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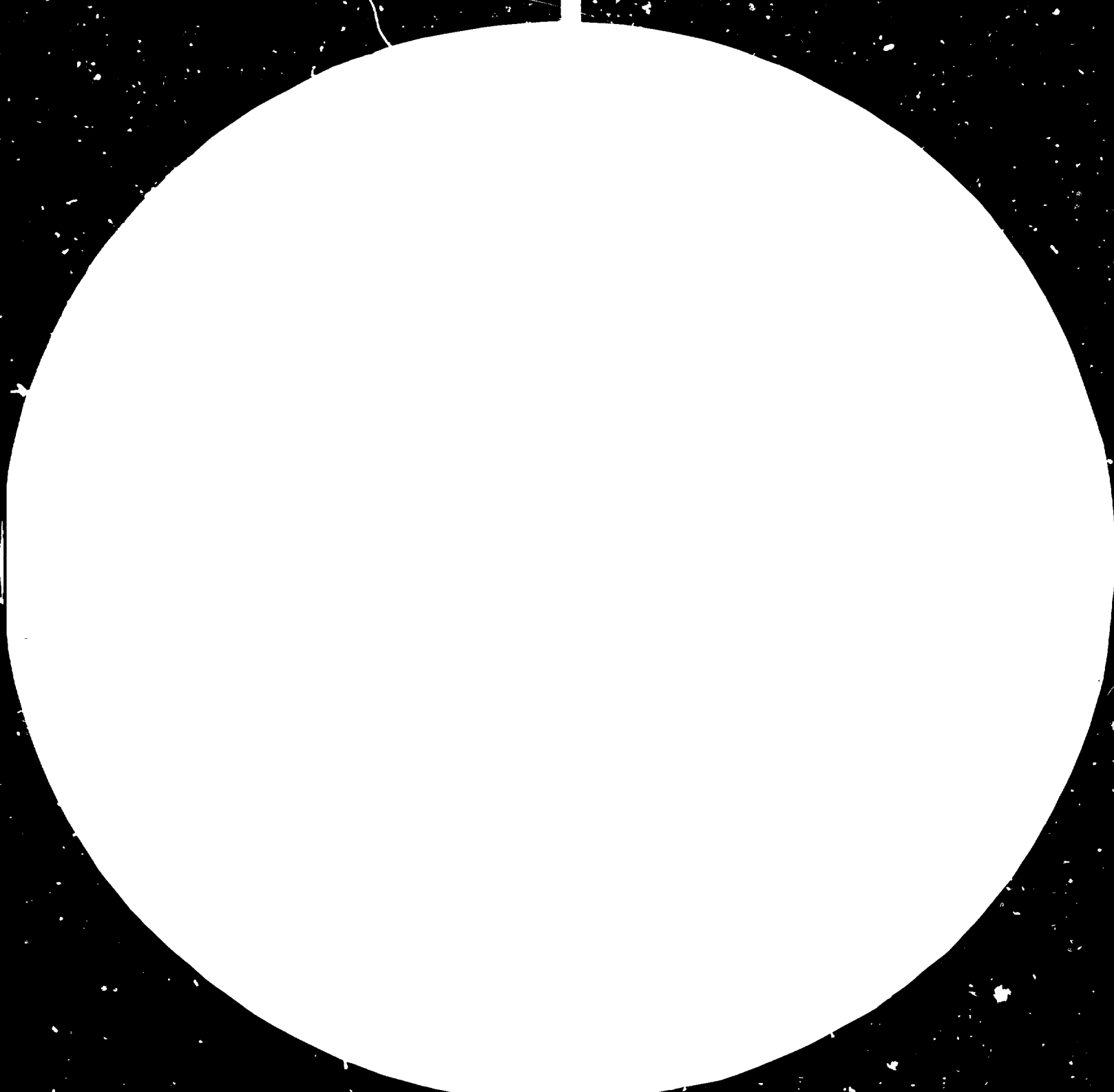
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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

**SOLIDARITY
MINISTERIAL MEETING
FOR CO-OPERATION
IN THE
INDUSTRIAL DEVELOPMENT
OF NEPAL**

Kathmandu, Nepal, 29 November – 3 December 1982

REPORT

251

Explanatory notes

References to dollars (\$) are to United States dollars.

