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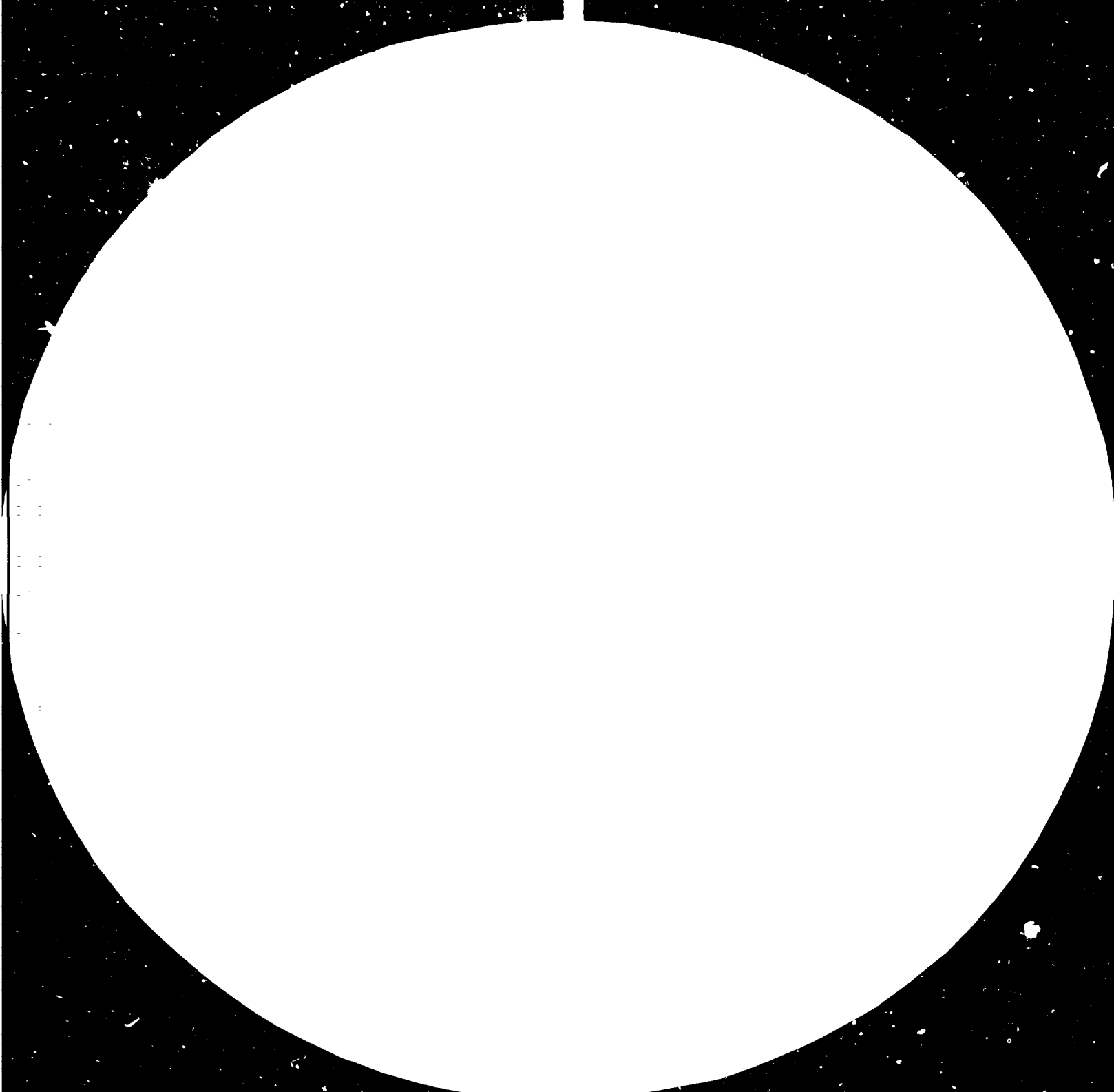
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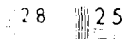
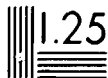
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NEWSLETTER

TECHNOLOGICAL INFORMATION EXCHANGE SYSTEM

Issue Number 6

12035

November 1980

Dear Reader,

A major event in November was a Joint OAU/UNIDO Symposium on Industrial Technology for Africa, held in Khartoum, Democratic Republic of the Sudan, from 5-11 November 1980. The objective of the Symposium was to discuss and evolve practical measures of action in the field of industrial technology based on alternative models and exercises, taking into account the need to initiate action for achieving the objectives of the African Industrial Development Decade and for operationalizing the relevant recommendations of the Monrovia Declaration and the Lagos Plan of Action, adopted by the heads of State and Governments of the Organization of African Unity. It was attended by delegates from 35 African countries.

Some features of the African industrial scene include: predominance of food, beverage and textiles in the industrial structure. Low contribution by industrializing industries, such as engineering industries; and an apparent emphasis on equipment and hardware rather than on people and software. Related to these features is a low level of technological development in many African countries. The Symposium examined African technological problems with particular reference to technology policy and planning including impact of external assistance; technological infrastructure including institutions, manpower and information as well as intra-African co-operation.

