is cautious and all proposals are rigorously scrutinised.</p> <p>Priority is given to the energy and high technology sectors. Foreign participation is not allowed in certain sectors of the economy i.e. food processing, the distributive trades and banking.</p> <p>None stipulated.</p> <p>Foreign participation is not usually allowed in excess of 49% but where a project is expected to confer significant benefits to the national economy, equity participation to the extent of 100% is possible.</p> <p>Register with the Registrar of Companies.</p>
<p><b>B. FINANCIAL TRANSFERS</b></p> <p>Profits</p> <p>Capital</p> <p>Loans (Principal &amp; Interest)</p> <p>Technology (Royalties, Fees etc)</p> <p>Exchange Control</p>	<p>Exchange Control Act, 1970</p>	<p>Repatriation is permitted but it is regulated by the Central Bank and the Ministry of Finance in accordance with the investment status awarded to a corporation. Status is assigned to a firm on the basis of its employment capacity, foreign exchange earnings, degree of export orientation and potential for making a significant contribution to the economy. Consequently the rate of repatriation of profits, dividends and interest is not fixed. Companies are required to re-invest locally a percentage of their after tax profits.</p> <p>The Exchange Control Act guarantees repatriation of funds in respect of licensing arrangements and royalty payments.</p> <p>The Central Bank of Trinidad and Tobago administers an exchange control system consistent with encouraging foreign capital.</p>
<p><b>C. PATENTS/TRADEMARKS</b></p> <p>Patents</p> <p>Trademarks</p> <p>Protection of Industrial Property</p>		<p>A treaty with Canada covers new investments against war damage, expropriation, confiscation and inconvertibility of local currency.</p>
<p><b>D. TAXATION</b></p> <p>Corporate</p> <p>Property</p>		<p>45% plus a special 5% unemployment levy; Petroleum companies: 50%. Land and Buildings tax: 7½%.</p>



SUBJECT	REFERENCE	DETAILS
Indirect		Excise taxes: paid by manufacturers on locally produced goods for domestic sale. Purchase taxes are levied on an ad valorem basis on imported and locally produced goods and are payable by the manufacturers and importers. Motor vehicle tax is levied on an ad valorem basis, on imported and locally assembled cars and is payable by the purchaser.
Direct		50-10% (on income greater than TT\$60,001 p.a.). Allowances: spouse TT\$500; children TT\$700 each. Special unemployment levy of 5% on earnings over TT\$20,000 p.a.
E. LABOUR		Clerks: TT\$30 per month.
Wages		Basic 40 hour week.
Working Hours		A Social Security scheme is in operation.
Social Benefits		Disputes are governed by the Industrial Stability Act, 1971 whereby bargaining occurs between the company, the Ministry of Labour and an Industrial Relations Committee elected by the workers.
Labour Disputes	Industrial Stability Act, 1971	The number of foreign personnel is closely regulated by the Ministry of Labour. Work permits are issued for periods of 6 months on the condition that local manpower is not available.
Foreign Labour		Incentives are administered by the Industrial Development Corporation which classifies enterprises into 4 categories and awards incentives accordingly:
F. INCENTIVE SCHEMES	The Harmonisation of Fiscal Incentives to Industry Act	<ol style="list-style-type: none"> <li>1. Group 1 Enterprises: more than 50% of local value added - 9 year tax holiday.</li> <li>2. Group 2 Enterprises: 25-49% of local value added - 7 year tax holiday</li> <li>3. Group 3 Enterprises: 10-24% of local value added - 5 year tax holiday</li> <li>4. Capital Intensive and enclave industries - 10 year tax holiday.</li> </ol> Losses incurred during the tax holiday period can be fully offset against future profits.
	Depreciation Allowance	Depreciation allowances ranging from 12½-25% apply to wear and tear of plant in all approved industries.
	Special Depreciation Allowances - Income Tax (In Aid of Industry) Ordinance	Provision is made for accelerated depreciation allowances on capital equipment such as industrial buildings, plant and machinery, purchased for use in certain specified trades for all approved industries. Allowances include 40% on the original value of plant and machinery effective at the end of the tax exemption period and 10% on the value industrial buildings. Allowances are also made on expenditure incurred in the purchase of patents and scientific research.
	Export Allowances	Companies who export outside CARICOM are awarded a 25-50% rebate on corporation tax.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Lever Brothers West Indies Ltd (Detergents)	Unilever PLC	50	50	0	100	797	3	82	18
Trinidad Nitrogen (Fertiliser)	W.R. Grace Co	51	49	...	...	...	...	TT\$120 mn Plant in final stages of construction	
Nestle - Trinidad (Milk Products)	Nestle	...	...	...	...	350	4	69	31
Xerox Trinidad (Office Machinery)	Rank Xerox	25	75	...	...	...	...	...	...
Dunlop Trinidad Ltd	Dunlop Ltd	77	23	82	18	608	6	100	0