A slash between dates (1981/82) indicates a crop year or financial year.

The following abbreviations of organizations have been used in this report:

ESCAP	Economic and Social Commission for Asia and the Pacific
ILO	International Labour Organization
ITC	International Trade Centre
RECAST	Research Centre for Applied Science and Technology
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

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INTRODUCTION

The Solidarity Ministerial Meeting for Co-operation in the Industrial Development of Nepal, organized by the United Nations Industrial Development Organization (UNIDO) in co-operation with the Government of Nepal, was held at Kathmandu from 29 November to 3 December 1982.

This Meeting was the eighth in the series of Solidarity Meetings for industrial development organized by UNIDO since 1979 in co-operation with the Government of the country concerned. The main purpose of the Meeting was to explore ways in which the participating countries could co-operate in promoting the industrial development of Nepal. Several possibilities for such co-operation were identified. The requirements of Nepal that could be met through bilateral or multilateral co-operation within the framework of economic and technical co-operation among developing countries were thoroughly discussed. Means of co-operation between the host and the participating countries in meeting those requirements were suggested.

I. ORGANIZATION OF THE MEETING

The Meeting was attended by representatives of the following countries: Algeria, Bangladesh, Chile, China, Egypt, India, Kuwait, Malaysia, Nepal, Pakistan, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Thailand, Turkey, Venezuela and Yugoslavia.

The following United Nations bodies were represented: UNIDO, the Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations Development Programme (UNDP), the United Nations Conference on Trade and Development (UNCTAD), the International Labour Organisation (ILO) and the International Trade Centre (ITC). A representative of the Asian Productivity Organization (APO) also attended the Meeting.

The annex contains the list of participants.

Opening addresses

Ishwari Lal Shrestha, Secretary General of the Solidarity Meeting Committee in Nepal, opened the Meeting by welcoming the participants. He hoped that the convening of the Meeting would foster co-operation among the developing countries.

He also characterized industrialization as an important instrument for achieving socio-economic development. Nepal was committed to achieving balanced progress in this area. International co-operation would naturally provide solid support towards achieving this goal.

The Executive Director of UNIDO, Dr. Abd-El Rahman Khane, recalled the decisions of various international forums, e.g., the Second and Third General Conferences of UNIDO, the United Nations Conference on Technical Co-operation among Developing Countries, Buenos Aires, 30 August-12 September 1978 and the High-Level Conference on Economic Co-operation among Developing Countries, Caracas, 13-18 May 1981, which received world-wide attention because they highlighted the desire of developing countries to move towards a more equitable relation among countries. Dissatisfaction with the present structure of relations between the North and the South had led to the call for a new international economic order. Appropriate institutional changes should be made in many fields of international co-operation to ensure the accomplishment of development objectives.

The solidarity Meeting at Kathmandu, which was represented by countries situated far apart from one another, was an impressive indication of the Third World's determination to win a common future.

Dr. Khane expressed confidence that the Meeting would not only mobilize support for the industrial development of Nepal, but would also provide an inspiration to all the developing countries in overcoming obstacles encountered in their struggle for the well-being of their peoples.

The Meeting was officially inaugurated by King Birendra Bir Bikram Shah Dev, who thanked the delegates for assembling at Kathmandu to foster solidarity among developing countries. He stressed the importance of this type of consultation, specially at a time when rapid economic and technological change had made the world more interdependent.

The King reiterated support for the decisions of many international forums which had stressed the need to develop both North-South and South-South co-operation and to pay special attention to the plight of the least developed countries.

The King presented a historical account of the progress made in Nepal through the application of a series of development plans that had been launched since the mid-1950s. Although Nepal had been able to build the necessary physical, social and administrative infrastructure for launching an ambitious development programme, the country still faced pressing development problems compounded by a rapidly growing population dependent on limited resources. This situation had brought about an awareness of the importance of industrialization for creating new economic opportunities in the country.

The focus of Nepal's industrial strategy was on areas that would enable the basic needs for food, clothing, shelter, health and education to be met. Priority was being given to the development of Nepal's greatest resource, water, for multipurpose uses for Nepal's benefit and the benefit of the entire region.