The Symposium recommended that each African country should formulate and implement a basic national programme in technology as a matter of priority and urgency. The programme should, inter alia, consist of a kit of policy tools and a monitoring and regulating mechanism for the inflow of foreign technology and equipment. The Symposium also recommended indepth analysis of African experience with external assistance in technological fields.

As a result of the Symposium, several action programmes are expected to be initiated in the African region including a follow-up meeting in 1982.

The Executive Director of UNIDO has named an internal task force on the African Development Decade to recommend an integrated programme of action to assist the African countries.

G.S. Gouri

Registry activities

Andean Pact Countries

The following article is excerpted from the July 1980 issue of "Andean Group" a monthly journal published by the Junta of the Cartagena Agreement.

Science and Technology for Andean Development

The signatory countries of the Andean Agreements (Bolivia, Colombia, Ecuador, Peru and Venezuela) have defined a series of joint actions intended to increase the rhythm of technological development and to improve their bargaining power in this field, especially their negotiations with the technology supplying countries.

Subregional technological policy is framed primarily within the provisions of three of the Decisions of the Cartagena Agreement: Decision 24 on the "Common Regime for the Treatment of Foreign Capital and on Trademarks, Patents, Licenses and Royalties", Decision 84 on the "Bases for a Subregional Technological Policy", and Decision 85 on "Industrial Property".

The dynamics of integrationism set forth the desirability of enlarging on the existing instruments and formulating an overall scientific and technological policy that would serve as a framework for orienting both the integration process and the development of the Member Countries.

Within this approach, the Commission of the Cartagena Agreement at its meeting in June adopted Decision 154 which creates and approves the progressive establishment of the Andean Technological Information System as a permanent mechanism for subregional co-operation, joint action and organized relations among the Andean Group Member Countries in the field of technological information.

The Andean Technological Information System shall have four specialized information networks on foreign investment, international prices, the transfer of technology and industrial property.

Through this System, the Member Countries of the Andean Group shall have the necessary

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information for implementing the subregional technological development policy and for applying the Common Regime for the Treatment of Foreign Capital and on Trademarks, Patents, Licenses and Royalties and the Regulations on Industrial Property.

UNIDO has begun discussions with the Junta del Acuerdo de Cartagena to explore the possibility of co-ordinating various activities of UNIDO's Technology Programme, including TIES, with the new Andean Technological Information System.

Philippines

The following are articles excerpted from the September 1980 issue of the Industrial Development Digest of the Philippines which highlights some of the recent activities vis-a-vis technology transfer in the Philippines.

TT Agreements Approved

The Technology Transfer Board approved and registered 36 technology transfer agreements during the period April to June 1980.

The second quarter registered agreements are expected to generate foreign exchange savings due to reduction in royalty rates in the amount of P5.2 M. Foreign exchange earnings for 5 years from projected exports was estimated to reach \$232.3 M. Estimated revenues to be accrued by the government for the period are P75.1 M. from withholding taxes on royalties only.

Five of the agreements approved during this period are listed below:

1. Renewal of the Patent, Technical Information and Trademark License Agreement between Columbian Carbon Phil., Inc. and Cities Service Co.

The agreement pertains to the transfer of a high level technology in the manufacture of Carbon Black, the raw material used in making tires. Cities Service Co. shall provide the technical assistance necessary to the operation of the existing carbon black plant. In line with the licensee's proposed Phase IV expansion, the licensor shall assist the local company in the preparation of feasibility studies, shall furnish the licensee with engineering designs as well as quality testing methodologies and equipment for the said expansion project. Cities Service Co. shall also provide technical information and know-how on the manufacture of new grades of carbon black and the latest energy and cost saving technologies.

Columbian Carbon is the only producer of carbon black in the country. It supplies all the requirements of the domestic market for rubber grade carbon black. Production out-put in excess of demand is exported to other ASEAN countries.

Eleven percent of the capital of Columbian Carbon Phil., Inc. is held by a local company, Nitron Chemical Industries, Inc. and the remaining 89% is held by Cities International Chemicals Co.

2. Filipro, Inc./Societe des Product Nestle SA; License Agreement

The object of the license agreement is the manufacture of soya-based food products. Unlike the conventional method of processing soya which is premised on oil extraction and working with the soya residue, the licensed soya bean processing method requires utilization of all the components of soya bean and the transformation of the soya bean into a range of food products suited for human consumption without any separate oil extraction. The process calls for dispersion of protein and other soluble materials in aqueous solution and at the same time, inactivation of enzymatic and anti-nutritional factors in order to preserve the organoleptic and nutritive qualities of the product. The programme is of a pioneering nature and will support the nutrition programmes of the government.

3. License and Technical Assistance Agreement between Nobel Phil., Inc. (NPI) and Nitro Nobel Aktiebolag (NNAB) of Sweden

The License Agreement involves the use of technical information and industrial property rights in connection with the manufacture of water-based explosive products for the mining and construction industries. The project is composed of 2 major plants; namely: Ammonium Nitrate Fuel Oil/Slurry Plant and Nitric/Ammonium Nitrate Plant.