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

<b>DOCUMENTARY</b>	<b>INSTITUTIONS</b>
"Trinidad & Tobago's Foreign Investment Climate"	
"Trinidad & Tobago's Economic Report"	Lloyds Bank
<b>INSTITUTIONAL</b>	
Trinidad & Tobago High Commission, 42 Belgrave Square, London SW1	
Trinidad & Tobago Chamber of Industry and Commerce, 31 Frederick Street, Port of Spain, Trinidad and Tobago	

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 2,835 sq km  
 Capital City: Apia  
 Inhabitants: 33,784 (1981, estimate)

Population: number (year): 0.157 mn (1981)  
 density: 55.38 per sq km  
 growth rate/year: 0.6% (1981)

Climate: Tropical  
 Languages: Samoan (OL), English (OL)  
 Religions: Christianity

Currency: 1 Tala = 100 Sene  
 Exchange rate (per US\$): 0.919 (1980)  
 Pegged to: Basket of currencies

GDP per capita:  
 Inflation rate (%): 24.0 (1981, Qtr 3)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP  
 at constant prices  
 Agriculture  
 Mining  
 Retail and wholesale  
 Manufacturing  
 Transport

GDP at current prices

Imports/GDP  
 Exports/GDP

Savings/Investment

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for GATT, IMCO, ICAO, ILO, ITU, UNESCO, UPU, WMO and WIPO), ADAB, the Commonwealth and the SPC.

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: None.

Labour Resources: Economically active population 0.038 mn (1976)

Main manufacturing branches: Food Processing

Infrastructure: Transport: 1,500 km of roads, 2 deep-water harbours.

Energy: Electricity production 0.7 mn kwh (1980).

**Financial and Development**

Institutions: Bank of Western Samoa; The Development Bank of Western Samoa; The Pacific Commercial Bank Ltd

**FOREIGN INVESTMENT POLICY**

**GENERAL PRINCIPLES.** Foreign investment is very welcome. There are no prohibitions on the field or extent of foreign participation.

**FINANCIAL TRANSFERS.** There is a fairly liberal policy especially for those enterprises locating in the Industrial Free Trade Zone.

**PATENTS/TRADEMARKS.** Patents must be registered within 2 years of an overseas patent.

**TAXATION.** Corporate: 48%; Direct: 5-50%.

**LABOUR.**

**INCENTIVE SCHEMES.** Tax holidays; Reduced customs duties; Accelerated depreciation allowances; Cheap premises.





**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%):	12.5 (1979)		
Money Supply growth (%):	29.6 (1980, Qtr 3)		
Budget Expenditure (by function) mn T	<u>1977</u>	<u>1978</u>	<u>1979</u>
Total	17.7	20.0	23.2
% of which: Defence:	0.0	0.0	0.0
Education & Social Services:	30.3	30.0	31.7
Economic Services:	0.7	1.2	1.1
 Budget Deficit:			
Total ...			
of which: Foreign Financing ...			
Domestic Financing ...			

**EXPENDITURE COMPONENTS OF GDP**

GDP ...
Private consumption ...
Government consumption ...
Gross capital formation ...
Net exports ...
 GDP, Investment & Sectoral Growth % (at constant prices)
GDP ...
Investment ...
Agriculture ...
Manufacturing ...
Construction ...

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows ...
 DAC countries stock of foreign direct investment ...
Direct Investment flows by source country ...