The private sector could play an important role in Nepal's industrial development. Nepal's industrial policy was designed to encourage both domestic and foreign private capital in industry. Many developing

countries could make use of the material, technological, managerial and human resources available in the more developed among them. Such co-operation should naturally ensure that both the recipient and the donor should benefit from each other.

Developing countries had the choice of either following separate paths as in the past - individualistic and poor - or improving their well-being by collaborating with each other.

The Minister for Industry, Commerce and Supplies, Balaram Gharti Magar, pointed out that the Kathmandu Solidarity Meeting would on the one hand support development efforts in Nepal and on the other hand strengthen friendship among the participating countries.

Industrial development constituted a dynamic sector in the economies of the developing countries. Realizing this, the Government was endeavouring to modernize the industrial base in Nepal. Special importance was placed on the development of such industrial sectors as production of essential consumer goods, construction materials, textiles, pharmaceuticals, public health and energy-generating industries. Importance was also placed on developing export-oriented industries.

Election of officers

The Meeting elected Balaram Gharti Magar, Minister of Industry, Commerce and Supply of Nepal as Chairman and D. Niculescu, Ambassador of Romania to India and Nepal, and Tomas Vasquez Flores, Ambassador of Chile as Vice-Chairmen. Shawky El-Nahas, Under-Secretary, Chief of Central Department for Industrial Planning and Scientific Research of Egypt, was elected as Rapporteur.

Adoption of the agenda

The Meeting adopted the following agenda:

Election of Chairman, Vice-Chairmen and Rapporteur
Adoption of agenda
Presentation of Nepal's policy paper
Statements by the heads of delegations and observers
Bilateral discussions on co-operation in the industrial
development of Nepal
Other business
Adoption of final report

The Meeting adopted a timetable that provided an opportunity for meetings among the participants and bilateral discussions between the representatives of Nepal and those of the other participating countries, at which UNIDO officials were present.

Adoption of the report

The Meeting adopted the report at its last plenary session on 3 December 1982.

II. INDUSTRIAL DEVELOPMENT STRATEGY AND POLICIES
OF NEPAL

The sixth development plan (1980-1985)

The objective of the current sixth development plan is to support programmes and activities that will not only generate a higher rate of growth in output and gainful employment, but will also help meet the minimum basic needs of the population. The industrial policies that have been initiated to achieve this objective are geared towards promoting:

- (a) Higher agricultural production, particularly food grains, especially in the hilly areas and in the southern Terai plains, where appropriate infrastructure has already been established;
- (b) Small and cottage industries to provide alternative sources of income and gainful off-season employment;
- (c) Growth of export industries, including tourism;
- (d) Utilization of abundant water resources, management of natural resources and conservation of the environment;
- (e) More effective utilization of established social and physical infrastructure;
- (f) Development of higher absorptive capacity in the economy through various measures such as decentralizing economic decision making; and developing institutions to encourage production, strengthen development administration, develop trained manpower and increase the supply of construction materials. The plan envisages a greater role for the private sector and local institutions;
- (g) Comprehensive measures to stabilize population growth.

The proposed annual growth rate of the economy is 4.3 per cent, 5.6 per cent for the agricultural sector and 3.2 per cent for non-agricultural sectors.

Although these goals seem to be ambitious in comparison with economic performance in the past few years, in terms of the country's requirements they are not; with the strengthening of implementation of the programmes envisioned, they would be attainable.

To achieve the plan targets, proposed public-sector development expenditure is NRs 21,750 million. Agriculture would receive 30.4 per cent, followed by industry, power and mining, 25.8 per cent; social services, 24.4 per cent; and transport and communications, 19.4 per cent. The net foreign assistance required to finance the plan is estimated at NRs 13,050 million, or 60 per cent of the total public-sector development expenditure.

The sixth plan envisages an annual industrial growth rate of 10 per cent during 1980-1985. If the export market could be rapidly expanded, a growth rate of over 10 per cent per annum during 1985-1990 would be possible.

Institutional arrangements will be made effective to carry out policies and programmes designed to accelerate industrial development. Credit, extension services, research and marketing programmes will be integrated and launched on a bigger scale in selected districts to promote cottage industries. The private sector will be given major responsibility for developing the industrial base of the country. Foreign investment will be encouraged, especially in the establishment and expansion of export-oriented industries and large and medium-size capital-intensive industries requiring sophisticated technology.