Water-based products, as defined in the Agreement refer to water-based non-explosive sensitized and water-based water soluble explosive sensitized materials, including both emulsion blasting agents and explosives containing a continuous liquid fuel phase and a discontinuous aqueous oxidizer phase and water-gel blasting agents and explosives containing a continuous gel-like oxidizer phase and suspended fuel.

Nobel Phils., Inc. is a joint undertaking between Republic Glass Corp. and some Filipino investors and Nitro Nobel Aktiebolag (NNAB) with the latter owning 40% of total equity.

4. Technical Co-operation Agreement between Consolidated Industrial Gases, Inc. and Commonwealth Industrial Gases Limited

The Agreement relates to the supply of know-how on the manufacture and technical applications of industrial gases consisting of oxygen (bulk and compressed) used in carburizing and heat treatment by the metallurgical industry; argon (bulk and compressed) carbon dioxide, hydrogen, acetylene and other gas mixtures. The proposed plant which is to be located in Sta. Rosa, Laguna, has a capacity six (6) times as big as the largest in South East Asia. Its design is based on most recent technology.

The project is a joint venture between POACO, Inc. and Gorones Development Corp. which owns 60% shareholdings and the licensor, Commonwealth Industrial Gases Ltd. which owns 40% of the proposed company. Commonwealth Industrial Gases is part of the British Oxygen Group, the world's largest industrial gas group.

5. Know-how and Industrial Assistance Agreement between Borden International Phils. Inc. and Borden, Inc. of U.S.

The renewal agreement covers the manufacture of formaldehyde-based resins which are used mainly as adhesive for plywood and binders for particle and fiber boards; polyvinyl acetate

and acrylic emulsions which are used as vehicle for paints and as base materials for specialty adhesive. The agreement was approved in order to avail of continued assistance in the manufacture of new types of resins demanded by the market and continued assistance to improve energy economy and production efficiency of both the formaldehyde and resin polymerization plants.

The licensor owns 98% of the equity of the licensee.

Conference on Appropriate Technology

The First National Conference on Appropriate Technology convened on 6-9 August 1980, with the end in view of establishing linkages among appropriate technologists and creating initial channels by which programmes on appropriate technology will be implemented.

The four-day event was attended by experts, leading practitioners and advocates of appropriate technology and those involved in small and medium-scale industries.

During the conference, the speakers, mostly from different government agencies emphasized that "for technology to be appropriate, it should be compatible with the needs of the user, using indigenous materials, and should be within the reach of the community."

Timely issues such as substitute energy sources, the role of science and technology in appropriate technology diffusion and the role of appropriate technology in agro-industrial development, among others, were tackled. Small is beautiful was the predominant word during the conference, and the lectures expounded on the importance of small-scale industries and smaller technologies, which they feel are more appropriate for the developing countries.

The participants to the conference/workshop were divided into the energy, food and agriculture and industry/manufacturing groups and came up with recommendations and policies on the last day. The resolutions called upon both government and private sectors, and even individuals to play active roles: first, in propagating the appropriate technology philosophy and in redirecting their thrust to accommodate end-user technologies.

Among these were proposals for financing to commercialize appropriate technology oriented projects; the infusion of appropriate technology subjects at all levels of formal education; and provision of scholarships and similar grants to appropriate technology practitioners.

The Conference on Appropriate Technology was held at the Virata Hall of the University of Philippines Campus in Diliman, Quezon City, under the auspices of the Philippine Center for Appropriate Technology and Training (PCATT) and the UP-Institute for Small Scale Industries (UP-ISSI).

1980 Foreign Investment

Notwithstanding the world-wide recession which caused a reluctant mood on investments among businessmen from developed countries, the Philippines registered a record inflow of

foreign investments. For the period January to August of 1980, foreign investments in the Philippines amounted to a total of \$US 305 million, exceeding even the record set in 1974 when foreign investments inflow peaked at \$US 190 million.

This record inflow of foreign investment is testimony to the confidence of discriminating foreign investors in the stability and future of the Philippine economy and the present political leadership, disproving allegations that the international business community has lost confidence in the Philippines.

A substantial chunk of the record foreign investment inflow came from foreign corporations already operating in the Philippines, which brought in additional capital for the expansion of their present operations and/or for the establishment of new projects.

Biggest among these foreign investments was the \$50 million equity investment of Reynolds Metals of the United States on the aluminum smelting plant included among the eleven major industrial projects expected to be established within the first half of the 1980's.

The second biggest investment was contributed by the British-Dutch Billiton Company, which put in \$40 million in a joint venture with the National Development Company to undertake a mining project.

The third biggest investment was the \$32 million equity of three giant Japanese corporations, Marubeni, Sumitomo and C. Itoh in the copper smelting plant, another major project.

The following is a listing of 20 major projects which have been approved by the Board of Investments, and their investors. This excludes investments made in petroleum explorations as well as those in the financial sector.

