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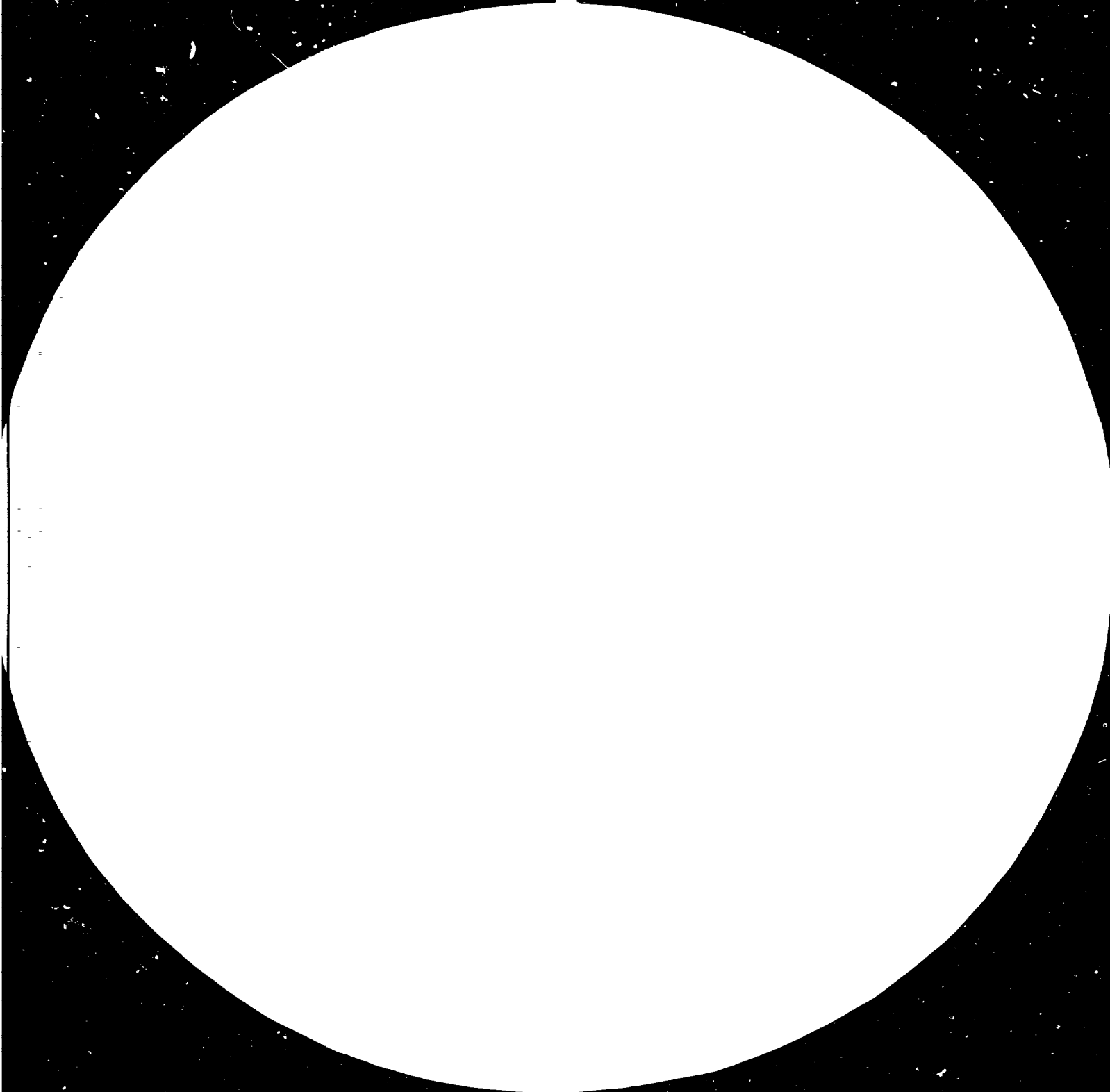
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TIES NEWSLETTER