New Industrial Policy

In the light of past industrial development experience, a New Industrial Policy was introduced in 1981. Under this policy, the private sector has been assigned an important role in industrial development. The process of establishing and operating industries has been greatly simplified. Special provisions have been made to encourage the flow of foreign private capital, management and technology in the form of either wholly owned foreign enterprise or as joint ventures.

An Industrial Enterprises Act has been promulgated. No licences are required to establish cottage industries. Financial incentives include exemption of income taxes for 6 years for cottage industries and for 5-12 years for other categories of industries depending on the domestic value-added tax. An additional income-tax holiday of 2 years is given to industries producing essential consumer goods and 3 years to industries located in backward areas. Except for some specified industries, all other cottage industries are exempt from excise duty for 5 years and other categories for 3 years. Similarly, relief from customs and sales tax is granted for raw materials except for those specified as non-eligible. In addition to these provisions, foreign exchange facilities, plant protection, electricity service and depreciation allowances are provided on a more liberal basis. A new high-level Industrial Promotion Committee, of which the Minister of Industry is Chairman, has been constituted to approve foreign investment and to recommend the establishment of medium-size and large industries. This Committee will review industrial development and provide the necessary co-ordination to make the above-mentioned facilities available and to encourage the role of the private sector in industrial investment.

To help overcome the shortage of capital, management know-how and technology and to help develop export-oriented and mineral-based industries, a Foreign Investment and Technology Act has also been promulgated with a view to attracting foreign industrial investment into the country.

III. SUMMARY OF STATEMENTS DELIVERED AT THE PLENARY SESSIONS

Statements made by heads of delegations

The Federal Minister of Industry of Pakistan declared that Pakistan had always shown solidarity with the other developing countries and was especially interested in the welfare of the countries situated in the same geographical region. Its industrial base, of respectable size and technological sophistication, has been built over the last 35 years, and Pakistan had acquired considerable experience in the textile, sugar, cement, fertilizer and engineering products industries. Pakistan had now the capacity to produce complete plants that could be supplied on a turnkey basis.

Besides supplying machinery, Pakistan could assist in developing technical institutions for imparting training in management and in other areas and could provide training in its own institutions in textile research and development, engineering, metalworking, leather and general management. Fellowships could be offered in these fields with the co-operation of UNIDO and UNDP. Pakistan was also prepared to offer the services of its Investment Advisory Centre for carrying out studies financed by UNDP or other sources. Moreover, joint ventures could be established on both a bilateral and a triangular basis, with Pakistan making available technical know-how, machinery, raw materials and semi-processed goods and capital-exporting countries or international financial institutions financing those projects.

The Deputy Minister of Trade and Industry of the Philippines stated that his country attached high priority to its close relations with other developing countries. A Technical Assistance Council had been created in 1980 to identify appropriate projects, to formulate guidelines for implementing them, and to raise the necessary funds for the technical assistance programme. His Government had seriously studied the project proposals and would offer technical assistance in those areas where the Philippines had gained notable experience. The Philippines would continue to support the objectives of the Solidarity Ministerial Meetings.

The Assistant President of the Federal Committee for Energy and Industry of Yugoslavia underlined the importance of the Solidarity Meetings. The different levels of development achieved in various developing countries

represented a growing potential for mutually beneficial co-operation. The activities to be carried out in this field required a well-organized approach.

The Yugoslav institutions and economic organizations concerned had examined with great attention the project proposals submitted by the Government of Nepal and were exploring possibilities for implementing some of them on a bilateral basis. However, some of the projects were complex and required deeper consideration and direct contacts between the interested economic entities in both countries.

The Government of Yugoslavia had approved ND 3.0 million as a grant-in-aid for the supply of equipment for the tannery project in the far west of Nepal. In addition, a Yugoslav organization (INTERTRADE) was interested in participating in the implementation of that project through a joint-venture arrangement. The programme of scientific, technical educational and cultural co-operation between the two countries for the period 1982-1984 could accommodate certain parts of technical co-operation related to projects of highest priority to the Nepalese.