**FOREIGN TRADE US\$mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total imports (cif)	52.4	74.4	62.5
Fuel imports (SITC 3)	3.9	7.0	10.4
Manufactured goods (SITC 5-8)	18.4	33.8	19.7
 Total exports (fob)	<u>11.1</u>	<u>18.3</u>	<u>17.2</u>
Fuel exports (SITC 3)	...	...	...
Manufactured goods (SITC 5-8)	...	...	...

**Principal Export Markets (%)**

	<u>1980</u>
New Zealand	25.7
Germany, F.R.	10.6
USA	6.0
Japan	4.8

**Principal Export Products (%)**

	<u>1980</u>
Copra	53.1
Cocoa	19.0
Taro	6.6

**NATIONAL DEVELOPMENT PLAN**

Duration: 1980-84.

- Targets:
1. An average increase in GDP of 4.2% per annum.
  2. Agriculture, forestry and fisheries to grow at 3.2% per annum in real terms.

- Aims:
1. To increase production, particularly in village agriculture.
  2. To ensure a fair distribution of wealth and the satisfaction of basic economic, social and cultural needs.
  3. To protect and conserve the environment.

Finance: UN; Foreign aid.

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES WORLD %	PRODUCTION (1979)	WORLD %
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**LABOUR RESOURCES '000 (1976)**

Agriculture	23.4	Transport	2.1
Manufacturing	2.5	Services	7.2
Trade	2.4	Others	0.7

**INFRASTRUCTURE**

**Roads:** There are 1,500 km of roads of which 250 km are surfaced.  
There are 396 km of main roads.

**Railways:** There are no railways.

**Shipping:** There are deep water wharves at Apia and Asau.

**Telecommunications:** 2.2 telephones per 100 inhabitants (1976).

**Airports:** There are air services to Fiji, Tonga, New Zealand and Tahiti.

**PRICE INDICATORS**

	1978	1979	1980
Inflation rate (%pa):	2.2	11.2	33.0
Wholesale Price Index:	...	...	...
Terms of Trade:	...	...	...

**STRUCTURE OF MANUFACTURING SECTOR**





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy		Foreign investment is welcome and the government have tried to set up the necessary infrastructure and policy to encourage it.
Eligibility Criteria		There are no specific prohibitions on the field of foreign investment but special considerations are given to investments with potential for: employment generation; greater use of indigenous raw materials; exports; foreign exchange savings; strengthening of capital goods production; and, transfer of technology and skills.
Minimum Capital		None stipulated.
Foreign Participation		There are no express requirements of Samoan participation but the government prefers local participation in share capital, control and management.
Registration		Register with the Registrar of Companies. A fee is payable.
<b>B. FINANCIAL TRANSFERS</b>		
Profits		Repatriation of overseas capital, including capital gains, is allowed without difficulty if it is returning to its source country. Enterprises locating in the Industrial Free Trade Zone are guaranteed repatriation of profits, dividends, interest and royalties.
Capital		
Loans (Principal & Interest)		
Technology (Royalties, Fees etc)		
Exchange Control		Exchange control approval is required.
<b>C. PATENTS/TRADEMARKS</b>		
Patents	} Patents Act, 1972	Patents must be registered within 2 years of issue of an overseas patent and are protected for the period covered overseas. The fee is 20 tala.
Trademarks		
Protection of Industrial Property		There is no guarantee against the expropriation of industrial property but there have been no instances of nationalisation to date.
<b>D. TAXATION</b>		
Corporate	Income Tax Act, 1974	48%.
Property		No property tax.
Indirect	Customs Tariff Act, 1975	No capital gains tax except on the sale of patent rights. No wealth or sales tax. Import duties range from 5% on agricultural imports to 135% on cars.
	Export Levy Act, 1977	Export levy 5%.
Direct		5% on income of 0-1,000 tala p.a.; 50% on over 10,000 tala p.a. Allowances: 416 tala for a married man; 208 tala per child.