TECHNOLOGICAL INFORMATION EXCHANGE SYSTEM

Issue Number 3

12031

May 1980

Dear Reader,

The third issue of the TIES Newsletter is published just after the conclusion of the fourteenth session of UNIDO's Industrial Development Board. In the discussions of the Board the Secretariat was commended for the progress of its activities relating to technology transfer. The Board concluded that UNIDO's programme of work for 1980/81 and 1982/83 should give priority to a number of activities including industrial technology and energy-related technology. The Board endorsed the broad programme directions proposed by the Secretariat, recommended that appropriate resources should be provided by the General Assembly and asked that institutional arrangements within the Secretariat be strengthened. Additional resources were also recommended for the Industrial and Technological Information Bank.

You will note under the Registry Activities section that the Foreign Investment Authority of Egypt has begun publication of a quarterly journal on investment conditions in Egypt. I would like to take this opportunity to extend our congratulations and best wishes for success on this important initiative. We have also given short descriptions of other bulletins or newsletters published by various registries participating in TIES in this issue of the TIES Newsletter and would ask that if we have omitted any they be brought to our attention so that we may include information about them in a future issue.

Registry activities

The Foreign Investment Authority of Egypt began publication of a quarterly 'Investment Review' journal in April 1980. To quote from issue number 1 this journal 'provides information related to (Investment) Law 43 projects and accordingly serves as a follow-up report of its activities and performance. However, in the light of the wider scope of the 'Open-door' policy, it will extend its coverage in the future to include major policy changes in other sectors. It is our hope that this new quarterly will be of assistance to decision-makers, whether in government or business, thus contributing to the management of the Egyptian economy in its efforts towards realizing its goals.'

Other Registry Publications

In addition to Egypt's new Quarterly Journal on Investment Conditions mentioned above the

following countries also publish newsletters, bulletins or journals on foreign investment and/or technology transfer:

ALGERIA - 'Bulletin de l'Institut Algérien de Normalisation et de Propriété Industrielle - INAPI'. A bimonthly bulletin in French published by INAPI (5, rue Abou Hamou Moussa, Algiers) with a concentration on industrial property.

COLOMBIA - "TECNE" a semi-annual bulletin in Spanish published by the Colombian Comité de Regalías and COLCIENCIAS which aims to strengthen the negotiation capacity of local business for acquiring technology. (Secretaría Técnica, Comité de Regalías, Superintendencia de Industria y Comercio, Carrera 13 No. 27-00 Ofc 707, Bogotá).

PHILIPPINES - 'Industrial Development Digest' published in English by the Ministry of Industry (Industry and Investments Building, 385 Buendia Ave. Ext. Makati, Manila). The digest highlights news from the Ministry of Industry, policies affecting industry, investments, industrial technology and other items relating to industrial development.

PORTUGAL - 'Progress Report' a monthly bulletin in English published by the Foreign Investment Institute (av. da Liberdade 258-3, 1200 Lisbon). This publication aims to keep the general public as well as foreign investors informed of the main measures taken by the Portuguese Government regarding foreign investment and the activities of the Foreign Investment Institute.

Recent legislation

ZAMBIA

Industrial Development Act, 1977. Act. No. 18. An Act to provide for licensing and control of manufacturing enterprises; to provide incentives for investment; to regulate the making of contracts relating to the transfer of foreign technology and expertise to enterprises operating in Zambia; and to provide for matters connected with or incidental to the foregoing (Articles 1, 2, 14-17), 1977. (The Act entered into force on 15 October 1977 by Statutory Instrument No. 181 of 1977. Published by the Republic of Zambia Government, 23 September 1977.)

PART I Preliminary

1. This Act may be cited as the Industrial Development Act, 1977, and shall come into

operation on such date as the Minister may, by statutory order, appoint.