The Ambassador of Romania to India and Nepal referred to Romania's policy of developing economic and technical co-operation with other developing countries on a mutually advantageous basis. The economic exchanges of Romania with the developing countries had grown much more rapidly than those with other countries; the share of the developing countries in the total foreign trade of Romania had reached 32 per cent in 1981, compared with only 4 per cent in 1960. Romania had co-operated with other developing countries by delivering complex installations; participating in joint ventures in production, trade, banking and transportation; providing technical assistance in geological research, industrial and civil construction, transportation and telecommunications and public health; and carrying out economic, social and cultural projects in those countries.

Because of its economic achievements, Romania had the necessary material basis for further co-operation with the developing countries, including Nepal. In accordance with its possibilities, Romania wished to contribute to the implementation of the following projects: water turbines (project No. 14), jute mill (project No. 20), industrial gloves and aprons manufacturing plant (project No. 7), integrated textile mill (project No. 18), construction of small oil refinery (project No. 39), cotton spinning mill (project No. 16), canvas shoe factory (project No. 1), construction of electric hydropower plants (project Nos. 40 and 41), re-rolling mill, Hetauda (project No. 11).

The Romanian authorities concerned would also examine the possibility of contributing to the implementation of some of the additional projects submitted for consideration and, if the Nepalese Government expressed interest, they were ready to co-operate in some other areas such as oil drilling, natural gas exploration and processing and assembling of tractors, trucks, buses and other agricultural machinery. The Romanian contribution would consist of delivery of equipment, tools and materials, technical assistance, techno-economic studies, documentation and design, operations and maintenance of industrial installations, training of personnel, all on a commercial basis. Regarding the financing of such projects, it would be necessary to obtain financial resources from other countries or from international organizations.

The Secretary, Ministry of Industry and Scientific Affairs of Sri Lanka referred to the excellent relations that had always existed between Nepal and Sri Lanka. The economies of the two countries had such common features as rapid population growth, predominance of the agricultural sector, a limited domestic market, paucity of investment capital and a shortage of technical know-how. The results achieved in the manufacturing sector, following the adoption of new industrial strategies and policies in 1977 by the Government of Sri Lanka, were encouraging. Sri Lanka was willing to share its experience with Nepal and to offer suitable assistance in selected fields in pursuit of industrial development in Nepal.

The Deputy Under-Secretary of State of the Ministry of Industry of Thailand stated that Nepal and Thailand had enjoyed a long and friendly relationship. Having examined the list of projects submitted by Nepal for consideration at the Meeting, his Government could arrange a programme of technical assistance in some of the industrial projects identified. Although Thailand's experience in industrialization was relatively short, it had achieved significant progress in many industrial sectors, such as food processing, textiles, building materials, electronics and electrical appliances. Its technology could be adopted by Nepal, and Thailand would be happy to share its experience with Nepal.

The High Commissioner for Malaysia, referring to his country's long association with Nepal, expressed his country's readiness (under the Malaysian technical assistance programme launched in September 1980) to assist Nepal in its efforts to industrialize. Malaysia had in the past

provided assistance to Nepal in such fields as telecommunications, management training, hotel restaurant supervision, medical microbiology, mapping techniques, national parks and wild-life conservation and foreign investment. Malaysia viewed its technical assistance programme as symbolic of its commitment to the concept of collective self-reliance among developing countries.

The Ambassador of Chile to India and Nepal expressed the particular interest of his country in promoting co-operation among developing countries. The need for such co-operation became even more acute at a time when Chile and other developing countries were suffering from the world economic recession.

Chile had reached a good technological level in the development of some economic activities, especially mineral exploration and exploitation, hydro-electric energy, forestry and fishing. Some of the project proposals fell into some of these fields, and thus collaboration between Chile and Nepal could be undertaken.

The Ambassador of Turkey to India expressed the willingness of his Government to contribute, to the extent possible, to joint endeavours. Unfortunately, under present circumstances, Turkey's contribution could not be in the form of capital input. However, Turkey had a rather diversified industrial base and experience and could help the economic development of Nepal in some areas. Turkey's contribution, in the form of a grant, might be used for preparing feasibility studies, provided that travel expenses for the Turkish experts involved were met by UNIDO or by other sources, e.g., financial institutions. The following areas could be considered for feasibility studies: leather and leather products, fruit and vegetable processing, lime industry, canvas shoe factory, skim-milk powder, agricultural tools, mechanical workshops, and building materials and housing development. Some of the training programmes organized in Turkey on a regular basis could also be used to provide training to Nepalese candidates. Another possibility would be for Turkey to participate in the implementation of projects financed by other countries; if a project or part of it were financed from other sources, Turkey could supply complete installations or components; and, in that case, the feasibility study, planning, technical know-how and training might be provided on a grant basis.