1. Aluminium smelter
Reynolds Metals
\$50 million
2. Mineral Investment Co.
Billiton (Shell)
\$40 million
3. Copper smelter
Marubeni/Sumitomo/C.Itoh
\$32 million
4. LPG distributor complex
Shell
\$20 million
5. Coffee producing (expansion)
Nestle
\$20 million
6. Automotive equipment
Ford Motor Co.
\$17 million
7. Diesel engine (high HP)
M.A.N.
\$15 million
8. Coconut fatty alcohol
Henkel
\$15 million
9. Electro mechanical equipment
G.I.E.
\$14 million
10. One million-ton cement plant
Philipp Brothers
\$12 million
11. Diesel engine (lower HP)
Isuzu
\$10 million

12. Low-density polyethylene
USI Far East
\$8 million
13. Ferrochrome
Voest-Alpine
\$8 million
14. Polypropylene
Hercules
\$6 million
15. Plantation agriculture
Guthrie
\$6 million
16. Plantation agriculture
Keck Serg
\$6 million
17. Plantation agriculture
Dunlop
\$5 million
18. Chemical Chromite
Bayer
\$5 million
19. Tin can manufacturing
American Can Co.
\$4 million
20. Steel Coating Corp.
Australian Mining and Smelting Ltd.;
John Lysaght Australia Ltd.
\$3 million

Recent legislation

Democratic Republic of the Sudan

The following is the text of the "Encouragement of Investment Act" of the Democratic Republic of the Sudan issued by the Ministry of Finance and National Economy in April 1980.

PROVISIONAL ORDER

The Encouragement of Investment Act, 1980

In the Name of God, the Compassionate, the Merciful

The President of the Republic,

In accordance with the Provisions of Article 106 of the Constitution, hereby makes the following Provisional Order:

CHAPTER I PRELIMINARY

Title and Commencement

1. This Provisional Order may be cited as "the Encouragement of Investment Act, 1980," and shall come into force as from the date of signature.

Repeal and Saving

2. (1) The following Acts are hereby repealed:
 - (a) The Encouragement of Investment in Economic Services Act, 1973;
 - (b) The Development and Encouragement of Industrial Investment Act, 1974;
 - (c) The Development and Encouragement of Agricultural Investment Act, 1976.
- (2) Notwithstanding subsection (1) all licences, privileges and guarantees in force granted under the aforesaid laws shall continue to be valid and shall be deemed as if granted under this Act.

Interpretation

3. In this Act, unless the context otherwise requires:

"The Project" means any enterprise, utility or any economic activity coming within any of the fields whereby investment is allowed in accordance with the Objectives of this Act and approved in accordance therewith.

"National Capital" means the capital owned by the Sudanese investor, which capital is employed at the commencement of investment in the project and consists of moveable or immovable assets plus any subsequent additions thereto either in the form of moveable or immovable assets or cash or through capitalization of profits earned by the project; provided that such additions are made with the consent of the Minister.

"Foreign capital" means:

(a) The foreign hard currency transferred to the Sudan at the exchange price current at the time of transfer through a bank working in the Sudan for the utilization thereof in execution of a project;

(b) Imported machinery, equipment and means of transport financed from abroad and necessary for the execution of the project and compatible with the technical development suitable for the Sudan answering such specifications as prescribed by the Minister;

(c) The foreign hard currency utilized on preliminary studies, feasibility studies and foundation undertaken by the investor within the limits approved by the Minister;

(d) The profits realized by the project if capitalised with the consent of the Minister or if invested with his consent in another project in accordance with the provisions of this Act;

(e) Intangible assets i.e. Patents, trade marks, technical experience, etc. registered by the foreign investor for utilization of the project.

"Ministerial Committee" means the Ministerial Committee for Investment established under section 30.

"The Minister" means the Minister of Finance and National Economy.

"The Secretary-General for Investment" means the person appointed as such by the President of the Republic.

"The Secretariat-General" means the Secretariat-General established under section 25.

"The Consultative Committee" means the Consultative Committee for investment established under section 28.

Application

4. (1) Subject to the proviso appearing at the end of section 2, the provisions of this Act shall be applied to all investment projects in the Sudan.

(2) The Minister may on recommendation of Minister of Energy and Mining grant to lease-holders under the Mines and Quarries Act, 1972 the privileges and facilities set forth in this Act in Accordance with the Provisions thereof.

CHAPTER II

Encouragement of Investment

Fields of Encouragement of Investment

5. (1) This Act encourages investment in agricultural, animal, mining, industrial, transport, tourism, storage and housing fields and any other economic field prescribed by the Ministerial Committee.

(2) This Act encourages investments initiated by the public sector, co-operative sector, mixed sector, national and private sectors, and the foreign sector.

Objects of Encouragement of Investment

6. The Objects of this Act are in general to encourage investment in projects aiming towards the achievement to the objects of the Development Plan of the Democratic Republic of the Sudan and in particular its objects are to encourage investment in projects which:

(a) Contribute effectively to the increase of national income and widening of the base of national economy and the strengthening of its activity, or;

(b) Contribute to the removal of any bottlenecks obstructing development, or;

(c) Make available necessary services which contribute in the consolidation of economic and social development, or;

(d) The production of which depends on local material or the establishment of which is encouraged for production of such materials, or;

(e) Assist in the realization of self-sufficiency and creation of surpluses for export, or;

(f) Assist effectively in the consolidation of balance of payment, or;

(g) Make available directly or indirectly chances of labour for citizens, or;

(h) Have defence or strategic importance, or;

(i) Contribute to the realization of the objects of economic co-operation or integration with Arab and African countries.