2. In this Act, unless the context otherwise requires -

"agreement for the transfer of technology and expertise" includes an agreement in respect of any licence, know-how, commercial franchise, conditional purchase, optional purchase or hire-purchase, involving the importation into Zambia of technology or expertise relating to any manufacturing enterprise;

"enterprise" means a manufacturing undertaking;

"Income Tax" means the tax chargeable under the Income Tax Act;

"licence" means a manufacturing licence issued under Part II;

"manufacture" means the commercial transformation of raw materials or semi-processed raw materials into finished or semi-finished products, and includes the assembling of inputs into finished or semi-finished products but does not include mining or recovering of minerals;

"objector" means any person who, in accordance with the provisions of this Act, objects to the issue of a licence;

"Rucom" means Rucom Industries Limited, a company registered under the Companies Act;

"rural area" means any area in Zambia other than Kabwe Urban District, Kafuo Township, Livingston District, Lusaka Urban District, and the Copperbelt Province with the exception of Ndola Rural District.

"Sales Tax" means the tax chargeable under the Sales Tax Act, 1975;

"Selective Employment Tax" means the tax chargeable under the Selective Employment Tax Act, 1975.

PART III Agreements for Transfer of Technology and Expertise

14.(1) Every agreement for the transfer of technology or expertise shall be registered with the Minister by any beneficiary thereof as soon as it is made and shall not be acted upon unless it is so registered.

(2) Any person who contravenes the provisions of sub-section (1) shall be guilty of an offence and shall be liable, on conviction, to a fine not exceeding five hundred kwacha or to imprisonment for a term not exceeding six months, or to both such fine and imprisonment.

15. Every contract for the transfer of technology or expertise shall provide that:

(a) Any royalties or fees charged shall bear a reasonable relationship to the use of such technology or expertise;

(b) Any liability to pay royalties or fees shall cease upon the lawful termination of the agreement or if such technology or expertise becomes public knowledge otherwise than through the fault of the licensee;

(c) Any technical assistance shall, where necessary, include technical personnel as well as full instructions and practical explanations expressed in clear and comprehensive English on the operation of any equipment involved;

(d) The transferor shall provide technical assistance in connection with marketing programmes and purchasing of equipment involving the use of such technology or expertise;

(e) The transferee shall acquire the right to continued use of such technology or expertise after the termination of the agreement;

(f) The transferor shall, if the transferee so requires, continue to supply spare parts and raw materials for a period of up to five years following the termination of the agreement;

(g) Subject to the directions of the Minister, the transferee shall enjoy the benefits and privileges of the most favoured licensee.

16. A contract for the transfer of technology and expertise shall not contain any conditions:

(a) Which restricts the use of competitive techniques;

(b) Providing for any form of control over the management of the licensee's enterprise;

(c) Which restricts the manner of sale of products or the export of products to any country;

(d) Which restricts the sources of supply of inputs;

(e) Which restricts the volume or structure of production;

(f) Which limits the ways in which any patent or other know-how may be used;

(g) Which provides for the payment of royalties or fees in foreign currencies or outside Zambia, except with the prior approval of the Bank of Zambia.

17. The Minister may, by statutory order, regulate:

(a) The payment of royalties or fees;

(b) The conditions under which technical assistance may be negotiated or accepted.

UNIDO activities

As reported in Issue 2 of the TIES Newsletter UNIDO has established contact with 'CECUA', a "Contractual Links Working Group" formed by computer users in the EEC. The following details about some of the aims and objectives of CECUA may be of interest to our readers.

Some countries within the EEC are seeking to correct the imbalance in the current commercial situation by developing contract terms and conditions equitable to both computer manufacturers and customers. The introduction of such neutral terms has generally been resisted by the manufacturers, although the importance of certain customers has resulted in the reluctant acceptance of them in isolated cases. The smaller customer, however, still finds that he is unable to contract on other than the manufacturer's terms and conditions.