The Charge d'Affaires of Algeria to India expressed the readiness of his country to share its experience in economic and industrial development. The Government of Algeria had in many international forums declared its support for the principle of co-operation among developing countries. A contribution equivalent to \$200,000 would be made available to Nepal. It would take the form of assistance provided by Algerian companies and consulting services in accordance with the requirements of the project proposals.

The Director of Planning of Venezuela, referring to Venezuelan policies on and experience in industrial development and economic and technical co-operation, explained that Venezuelan co-operation programmes were compatible with the guidelines agreed upon by the developing countries in the South-South co-operation forums. Venezuela's international financial co-operation was carried out through multilateral channels. The main instruments of technical assistance were the public entities of Venezuela. Technical co-operation with Nepal could cover several industrial areas and activities.

The Under-Secretary, Chief of the Central Department for Industrial Planning and Scientific Research of Egypt described his country's economic structure, the progress and present trend of industrial development, industrial strategies and policies and institutions for industrial research and development. Valuable experience gained by developing countries should be shared among them for their common benefit. Although developing countries would continue to require external assistance for industrial development, such external assistance should be coupled with efforts of developing countries to rely on themselves. Egypt was guided by such a principle and had maintained excellent economic co-operation with many countries in Africa, Asia, the Middle East and Latin America.

A cordial relationship had existed between Nepal and Egypt for three decades. Bilateral trade between the two countries had been steadily growing.

Egypt was willing to support Nepal in its industrial development endeavour, particularly in the sugar, fertilizers, textiles, paper, iron and steel industries.

The Minister of Labour and Manpower of Bangladesh believed that there was great scope for co-operation between his country and Nepal in many fields, including industry. Over the years Bangladesh had acquired a certain amount of expertise in jute, textiles, sugar, paper, fertilizers, pharmaceutical and other industries. From the list of projects, Bangladesh could identify some areas in which it was in a position to offer technical and other assistance to Nepal. Being among the least developed countries itself, Bangladesh did not have enough financial resources, but the scope for co-operation in joint ventures for the production of goods for each other, as well as for third-country markets, could be explored. Bangladesh was also able to assist in developing skilled manpower, managerial capabilities and in providing expertise service. Countries with surplus capital could provide financial resources for the industrial development of Nepal, and Bangladesh could provide technical know-how in certain industries.

The Minister's Representative of the Ministry of Foreign Economic Relations and Trade of China pointed out that the strengthening of economic and technical co-operation among developing countries was an important element in the establishment of a new international economic order. China had actively participated in economic and technical co-operation with other developing countries, both bilaterally and multilaterally within the framework of the United Nations. China and Nepal were already co-operating and China would make all-out efforts to complete the ongoing projects, such as the Pokhara water conservation project, the Kathmandu-Kodari highway rehabilitation project and the preparation for the construction of a paper-mill and a sugar plant. As a contribution to the Solidarity Ministerial Meeting, the Chinese Government had decided to give a grant to Nepal for constructing an industrial glove and apron manufacturing plant. The Chinese delegation was also ready to discuss ways of co-operation in a number of projects so as to expand further the diversified economic and technical co-operation between China and Nepal.

The Minister for Industry, Steel and Mines of the Government of India said that Solidarity Meetings imparted momentum to industrial development of the countries concerned. He underlined the close historical, cultural and geographical ties between Nepal and India.

The purpose of the Kathmandu Meeting was to establish more meaningful South-South co-operation. India was ready to share with other developing countries its technical capabilities in diversified fields. India was committed to participating in various international forums, including UNIDO-sponsored Solidarity Meetings held in different parts of the world.

India's strategy of self-reliance had developed assets, skills and appropriate technologies that were highly relevant to the least developed countries. The Government of India was willing to consider the various project proposals placed before the Meeting, with a view to exploring their implementation with the Government of Nepal.