SUBJECT	REFERENCE	DETAILS
E. LABOUR Wages Working Hours Social Benefits Labour Disputes Foreign Labour	Enterprises Incentives Act, 1965	Foreign labour is taxed at the same rate as resident labour. Incentives for investors in food processing, tourism, fisheries development, afforestation and scientific research include: 1. A tax holiday - initially for 5 years. May be extended for a further 5 years.
F. INCENTIVE SCHEMES	Industrial Free Trade Zone Act	2. Reduced customs duties. 3. Depreciation allowances over and above the scheduled rates. Export enterprises locating in the Industrial Free Trade Zone also benefit from: 1. A tax holiday for not more than 5 years from the date of production and a 25% tax rate thereafter.
	Double Taxation	2. Cheap leases of newly constructed, fully serviced factory buildings. The tax statute provides for treaties to be concluded for the avoidance of double taxation but as yet none have been signed.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

DOCUMENTARY "Hints to Exporters"

INSTITUTIONS British Overseas Trade Board 1981/82

INSTITUTIONAL  
British Overseas Trade Board, 1 Victoria Street, London SW1  
Trade Information Centre, Nelson's Building, Beach Road, Apia, Western Samoa

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.



**GENERAL COUNTRY DATA**

Surface Area: 200,000 sq km  
 Capital City: Sana'a  
 Inhabitants: 277,817 (1980)

Population: number (year): 5.93 mn (1980)  
 density: 29.65 per sq km  
 growth rate/year: 2.4% (1980)  
 Climate: Semi-arid  
 Languages: Arabic (OL)  
 Religions: Islam

Currency: 1 Riyal = 100 Fils  
 Exchange rate (per US\$): 4.562 (1981)  
 Pegged to: US\$  
 GDP per capita: US\$441 (1980)  
 Inflation rate (%): 12.3 (1978)

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: None.

Labour Resources:

Main manufacturing branches: Textiles, Food Processing

Infrastructure: Transport: 1,650 km of main roads, 3 international airports. The main port is Hodeida on the Red Sea.

Energy: Electricity production 65 mn kwh (1977).

Financial and Development

Institutions: Central Bank of Yemen; Yemen Bank for Reconstruction and Development.

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant 1972 prices	mn R	1974	1975	1976
Agriculture		1,090.1	1,402.2	1,304.8
Mining		...	...	...
Retail and wholesale		435.1	469.2	584.7
Manufacturing		148.0	152.0	165.1
Transport		78.5	86.5	92.0
GDP at current prices mn R		8,220.0	10,166.0	11,919.0
Imports/GDP		0.669	0.772	0.783
Exports/GDP		0.103	0.128	0.135
Savings/Investment		0.931	0.821	...

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment is actively encouraged and is treated on the same terms as national investment.

FINANCIAL TRANSFERS. Free repatriation of capital and profits is guaranteed.

PATENTS/TRADEMARKS. Patents and trademarks are granted for 10 years. Full compensation is guaranteed in the event of nationalisation.

TAXATION. Direct: 0-15%.

LABOUR. Work permits are guaranteed where foreign labour is deemed necessary.

INCENTIVE SCHEMES. Exemption from customs duties; Exemption from commercial and industrial business tax; Reduced import and export duties.

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for GATT and IMCO), the Arab League, The Arab Monetary Fund, the Council of Arab Economic Unity and the Islamic Development Bank.



**UNIDO** United Nations Industrial Development Organisation

INDUSTRIAL INVESTMENT PROFILE

Yemen Arab Republic

each country  
 six pages : page **1**

see notes and warning on page 6.



**ECONOMIC INDICATORS**

**MONETARY INDICATORS**

Interest rate (%): ...			
Money Supply growth (%): 16.2 (1982, Qtr 1)			
Budget Expenditure (by function) mn R	<u>1977</u>	<u>1978</u>	<u>1979</u>
Total	1,337.6	2,193.9	3,974.2
% of which: Defence:	36.6	30.0	42.9
Education & Social Services:	12.2	16.5	16.6
Economic Services:	9.3	14.2	9.6
Budget Deficit: mn R	<u>1977</u>	<u>1978</u>	<u>1979</u>
Total	309.8	-283.6	-842.4
of which: Foreign Financing	222.3	334.6	467.4
Domestic Financing	-532.1	-51.0	375.0

**EXPENDITURE COMPONENTS OF GDP US\$ mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
GDP	1,801.6	2,228.2	2,612.4
Private consumption	1,667.2	2,236.7	2,663.9
Government consumption	361.4	398.0	557.8
Gross capital formation	692.6	974.2	1,070.0
Net exports	-929.5	-1,380.8	-1,679.3

**GDP, Investment & Sectoral Growth % (at constant 1972 prices)**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
GDP	8.3	6.5	5.7
Investment	...	...	...
Agriculture	...	...	...
Manufacturing	...	...	...
Construction	...	...	...