The CECUA working group comprises representatives of computer users with wide commercial, technical and legal experience in the computer field and seeks to bring together the efforts of all the EEC countries, where a great deal of work has already been done, in order to:

(a) Formulate model terms and conditions which will establish a basic contract pattern to be followed by all EEC members;

(b) Define the types of contracts required and the range of options and subject matters to be included;

(c) Develop individual clauses to adequately reflect the rights and obligations of both customers and manufacturers.

The formulation of Model Contract Conditions in accordance with the aims stated above will produce benefits to both manufacturers and customers, among them:

(a) Conditions which are equitable to both manufacturers and customers and express the rights and obligations of both parties in a neutral fashion and ensure the completeness and legality of all aspects of contracts, thus protecting the interests of all concerned;

(b) The commercial interests of the industry will be aided by the clear identification of interests of both manufacturers and customers, the elimination of the ambiguities facing customers in the evaluation of tenders and the elimination of the unproductive man hours currently spent by both parties in renegotiation of unsatisfactory terms and conditions;

(c) The standardisation of contract practices will facilitate the procurement of hardware and software by both the public and private sectors and would be an essential step towards the harmonisation of the European market for EDP products;

(d) The EEC manufacturers will benefit from the elimination of differing practices;

(e) The standardisation of contract practices will materially assist the development of effective competition in the field of public sector contracts and in the advertising of contract notices.

UNIDO is maintaining close contact with the CECUA working group and will keep readers up to date on the developments of the model contracts for acquisition of computer hardware

and software. We invite comments from our readers on this important issue, especially as it relates to developing countries.

NEGOTIATIONS WORKSHOP - PORTUGAL

The second workshop on negotiation techniques for technology transfer agreements was organized by UNIDO in Oporto, Portugal, from 5-9 May 1980. The workshop was organized in co-operation with the Portuguese Ministry of Industry, the Foreign Investment Institute and LNETI (National Laboratories). The workshop was attended by some 35 executives from both the private and public sectors and enabled the participants to put their theoretical knowledge into practice during daily case study exercises. Two representatives from Angola also attended the workshop.

NEGOTIATIONS WORKSHOP - NETHERLANDS

On the occasion of Tech-Transfair 80 held in Utrecht, Netherlands, UNIDO, in co-operation with CBI (Dutch company for promotion of exports from developing countries) and the Royal Netherlands Industries Fairs, organized a 2 1/2 day seminar (9-11 May) on negotiating techniques for technology transfer agreements for participants from developing countries exhibiting at the Fair. Total participation was sixteen, representing some twelve developing countries.

This was the second seminar organized by UNIDO in co-operation with CBI and Fair Authorities.

Registry news

ECUADOR

Mr. José Villacís has recently been appointed Director of Foreign Investment in the Ministerio de Industria, Comercio y Integración in Ecuador. Mr. Villacís is an economist by training and takes over the duties which had temporarily been assumed by Mr. Milton Cevallos Rodríguez.

PHILIPPINES

Ms. Lilia Bautista of the Ministry of Industry of the Philippines has been appointed to the position of Governor of the Board of Investment; she also retains her position as Director of the Technology Transfer Board.

VENEZUELA

Mr. A. Gonzalez Amare has been appointed as Superintendent of Venezuela's SIEX (Superintendencia de Inversiones Extranjeras). Mr. Gonzalez Amare is an economist by training and has studied at the University of the Pacific, California, USA, Universidad Andres Bello, Venezuela, and Vanderbilt University, USA. He formerly held the posts of advisor to the Minister of Public Works/Development and Assistant Director of the Venezuelan Development Corporation.