The Assistant Minister of the Ministry of Foreign Affairs of the Republic of Korea referred to the inadequacies of North-South relations in responding to the aspirations of the developing countries. A fortunate development in the world, however, was that the developing countries were progressively gaining confidence in their capacity to help one another. The convening of Solidarity Meetings provided an appropriate venue for paving the way for even more fruitful interchanges among the developing countries. The Republic of Korea had contributed \$3.5 million to the Asian Development Fund and \$1 million to the Technical Assistance Special Fund of the Asian Development Bank; these contributions would be utilized for extending loans to and financing the implementation of projects in the least developed countries. The Republic of Korea would be ready to explore possibilities of joint ventures geared to promoting the development in Nepal of such industries as match making, nitrogen fertilizer, malt, paper and cement.

Statements made by United Nations bodies

The Deputy Executive Secretary of ESCAP conveyed a message from the Executive Secretary. The Solidarity Meeting was a practical approach enabling other developing countries with expertise to offer technical assistance and also to give the host country the benefit of their views and experience. This concept was in harmony with the "club" approach, which was set up by the 1977 meeting of the Ministers of Industry of the ESCAP countries. The success of Solidarity Meetings depended on systematical

follow-up until projects were satisfactorily completed. To ensure the follow-up, the host country could appoint a cell within the ministry concerned, and the participating countries might also designate appropriate focal points. ESCAP was ready to assist both Nepal and countries offering assistance to transform the pledges into tangible projects.

The Resident Representative of UNDP in Kathmandu referred to the increasing importance of industrialization in the overall development of Nepal in the last 20 years. The high growth of population had put pressure on the limited land available, and thus industrialization was more urgent than ever. Consequently, a greater part of UNDP assistance was concerned with industrialization.

UNDP was collaborating with UNIDO, the World Bank and the Asian Development Bank in a number of programmes of interest to the participants of the Solidarity Meeting.

The Co-ordinator of Technology, Energy and Small Enterprises Programme, ILO Regional Office, Bangkok, felt that Solidarity Meetings could be instrumental in expanding the flow of development resources among developing countries. The main areas of concern of ILO were in the social and human resources aspects of development; ILO would remain alert to the needs, particularly for manpower development in Nepal, and would provide whatever possible assistance that might be called for as a result of the Solidarity Meeting.

The Economic Affairs Officer, Special Programme on Least Developed Countries of UNCTAD, referred to the joint UNCTAD/UNDP/ESCAP technical assistance projects in the Asian region in the field of trade and transit transport from which Nepal was benefiting and to the forthcoming sixth session of UNCTAD, which would offer another opportunity for mobilizing further support for the least developed and land-locked developing countries.

The Senior Trade Promotion Adviser/Project Co-ordinator of the International Trade Centre (ITC) in Nepal stated that ITC co-operation with Nepal dated back to 1976. ITC was supporting a project for expansion and diversification of trade. The project's main focus was on product identification and product development and training, with a view to expanding Nepal's exports and reducing the alarming imbalance between Nepal's exports and imports. ITC was willing to support UNIDO efforts

in assisting the Government of Nepal in its programmes of industrial development. If export-oriented components could be built into some of the project proposals submitted in the portfolio, ITC could more actively contribute towards their implementation.

Statements made by other organizations

The Secretary-General of the Asian Productivity Organization (APO) felt that in the coming years greater efforts would be made to promote interdependence among countries of the world, South-South co-operation, rapid development of technology, environmental protection and better quality of working life. APO would continue to assist Nepal in areas falling within its sphere of competence, in co-operation with UNIDO whenever possible.

IV. BILATERAL DISCUSSIONS ON PROJECT PROPOSALS

Informal discussions were held between the representatives of the host country, Nepal, and the representatives of participating countries. Representatives of UNIDO and other United Nations bodies also took part in these discussions. The record of these discussions follows.

Discussions between Nepal and Algeria

The Algerian delegation indicated that its Government would be interested in providing assistance to metallurgical industries. Accordingly, the requirements for projects Re-rolling mill and Small-scale iron and steel plant were outlined. Based on the priorities of the Government of Nepal, the Algerian contribution of \$200,000 could be utilized for engineering and consulting services or training in Algeria. Training could cover many fields, such as construction materials or petrochemicals.