No Discrimination

7. For the purposes of granting licences, privileges and facilities under this Act,

no discrimination shall be allowed among the projects by reason of being national or foreign.

CHAPTER III

Privileges and Facilities

Granting of Privileges and Facilities

8. (1) Notwithstanding the provisions of any law, the Minister subject to the provisions of this Act, may with the consent of the Minister concerned grant a project if he is satisfied that such project achieves any of the objects specified in section 6 to such an extent or aspect as may give it distinctive economic value, all the privileges or facilities set forth in sections 9,10,11,12,13, 14,15, 16, or any of them.

(2) The type, extent, and period of privileges and facilities shall be specified in accordance with the extent of the achievement of the project to the objects set forth in section 6 hereof and in the light of the policies and priorities determined by the Ministerial Committee.

(3) Any loss occurring during the whole or partial period of exemption shall be deemed to have occurred within the last year of such period.

(4) A project shall be granted exemption from business Profits Tax only for its own benefit and for its importance to the national economy in such a way that the benefit shall not return to another state.

Exemption from Duties

10. (1) The Minister may, in accordance with the Provisions of section 5, exempt the project wholly or partly from the following duties:

(i) Customs duties relating to:

(a) Machines, equipment, apparatus and imported spare parts necessary for the project.

(ii) Imported raw, artificial or intermediary materials necessary for the project which materials cannot be found locally in the necessary quality and quantity.

(b) Import duties on artificial or semi artificial goods arising out of the project.

(c) Any other duties or taxes imposed on the project.

(2) The Minister may, in accordance with the provisions of section 8, exempt the project wholly or partly from excise duties imposed on materials or commodities locally produced which are necessary for the project.

Allotment of Land Necessary for the Project

11. Notwithstanding the provisions of any other Law, the Minister may, after consultation with any authority legally concerned, allot the land necessary for the establishment of the

project; he may reduce the price of such land or order that such price shall be paid in instalments subject to such reasonable terms as he may prescribe.

No Local Duties to be Imposed on Projects

12. Notwithstanding the provisions of any other law, no local duties shall be imposed on any project which has been given exemption under section 9 or 10 hereof within the period of exemption save with the consent of the Minister.

Deduction of Costs of Electricity and Transport

13. The Minister may, subject to the provisions of section 8, and after consultation with other competent authorities grant to the project any of the following facilities:

- (i) Reduction of the prices of the electricity used for the purposes of the project.
- (ii) Reduction of transport fares imposed on the traffic of the imports and products of the project.

Protection of Project Products

14. Subject to section 8, the Minister may direct the authority concerned:

- (a) To raise the customs duties on imported commodities which compete with or act as substitutes to the products of the project during a limited period of time.
- (b) To restrict importation of such competitive or substitute products for a limited period of time.

Preferential Facilities for Regional Development

15. Subject to section 3, the Minister may grant to the project which is established in certain regions prescribed by the Minister reasonable preferential facilities for achievement of justice in allocating development programmes among the different regions and for giving regard to regions of less development.

Submission of Feasibility Study for the Project

16. Privileges or Facilities established by this Act shall only be granted after a technical economic feasibility study for the project has been submitted; provided that such privileges and facilities may be granted on preliminary basis on submission of a preliminary feasibility study.

Obtaining a Licence for Establishment of a Project

17. Subject to the provisions of any other law, no investor shall establish or contribute to establish a project in the Sudan except on obtaining a licence from the Minister in accordance with the provisions of this Act.

Terms and procedure for obtaining a license, privileges and facilities

18. (1) Applications for Licence for any project or for grant of any privileges, facilities or guarantees conferred by this Act, shall be made on the form prescribed by regulations made under this Act.

(2) No alteration or amendment in the size of the project or the purpose for which the licence is granted and no transfer of the project from its licenced place shall be made save with the written consent of the Minister.

(3) No transfer of the ownership or a leasehold of the whole or any part of the project shall be made save with the written consent of the Minister.

(4) The machines, equipment, materials or spare parts with respect to which privileges or facilities have been granted under this Act shall not be used for any purpose other than for which the licence was granted.

(5) The land allotted for the project under this Act shall not be used for any other purpose or mortgage save with the written consent of the Minister.

(6) The owner of the project shall present every year to the Secretary General a copy of the annual accounts of the project signed by a certified accountant.

(7) The owner of the project shall provide the Secretary-General every year with reports about the progress of the operation of execution of the project and the productivity of the project after commencement of production.

(8) The project shall not be liquidated within the five years following commencement of production.

Guarantee not to Nationalize, Confiscate or Acquire the Project

19. Notwithstanding the provisions of any other law, any capital invested in the Sudan shall enjoy the following guarantees:

(a) It shall not be nationalized except for the public good and by virtue of a law; and in such case the following rules shall be followed:

- (i) The investor shall be granted after evaluation of his property, just compensation at the price current at the time of nationalization.
- (ii) The evaluation shall be completed within a maximum period of six months commencing from the date of order of nationalization; payment and transfer of compensation shall be in yearly instalments within a period not exceeding five years in the same currency of capita or any other

currency agreed to.