**FOREIGN INVESTMENT FLOWS US\$ MN**

Aggregate foreign investment flows	<u>1978</u> 12.6	<u>1979</u> -4.9
DAC countries stock of foreign direct investment	...	...
Direct Investment flows by source country	...	...

**FOREIGN TRADE US\$mn**

	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total imports (cif)	863.3	1,113.5	1,688.8
Fuel imports (SITC 3)	23.7	30.6	81.0
Manufactured goods (SITC 5-8)	594.7	759.9	1,138.5
Total exports (fob)	<u>1978</u> 7.3	<u>1979</u> 6.2	<u>1980</u> 20.3
Fuel exports (SITC 3)	0.0	0.0	0.0
Manufactured goods (SITC 5-8)	...	...	...

**Principal Export Markets (%)**

	<u>1979</u>
Yemen D.R.	48.7
Saudi Arabia	22.8
Italy	6.8

**Principal Export Products (%)**

	<u>1979/80</u>
Biscuits	13.7
Coffee	4.7
Hides & skins	6.1

**NATIONAL DEVELOPMENT PLAN**

Duration: 1982-86.

Proposed Investment in mns Riyals

Agriculture	4,430
Manufacturing	3,510
Electricity & water	2,040
Trade, restaurants & hotels	2,870
Transport & communications	<u>4,640</u>
Total	<u>27,400</u>

**NATURAL RESOURCES**

MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1979)	WORLD %
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LABOUR RESOURCES '000

**INFRASTRUCTURE**

**Roads:** There are 1,650 km of main roads of which 600 km are asphalted.

**Railways:** There are no railways.

**Shipping:** The main port is Hodeida on the Red Sea from which run passenger and cargo services to many parts of the Middle East and Africa.

**Telecommunications:** 0.1 telephones per 100 inhabitants (1970).

**Airports:** There are 3 international airports at Sana'a, Taiz and Hodeida.

**PRICE INDICATORS**

	1976	1977	1978
Inflation rate (%pa):	17.0	24.8	12.3
Wholesale Price Index:	...	...	...
Terms of Trade:	...	...	...

**STRUCTURE OF MANUFACTURING SECTOR** mn R (1977)

No. of establishments	Employees ('000)	Salaries	Value added	Gross output
624	6.6	...	96.0	178.2

**PRODUCTION OF SELECTED MANUFACTURING PRODUCTS**

Product	Unit	1974	1975	1976
Cotton textiles	mn yds	11.1	10.1	8.4
Paint	'000 g	48.0	54.0	60.0
Soft drinks	mn bottles	27.2	27.5	27.8
Cement	'000 t	50.0	55.0	63.0





SUBJECT	REFERENCE	DETAILS
<b>A. GENERAL PRINCIPLES</b>		
Fundamental Policy	The Investment of National & Foreign Capital in Economic Development Law No. 18, 1975	The Yemeni government actively encourages foreign investment. Foreign investment is permitted on the same terms as national investment in agriculture, industry, tourism or any other field contributing to the Yemeni economy.  In order to qualify for privileges the minimum investment allowed in an industrial project is US\$125,000; in an agricultural enterprise US\$500,000 and in tourism US\$2.5 million. These figures are for joint ventures with 10-90% foreign participation. They are double for a wholly foreign project.  No restrictions.  Must register with the Ministry of Economy. Individual projects are considered by the Investment Exemption Committee.
Eligibility Criteria		
Minimum Capital		
Foreign Participation		
Registration		
<b>B. FINANCIAL TRANSFERS</b>		
Profits	}	Free repatriation of capital and profits is guaranteed.
Capital		
Loans (Principal & Interest)		
Technology (Royalties, Fees, etc)		
Exchange Control		
<b>C. PATENTS/TRADEMARKS</b>		
Patents		Applications should be made through the Ministry of Economy. Registration provides protection for 10 years which is renewable for a further 5 years.
Trademarks		The first applicant is entitled to registration and exclusive use of a trademark but failure to use it for 5 years may lead to its cancellation. Registrations last for 10 years and may be renewed for a similar period.
Protection of Industrial Property		Full compensation is guaranteed in the event of nationalisation.