Technology acquisition and TAS

OFFERS AND REQUESTS FOR TECHNOLOGY (*)

Name	Objectives	Location	Countries Covered and Countries Directed to	Type of Information	Type of Institution	Users
Industrial and Technological Information Bank (INTIB) of UNIDO	Selective processing of technological information for channeling to developing countries to assist in technology selection and application	Vienna, Austria	Developed Countries Developing Countries	Technology Bank	International Organization	Industry and Government
TECHNITEC of Control Data Corporation	Supply of information for licensing or sale of technical products, processes and know-how via computerized data bank	Minneapolis, Minnesota, USA	Global	Offers and requests for technology	Private Company	Industry
Information Network of the Latin American Economic System (SELA)	Proposed project to disseminate information of available technology in the region	-	Latin America Latin America	Studies on available technology	Regional Organization	Government
National Technical Information Service	Publication of a bulletin listing various technologies from the USA	Washington, D.C., USA	USA Global	Brief descriptions of technologies	National Organization	Industry
International Licensing	Bulletin with offers and requests for licensing and proposals for joint ventures	Middlesex, UK	Global	Offers and requests for licenses/joint ventures	Private Institution	Industry
POLSERVICE	Bulletin with offers of licensing proposals	Warsaw, Poland	Global	Offers and requests for licenses	Public Sector Firm	Industry and Government
Dr. Dvorkowitz and Associates	Supply of data on available technologies in developed world. Yearly technology fair	Ormond Beach, Florida, USA	Developed Countries Global	Technology title, licensor, originator, description, use, advantages, etc.	Private Company	Industry and Government
Industrial Opportunities Column of UNIDO Newsletter	Publication of offers and requests for technology and licensing opportunities	Vienna, Austria	Global	Brief description of technologies	International Organization	Industry and Government

*Excerpted in part from TECNE, Nos. 4 and 5, April 1980 published by the Comité de Regalías and COLCIENCIAS of Colombia.

Reference to non-UNIDO services above do not imply any evaluation or recommendation by UNIDO.

CONTACT SERVICES FOR INVESTMENT AND TECHNOLOGY TRANSFER (*)

Name	Objectives	Location	Countries Covered and Countries Directed to	Type of Information	Type of Institution	Users
UNIDO's Investment Promotion Service	To facilitate contact between businesses in industrialized countries and those in developing countries to promote investment and technology transfer	Vienna, Austria Brussels, Belgium Cologne, FRG New York, USA Zurich, Switzerland	Developed Countries Developing Countries	Identification of interested businesses	International Organization	Industry and Government
Business Co-operation Center of the EEC	To bring about contacts between two or more businesses in EEC member countries interested in establishing co-operation agreements	Brussels, Belgium	Europe Europe	Contacts and information on firms to contact	Regional Organization	Industry
Export Assistance International	Assistance and search for investors and areas to invest	Paris, France	Europe (FRG) Global	Studies, assistance and contacts	Public Sector Firm	Industry and Government
PROJECTO International Inc.	Assistance to business, government and public sector institutions that wish to invest in Canada or identify development projects in developing countries	Montreal, Canada	Canada Developed Countries Developing Countries	Assistance, information and contacts	Public Sector Firm	Industry and Government
SEC/INTAL	To furnish information and establish ties to facilitate business level co-operation between Latin American countries	Buenos Aires, Argentina	Latin America Latin America	Offers and requests of economic and legal information and feasibility studies of possible co-operation	Regional Organization	Industry and institutions for project promotion
German Company for Economic Co-operation (DEG)	Financial institution to support, promote, establish contact, etc., German investment and financing	Bonn, FRG	Europe (FRG) Developing countries	Assistance, information and contacts	Public Sector Firm	Industry and Government

*Excerpted in part from TECNE, Nos. 4 and 5, April 1980 published by the Comité de Regalías and COLCIENCIAS of Colombia.

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Portugal - Agreements for the Transfer of Technology *

According to the available 1979 statistical data payments on some 912 contracts involving technology transfer were made. Overall payments amounted to some Esc. 2,781.6 billion (about \$US 56 million). The payments were broken down as follows:

Payments made to countries by main sectors - 1979

10³ Escudos

Country ISIC	EEC						EFTA			U.S.A.	Others	Total	
	Total	Belgium	France	U.K.	FRG	Others (a)	Total	Switzer	Others			Value	%
31	113,245	2,796	2,538	5,818	3,651	98,440	160,407	160,407	-	17,118	8,131	298,899	10.8
34	8,835	493	59	4,799	3,287	197	125,760	6,097	119,663	41,875	15,524	191,994	6.9
35	529,979	108,034	114,324	100,282	132,578	74,761	51,961	27,650	24,311	232,458	107,489	921,887	33.1
37	112,786	1,230	95,142	12,519	3,895	-	117	70	47	11,467	12,780	137,150	4.9
38	304,497	31,628	71,713	65,738	101,402	34,016	54,175	47,741	6,434	92,945	35,428	487,045	17.5
Others	499,302	98,390	213,995	72,314	66,879	47,724	43,703	36,082	7,621	147,904	53,743	744,652	26.8
Value	1,568,642	242,571	497,771	261,470	311,692	255,138	436,123	278,047	158,076	543,767	233,095	2,781,627	100
%	56.4	8.7	17.9	9.4	11.2	9.2	15.7	10.0	5.7	19.5	8.4	100	

Source: Bank of Portugal

31 - Food, beverages and tobacco industries; 34 - Paper, printing and publishing industries; 35 - Chemical industries of oil and coal derivatives, rubber and plastic products; 37 - Basic metallurgical industries; 38 - Manufacture of metal products and machinery, transport equipment and material

(a) - Netherlands - Esc. 87,909 million (b) - Sweden - Esc. 106,138 million (c) - Japan - Esc. 74,438 million

* Excerpted from "Progress Report", N. 21, March 1980, a publication of the Portuguese Foreign Investment Institute.

Recent publications

UNIDO/ICIS.133. The technological self-reliance of developing countries: towards operational strategies.

UNIDO/IOD.326. Industry 2000 - background papers: International flows of technology.

UNIDO/IOD/260. Guidebook on the use of small scale computers for industrial managers in developing countries.

ID/WG.318/1. Second draft of the UNIDO model form of turn-key lump-sum contract for the construction of a fertilizer plant.

ID/WG.318/1/Add.1. Technical annexures for second draft of the UNIDO model form of a turn-key lump-sum contract for the construction of a fertilizer plant.

ID/WG.318/3. Third draft of the UNIDO model form of cost reimbursable contract for the construction of a fertilizer plant.

ID/B/237. Redeployment of industries from developed to developing countries. Studies undertaken by UNIDO. Progress report by the Executive Director.

ID/B/238. Role of the public sector in industrial development. The public sector and the industrial development of the developing countries. Report by the Executive Director.

ID/B/241. Industrial and technological information bank. Activities undertaken in 1979 and prospects for the future. Report by the Executive Director.

ID/B/242. Development and transfer of technology. Report by the Secretariat.

Calendar of meetings

1. Workshop on negotiation and evaluation of technology transfer agreements, Beijing, China, June 1980.

2. National workshop on technology transfer, Yaounde, United Republic of Cameroon, 7-12 July 1980.

3. Fifth meeting of heads of technology transfer registries, Buenos Aires, Argentina, 15-19 September 1980.

4. World technology fair for the developing countries (Technology for the People), Geneva, Switzerland, 16-21 September 1980.

5. Joint UNIDO/WAITRO seminar-workshop on improving the performance of industrial research institutions through co-operative arrangements, Colombo, Sri Lanka, 13-16 October 1980.

6. Workshop on preparation and negotiation of technology transfer agreements for public enterprises in developing countries, Ljubljana, Yugoslavia, 27-31 October 1980.

7. Joint UNIDO/OAU seminar-workshop on transfer of industrial technology, Khartoum, Sudan, 3-17 November 1980.

8. Workshop on technology transfer - experience of developing countries in acquisition of technology from Socialist Countries, Warsaw, Poland, (dates are not yet fixed).

9. Workshop on technological co-operation and promotion of transfer of technology between advanced and developing countries, Seoul, Republic of Korea (dates are not yet fixed).

10. Second workshop on exchange of experiences and technology transfer on mini-hydro generator units, China (late 1980).

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