(b) It shall not be subjected to sequestration or confiscation save with the order of a competent court issued in accordance with the laws in force.

Guarantee to Transfer the Profits, Interests and Foreign Capital Abroad

20. (1) All profits arising out of the foreign capital invested in the project, and all interest arising out of any loan approved in accordance with section 21, shall after all taxes, duties, dues and other obligations due to the Government are paid or fulfilled be transferable outside the Sudan in the currency in which the Capital or loan, as the case may be, was imported or any other currency agreed to.

(2) If the project is liquidated, sold or its ownership is wholly or partially transferred, the Capital invested in the project shall, after all taxes, duties and obligations legally due to the government or other persons are paid or fulfilled, be transferable outside the Sudan in the currency in which such capital was imported or in any other currency agreed to.

CHAPTER IV: RULES OF INVESTMENT

Investor may obtain Loans from abroad with consent of Minister

(21) (1) The project may, in accordance with such reasonable terms as may be agreed to by the Minister, borrow money from any foreign body.

(2) No foreign investor shall borrow money from banks and financial houses working in Sudan save with consent of the Minister.

Fixing and Registration of Foreign Capital

(22) The foreign capital invested in the project shall be fixed and evaluated with the consent of the Minister and shall be registered with the Bank of Sudan.

Cancellation of the Licence, Privileges, Facilities and Guarantees

(23) (1) The Minister may, subject to the provisions of this Act, cancel any licence, privilege or guarantee set forth in this Act in any of the following cases:

(a) If the investor has not established the project within the period specified in the licence or any extension thereto;

(b) if the investor has broken any of the terms according to which any privileges, facilities, guarantees or licences have been granted thereby

(c) if the investor has provided any false information or used unlawful means by which he obtained a benefit under this Act;

(d) if the project, without reasonable cause, stopped;

(e) If the investor so contravenes the law as may threaten the security and safety of the land.

(2) If the privileges or facilities are cancelled, then the investor shall be compelled to restitute the pecuniary benefit he has obtained as a result of conferment of any such privileges and facilities, provided that such benefit is attributable to the cause justifying cancellation.

(3) The investor against whom an order was made under sub-section (1) may file an application with the Ministerial Committee for revision of such order and the resolution of this Committee shall be final.

Contravention of the provisions of this Act

(24) (1) Whoever contravenes the provisions of section 17 of this Act, shall be punished, on conviction, with fine not exceeding five thousand pounds.

(2) Whoever contravenes the provisions of section 18 of this Act, shall be liable to a compounding of the contravention to be prescribed the Minister by order but not to exceed five thousand pounds, in assessment of which regard shall be had to gravity of the contravention and to the extent of the unlawful enrichment by the owner of the project. A person against whom a compounding order is issued may apply to the Ministerial Committee for revision of such order and the resolution of this Committee shall be final.

CHAPTER V

Bureau of Investment Establishment and Constitution of the Secretariat-General for Investment

(25) (1) There shall be established a unified bureau to be known as "The Secretariat-General for Investment" which shall be subject to the administrative and financial supervision of the Minister.

(2) The Secretariat-General for investment shall consist of

(a) The Secretary General;

(b) The Technical Secretariat which shall consist of full-time specialists to be recruited from all technical departments and scientific specializations concerned with investment and its encouragement and of a limited administrative body, and shall exercise the functions set forth in section 26;

(c) the Consultative Committee.

Functions of the Technical Secretariat

(26) The Technical Secretariat shall have the following functions.

(a) To determine the abilities of investment, the need therefore, its rules and any information relating thereto, and submit the same to and propagate among investors and give advice to them;

(b) to consider application for licence, feasibility studies and any other applications submitted by the investor and to make the

necessary studies and enquiries about them so as to help investors and enable the authorities concerned to make a recommendation or decision with respect thereto.

(c) to have contacts and co-operate with all other government bodies concerned with the follow-up of investments and control of execution of projects so as to help investors and enable the authorities concerned in this Act to exercise their functions;

(d) to seek assistance from specialists, researchers or government or private bodies in the exercise of its functions in accordance with the preceding paragraphs.

Functions of the Secretary-General for Investment

(27) (1) The Secretary-General shall undertake the preparatory work which consists of the technical studies prepared by the Technical Secretariat and of the recommendations issued by the consultative Committee and of any other necessary substance or papers and he shall submit the same to the Ministerial Committee or Minister as the case may be for the exercise of the powers conferred by this Act.

(2) The Secretary-General in co-operation with other concerned government bodies shall have power to consider and give recommendation to the Ministerial Committee or the Minister as to any matter which is subject under this Act to the decision or consent of such Committee or Minister, provided the consultative Committee is not competent to consider or give recommendation with respect thereto.

(3) The Secretary-General shall submit to the Ministerial Committee or Minister as the case may be any studies or recommendations made by him or by the consultative Committee as to any application of an investor within two months of the date of the receipt of complete application.