SUBJECT	REFERENCE	DETAILS
D. TAXATION Corporate Property Indirect  Direct	Law No. 11, 1972  Income Tax, Law No. 26, 1974	Business profits tax: 7-25% (35% on mineral concessions); Defence tax: 5%; Customs duties are levied on the cif value of goods and range from 5-50%.  Income tax is levied on a graduated scale rising to a maximum rate of 15% on the part of the salary exceeding R750 per month.
E. LABOUR Wages Working Hours Social Benefits Labour Disputes Foreign Labour	Labour Law No. 5, 1970	Necessary work permits for foreign labour are guaranteed and are available from the Ministry of Labour, Youth and Social Affairs.
F. INCENTIVE SCHEMES	Investment Law No. 18, 1975	Foreign ventures may qualify for certain benefits which include: <ol style="list-style-type: none"> <li>1. Exemption for customs duties on machinery and spare parts for the first 5 years of operation.</li> <li>2. Exemption from commercial and industrial business tax over the same period.</li> <li>3. A reduction of 25% off the duties on imported raw or semi-processed materials is negotiable as is freedom from duty and taxes on finished goods which are exported.</li> </ol>





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign

DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION

DOCUMENTARY

"Hints to Exports"

INSTITUTIONS

British Overseas Trade Board 1981/82

INSTITUTIONAL

Yemen Embassy, 41 South Street, London W1

British Embassy, 13 Al Qasr al Jumhun Street, P.O. Box 1287, Sana'a, Yemen Arab Republic

Prepared as a service of the  
Investment Co-operative Branch of UNIDO  
on the basis of available information.  
UNIDO disclaims responsibility for any inaccuracy  
or incompleteness of the data.

**GENERAL COUNTRY DATA**

Surface Area: 390,759 sq km  
 Capital City: Harare City (formerly Salisbury)  
 Inhabitants: 654,000 (1980)

Population: number (year): 7.70 mn (1981)  
 density: 19.71 per sq km  
 growth rate/year: 4.6% (1981)  
 Climate: Sub-Tropical  
 Languages: English (OL), Shona, Local dialects  
 Religions: Christianity, Hinduism, Islam

Currency: 1 Zimbabwe Dollar = 100 Cents  
 Exchange rate (per US\$): 0.690 (1981)  
 Pegged to: Currency composite  
 GDP per capita: US\$852 (1981)  
 Inflation rate (%): 14.6 (1981)

**ECONOMIC STRUCTURE**

Sectoral Origins of GDP at constant prices	mn Z\$	1978	1979	1980
Agriculture		305.0	316.0	469.0
Mining		158.0	223.0	264.0
Retail and wholesale		...	...	...
Manufacturing		514.0	619.0	796.0
Transport		191.0	211.0	257.0
GDP at current prices	mn Z\$	2,779.8	3,530.7	4,527.8
Imports/GDP		...	...	...
Exports/GDP		...	...	...
Savings/Investment		0.788	0.929	0.908

**MEMBERSHIP OF INTERNATIONAL/ REGIONAL ORGANISATIONS** Member of the UN and its associated organisations (except for FAO, GATT, IMCO, ICAO and WIPO).

**COMPARATIVE MANUFACTURING ADVANTAGES**

Natural Resources: Chromium, Gold, Asbestos, Nickel, Coal, Cobalt, Copper, Iron Ore, Silver, Tin.

Labour Resources: Economically active population 1.05 mn (1981)

Main manufacturing branches: Food Processing, Metal Refining, Engineering Textiles

Infrastructure: Transport: 78,930 km of roads, 3,470 km of railway track. International air services connect with the larger towns

Energy: Electricity production 5.6 bn kwh (1974)

Financial and Development

Institutions: Reserve Bank of Zimbabwe; 6 commercial banks

**FOREIGN INVESTMENT POLICY**

GENERAL PRINCIPLES. Foreign investment is welcomed especially joint-ventures although there is no set code as regards the type or size of an enterprise.

FINANCIAL TRANSFERS. In most cases the approval of the Reserve Bank of Zimbabwe is required.