(4) The Secretary-General shall undertake all preparatory work to the meetings of the consultative committee and shall make ready all preparatory and necessary materials and keep its records and submit the Consultative Committee's recommendations to the Ministerial Committee or Minister as the case may be.

(5) The Secretary-General shall have supervision over the technicians and all other employees of the Secretariat General and shall regulate business therein.

Composition of the Consultative Committee for Investment

(28) (1) The consultative Committee shall consist of the Secretary General as Chairman and of such members representing bodies directly concerned with investment as the president of the Republic may appoint provided that four members representing the private sector whose tenure of membership shall be three renewable years, shall be included in the appointment.

(2) Members of the Consultative Committee shall not depute any person to attend its meetings save with the previous consent of the Secretary-General.

(3) The Members shall disclose any interest or benefits they have relating to any matter discussed by the consultative Committee and they shall not share in any debates or recommendations relating to that matter.

(4) The Secretary-General may invite any person to attend any meeting of the Consultative Committee if he deems this necessary; provided that such person shall not have a counted vote.

Functions of the Consultative Committee for Investment

(29) (1) The Consultative Committee for Investment shall have the following functions.

(a) To consider and make recommendations to the Minister with respect to applications for grant of Licence for the projects and to evaluate the feasibility studies relating thereto;

(b) to consider and make recommendations to the Minister with respect to applications for grant of privileges and facilities for the projects;

(c) to consider and make recommendations to the Minister with respect to applications for increase of capital of any project out of profits;

(d) to make recommendations to the Minister with respect to compounding of the offences it deems necessary to be imposed in accordance with section (24) (2);

(e) to consider and make recommendations to the Minister with respect to cancellation of any privileges, facilities or licences within the bases referred to in section (23) thereof;

(f) to make recommendations to the Ministerial Committee or the Minister to confer on the consultative committee any additional functions and to delegate thereto any power.

The Ministerial Committee for Investment

(30) (1) There is hereby established a Ministerial Committee to supervise the encouragement of investment.

(2) The Committee shall be composed by the president of the Republic and he may reconstitute the committee as and when he deems this suitable.

Functions of the Ministerial Committee

(31) In addition to any function conferred on the Ministerial Committee by any other provision in this Act, the Ministerial committee shall have power to frame the general policy for encouragement of investment in the light of the objects set forth in section 6 hereof and shall determine the priorities in the grant of licences, privileges and facilities and shall issue all the necessary directions for the proper implementation of this Act.

CHAPTER VI

General Provisions Settlement of Investment Disputes

(32) (1) If a National, Arab or foreign investor obtains any privileges, facilities or guarantees under this Act, this will be regarded as a consent by him to submit to arbitration any legal dispute arising in accordance with the provisions of sub-sections (2), (3) and (4) of this section; provided that the Sudan shall be the place of arbitration. The Government of the Sudan shall be found to make available all facilities required by arbitration.

(2) The provisions of Chapter IV of part VI of the civil procedure Act, 1974 relating to arbitration, shall apply to every legal dispute arising directly from investment of national capital in any project.

(3) The provisions of the convention on the settlement of investment Disputes Between Host States for Arab Investment and Nationals of other Arab States, 1974 shall apply to every legal dispute arising directly out of any of the investments to which that convention applies.

(4) The provisions of the Convention on the settlement of Investment Disputes between States and Nationals of other states 1965 shall apply to every legal dispute arising directly out of any of the investments to which the provision of that convention applies.

Power to make Regulations

(33) The Ministerial Committee may make the regulations and orders necessary for the implementation of the provisions of this Act. Without prejudice to the generality of the foregoing such regulations and orders may provide for the following.

(a) The prescription of the procedure whereby applications can be submitted for grant of licence, privileges or facilities and imposition of fees thereon;

(b) the minimum number of projects to which this Act applies and exceptional cases;

(c) the prescription of rules relating to control and follow up of projects licenced under this Act.

Made under my hand at the People's palace on 11th day of Jumadé El Akhira, 1400 A.H. being the 26th day of April 1980.

Gaafar Mohamed Nomiri,
President of the Republic

UNIDO activities

International Workshop on Preparation and Negotiation of Technology Transfer Agreements for Public Enterprises in developing countries.

The above workshop was jointly organized by UNIDO and ICPE (International Centre for Public Enterprises in Developing Countries) between 27 and 31 October 1980 in Ljubljana, Yugoslavia.

Seventeen (17) participants from the

following fourteen (14) countries attended: People's Republic of China, Egypt, Ethiopia, Greece, India, Jordan, Malta, Mexico, Peru, Somalia, Sri Lanka, Tanzania, Zambia and Yugoslavia.

The programme covered various problems related to technology transfer of special interest to public enterprises including, inter alia:

- (a) unpackaging of technology agreements,
- (b) warranty and guarantee provisions,
- (c) assessment of payments for technology and price of technology,
- (d) conduct of public enterprises exporting technology on the South-South level.

Some of the recommendations adopted by the meeting will be carried out by UNIDO. Mr. H.A. Janiszewski of UNIDO's Technology Programme attended the meeting, lecturing on a number of the above mentioned issues.

Co-operation with the Junta del Acuerdo de Cartagena.