PATENTS/TRADEMARKS.

TAXATION. Corporate: 45% plus 10% surcharge.

LABOUR. Minimum wages: Z\$85 per month in manufacturing. There is no social security scheme in operation. Work permits are granted only when local expertise is not available.

INCENTIVE SCHEMES.



**UNIDO** United Nations Industrial Development Organisation

INDUSTRIAL INVESTMENT PROFILE

Zimbabwe

each country  
six pages : page **1**

see notes and warning on page 6.



ECONOMIC INDICATORS

MONETARY INDICATORS

Interest rate (%):	...
Money Supply growth (%):	7.3 (1981)
Budget Expenditure (by function) mn Z\$	1980/81
Total	1,227.3
% of which: Defence:	19.0
Education & Social Services:	...
Economic Services:	...
Budget Deficit: mn Z\$	1980/81
Total	-364.1
of which: Foreign Financing	...
Domestic Financing	...

EXPENDITURE COMPONENTS OF GDP

	US\$ mn		
	1979	1980	1981
GDP	4,088.0	5,491.0	6,562.0
Private consumption	2,660.0	3,736.0	4,400.0
Government consumption	874.0	1,144.0	1,602.0
Gross capital formation	562.0	773.0	1,023.0
Net exports	...	...	...

GDP, Investment & Sectoral Growth %  
(at constant prices)

	1979	1980	1981
GDP	7.4	11.4	8.0
Investment	-23.2 <sup>1</sup>	-18.0 <sup>2</sup>	-20.8 <sup>3</sup>
Agriculture	...	...	...
Manufacturing	...	...	...
Construction	...	...	...

FOREIGN INVESTMENT FLOWS US\$ MN

Aggregate foreign investment flows	...
DAC countries stock of foreign direct investment	1978 400.0
Direct Investment flows by source country	...

FOREIGN TRADE US\$mn

	1977	1978	1979
Total imports (fob)	622.0	592.8	939.8
Fuel imports (SITC 3)	279.6	303.3	321.3
Manufactured goods (SITC 5-8)	406.2	370.0	551.8
Total exports (fob)	807.6	822.4	1,059.9
Fuel exports (SITC 3)	16.8	18.7	15.1
Manufactured goods (SITC 5-8)	711.8	803.7	1,044.8
Principal Export Markets (%)	1981		
South Africa	21.0		
USA	7.9		
Germany, F.R.	8.2		
United Kingdom	6.9		
Principal Export Products (%)	1981		
Raw tobacco	22.0		
Ferro-alloys	8.0		
Asbestos	8.0		
Cotton lint	6.0		

NATIONAL DEVELOPMENT PLAN

Duration: 1981-84.

- Targets:
1. A real annual increase in GDP of 8%.
  2. Increases by sector include (by annual %) agriculture 12, mining 8, manufacturing 11 and social services 6.
  3. Gross investment as a ratio of GDP is expected to be 25%, with imports 31% and exports 30% of GDP.

Aims: The plan envisages total capital investment of some Z\$3.9 billion. Of this Z\$1.2 billion is to be directed to rural development, the refugee and reconstruction programme and training programmes. The balance relates to the "National Infrastructure and Modern Sector Development Programme."

Finance: Local investment; Foreign investment and aid.



NATURAL RESOURCES					
MINERAL	UNIT	RESERVES	WORLD %	PRODUCTION (1980)	WORLD %
Nickel	'000 t	...	...	15.1	2.1
Gold	'000 troy oz	...	...	367.0	1.0
Chromium ore	'000 t	1,000,000	26.3	553.5	...
Asbestos	'000 t	...	...	250.9	4.9
Coal	'000 t	2,500,000	0.1	3,134.0	...
Tin	t	...	...	934.0	...

**LABOUR RESOURCES '000 (1981)**

Agriculture	309.8	Trade	72.8
Mining	71.4	Transport	48.7
Manufacturing	170.7	Finance	13.5
Electricity & water	6.5	Services	82.6
Construction	47.3	Others	225.1

**INFRASTRUCTURE**

**Roads:**The road system totals 78,930 km, of which 8,521 km are designated main roads.

**Railways:**There are 3,470 km of railway track with connections to the South African, Zambian and Mozambique systems.

**Shipping:**Zimbabwe has no ports.

**Telecommunications:**2.9 telephones per 100 inhabitants (1980)

**Airports:**International and domestic air services connect with most of the larger towns.

**PRICE INDICATORS**

Inflation rate (% pa):	<u>1979</u> 11.3	<u>1980</u> 9.2	<u>1981</u> 14.6
Wholesale Price Index:	...	...	...
Terms of Trade: 1963=100	<u>1976</u> 73.5	<u>1977</u> 68.7	<u>1978</u> 62.8

**STRUCTURE OF MANUFACTURING SECTOR**




SUBJECT	REFERENCE	DETAILS
A. GENERAL PRINCIPLES		
Fundamental Policy		The Government welcomes new investment especially joint ventures. An investment promotion agreement is currently under negotiation between the UK and Zimbabwe.
Eligibility Criteria		There is no set code. Cases are considered individually.
Minimum Capital		None stipulated.
Foreign Participation		A majority local shareholding is preferred.
Registration		Required to register with the Registrar of Companies after obtaining prior approval for the project from the Ministry of Commerce and Industry. Minimum fee Z\$250.
B. FINANCIAL TRANSFERS		
Profits		Repatriation of 50% of aftertax profits is permitted with the approval of the Reserve Bank of Zimbabwe.
Capital		Repatriation of capital is permitted after 2 years subject only to the relevant amount being reduced by the amount of any income that meanwhile may have been remitted.
Loans (Principal & Interest)		Current interest earned on accumulated blocked funds is freely remittable.
Technology (Royalties, Fees etc)		Initial contracts require the control's approval, but thereafter an auditor's certificate is all that is needed by bankers to approve remittance.
Exchange Control		Exchange Control regulations are subject to change and the latest position should be checked with the Reserve Bank of Zimbabwe.
C. PATENTS/TRADEMARKS		
Patents		Potential exporters to Zimbabwe are advised to patent their inventions and register their trademarks in that country.
Trademarks		An investment protection agreement is currently being negotiated between the British and Zimbabwe Governments.
Protection of Industrial Property		
D. TAXATION		
Corporate		Levied on net taxable income accrued from local sources. 1980/81 rate: 45% plus 10% surcharge. Branches of foreign companies are also liable to a 15% tax on 50% of their taxable income.
Property		
Indirect		No supertax, undistributed profit tax or capital gains tax. 10% sales tax. Excise duties on tobacco, alcohol and oil.

SUBJECT	REFERENCE	DETAILS
Direct E. LABOUR Wages		<p>Individuals are taxed on a PAYE basis.</p> <p>Minimum wages: manufacturing Z\$85 per month; agriculture and domestic services Z\$30 per month. In practice the prevailing rates paid substantially exceed these levels.</p>
Working Hours Social Benefits Foreign Labour		<p>There is no legislation in force concerning unemployment insurance, nor does any Government health or medical insurance scheme exist.</p> <p>Work permits are only granted in cases where the required skills are not available locally.</p>
F. INCENTIVE SCHEMES	Double Taxation	An agreement with the UK is under negotiation.





EXAMPLES OF MANUFACTURING ENTERPRISES		CAPITAL STRUCTURE (%)		DEBT STRUCTURE (%)		NO. OF EMPLOYEES		ANNUAL SALES (%)	
COMPANY	PARENT COMPANY	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Oxygen Industries (Pty) Ltd	BOCI	0	100	...	...	500	...	...	...
BICC (Zimbabwe)	BICC	25	75	...	...	410	0	Z\$17.1 mn	

**DOCUMENTARY AND INSTITUTIONAL SOURCES OF INDUSTRIAL INVESTMENT INFORMATION**

**DOCUMENTARY**

"Zimbabwe Business Information"  
 "Hints to Exporters"  
 "Zimbabwe: A Guide to Investment"

**INSTITUTIONS**

Standard Chartered Bank Ltd 1980  
 British Overseas Trade Board 1981/82  
 Department of Trade June 1981

**INSTITUTIONAL**

"Zimbabwe High Commission, Zimbabwe House, 429 Strand, London WC2R 0SA  
 British High Commission, P.O. Box 4490, Stanley House, Stanley Avenue, Salisbury, Zimbabwe

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