As mentioned under the section of Registry Activities UNIDO has begun discussions with the Junta del Acuerdo de Cartagena (JUNAC), community body of the Andean Group, on possible areas of co-operation between the two organizations.

Areas considered were information on technology transfer, UNIDO's Industrial and Technological Information Bank (INTIB), technological support to small and medium scale industries, technological disaggregation and inventory of technological capacities, and new technology areas.

The initial discussions seemed to identify a basis for a possible Memorandum of Understanding that could be signed in the future to define the institutional relations between UNIDO and the JUNAC.

EXPORTS OF TECHNOLOGY FROM DEVELOPING COUNTRIES

In recent times UNIDO has come across increasing evidence that a growing number of developing countries have joined the ranks of traditional suppliers of technology and started to export technology. In some instances quite impressive results have been achieved.

On the basis of the above evidence UNIDO carried out, in 1979, a desk survey to look into this phenomena and find out which countries were exporting technology and in which forms.

The desk study was aimed at answering the following basic questions:

- (a) who are the developing countries exporting technology,
- (b) how big are those exports,
- (c) are exports directed to other developing countries or worldwide,
- (d) who are the firms exporting technology (public-private entities, manufacturing units or service entities, etc.),
- (e) what is the structure of the technology outflows.

The results of the desk study for 1977 and 1978 are summarized below; the figures indicate exports by country expressed in US dollars.

<u>Country</u>	<u>1977</u>	<u>1978</u>
Pakistan	1,425,000	-
Portugal	7,098,765	9,897,360
Republic of Korea	42,078,000	20,226,000
Spain	58,700,000	72,700,000
India	10,910,000*	11,590,000**
Kenya	-	100,000**

* 1976/77 and 1977/78

** 1978/79

In addition information received from Greece, Yugoslavia, Mexico, Brazil and Argentina indicated substantial exports of technology, however, no statistical data has as yet been obtained.

As regards the structure of technology exports; most were in the category of consulting and technical assistance services, however, both Portugal and Spain provided data on substantial exports in the form of patent and know-how licenses.

The direction of exports in all countries analysed was to other developing countries, particularly those countries within the immediate geographic area or those with a common language, i.e. for India and the Republic of Korea; the Far East/Asia region, for Spain and Portugal; Latin America.

The findings are encouraging and provide an interesting and growing opportunity for developing countries to secure technology from new sources. UNIDO has since initiated in-depth field surveys in Argentina and Portugal the results of which will be published in the Development and Transfer of Technology Series next year.

Our readers will be informed of the preliminary results of the country surveys in future issues of the TIES Newsletter.

Registry news

Algeria

As of 1 October 1980 Mr. Hamida Redouane, former Director General of the Institut Algerien de Normalisation et de Propriete Industrielle (INAPI) has been replaced by Mr. Dine Hadj-Sadok.

Portugal

The Foreign Investment Institute (FII) has launched a magazine called "Investment and Technology" which offers readers an integrated treatment of economic, legal and technological subjects associated with direct foreign investment and technology transfer.

The magazine is for sale from the FII, Av. da Liberdade 258/4, 1200 Lisbon.

Recent publications

ID/244 (80.II.B.2) Manual for evaluation of industrial projects

ID/WG.318/12 Issues affecting development of the fertilizer industry in the 1980s

ID/WG.324/5 Long-term contractual arrangements for the setting up of capital goods

ID/WG.327/2 Polyvinyl chloride film structures for crop protection. Eighth international congress on the applications of plastics in agriculture, Lisbon, Portugal 6-11 October 1980

ID/WG.327/3 The solar-energy-powered thermo-regulation cushion: an original device for promoting the early maturity of melons and watermelons

ID/WG.327/4 Technology transfer of plastics in agriculture in semi-arid and arid areas

ID/WG.327/5 The use of plastics in Spanish agriculture statistics, new materials outlook. Eighth international congress on the applications of plastics in agriculture, Lisbon, Portugal, 6-11 October 1980

ID/WG.327/6 The use of plastics in the agricultural development of the Argentine Republic

ID/WG.327/7 Proyecciones de uso para plásticos en las regiones agrícolas de las zonas áridas de México

ID/WG.327/8 Les matières plastiques utilisées dans le secteur agricole et leur utilisation

ID/WG.327/9 Les plastiques dans l'agriculture mondiale en 1980

ID/WG.332/1 Action in the Field of Industrial and Technological Information in Africa

ID/WG.332/2 Action in the Field of Technology Policy and Planning in Africa

ID/WG.332/3 The Role of UNIDO in Industrial Technology

ID/WG.332/4 Industrial Technology Institutions

ID/WG.332/5 Industrial Technology Manpower in Africa

ID/WG.332/6 Industrial Technology in Africa: Towards an Integrated Approach

ID/WG.332/7 Intra-African Co-operation in Industrial Technology

ID/WG.332/8 The Role of External Assistance in African Technological Development: Potential and Limitations

ID/WG.330/8 A time for new approaches to meet the needs of the developing countries in agricultural mechanization from the viewpoint of the developing countries

ID/WG.324/9 Industrialization and the international market of capital goods