It was agreed that the Government of Nepal, after the Solidarity Meeting, would specify and communicate its requirements to the Government of Algeria and UNIDO in order to decide on the use of the Algerian contribution. Both delegations expressed their deep interest in further strengthening of the technical co-operation between the two countries.

Discussions between Nepal and Bangladesh

The delegation of Bangladesh expressed its willingness to offer assistance in institutional development and provide advisory and expert services as well as training facilities to Nepalese personnel in the pulp and paper, jute, sugar, chemical fertilizers and the pharmaceutical industries. The Nepalese delegation presented among others the following projects for consideration:

<u>Project number</u>	<u>Title</u>	
19	Jute carpet industry	- expert services
20	Jute mill	- training opportunities
30	Integrated stone industry)	- establishment of joint production facilities
33	Stone industry in eastern)	
	Terai region)	

The Bangladesh delegation expressed interest in co-operation in those projects and stated that Bangladesh could provide technical and other assistance as needed. UNDP and other international agencies could be requested by the Government of Nepal to meet the training costs and technical services not covered by the technical co-operation agreement between the two countries.

Co-operation on projects such as the handicraft village centre, assistance to cottage industry development, sericulture development and textile facilities was also discussed. The Bangladesh delegation indicated that an exchange of experience and information could be useful for the development of cottage industries and other income-generating activities for the rural population. In addition to the above-mentioned projects, the Bangladesh delegation proposed two areas for further co-operation, namely, urea fertilizer and electrical appliances, including electrical distribution equipment. Until Nepal became self-sufficient in its own production capabilities, the desirability of using the currently available surplus capacity of Bangladesh in nitrogen fertilizer and newsprint as well as the modern security printing press (for printing paper money, securities and stamps) now under construction was also discussed. The possibility of direct co-operation between the private sectors of the two countries on mutually acceptable terms in fields such as jute twine and pharmaceuticals could also be explored. The Bangladesh side pointed out that to ease transport difficulties, railway cars bringing imports to Nepal could return to Bangladesh with exports such as boulders, marble, timber and other products from Nepal.

Both sides decided that the forms and terms of co-operation on the projects discussed would be submitted for further examination to the Nepal-Bangladesh Joint Economic Commission Meeting to be held in January 1983.

Discussions between Nepal and Chile

The delegate of Chile indicated his country's readiness to co-operate with Nepal in training Nepalese technical personnel, providing services of experts and other types of technical assistance, including exchange of information and experience, in such projects as leather and leather products, fruit and vegetable processing, establishment of a mini petroleum refining plant, paper plant and hydroelectric projects.

Welcoming the offer, the Nepalese side requested the Chilean delegate to concen-

trate on one or two priority projects. In view of the capacity developed by Chile in its hydroelectric power plants, assistance could be offered in implementing the Thuligad hydroelectric project located in the far western development region of Nepal. Towards this end, Chile would be requested to send experts to work out the details of the Thuligad project, especially in preparing a detailed feasibility study.

The other priorities in the collaboration between Chile and Nepal could be the establishment of the mini petroleum refining plant and security printing press projects.

Details of co-operation in these projects would have to be discussed by the authorities of Chile and Nepal. Both delegations agreed to explore the possibility of future co-operation in reforestation through advisory services and the possibility of inviting a team of Nepalese experts to study Chile's extensive reforestation programme.

Discussions between Nepal and China

The Chinese delegation stated that its Government was willing to give Nepal a grant for constructing an industrial glove and apron manufacturing plant (daily capacity: 200 pairs of leather gloves, 50 leather aprons with bibs and 50 leather aprons) as proposed by the Government of Nepal. The Chinese Government would also supply a complete set of cotton-spinning equipment on the basis of deferred payment. The details regarding the implementation of the two projects would be discussed later by the departments designated by the Governments of China and Nepal.

The two sides also explored possibilities of economic and technical co-operation with regard to such projects as the match-manufacturing plant, canvas shoe factory, silica-lime brick plant, water turbines, cotton and biogas development as proposed by the Nepalese delegation.

Discussions between Nepal and Egypt

The delegates of Nepal explored the possibilities of financial and technical assistance on the following projects:

- Cotton spinning mill (project No. 16)
- Integrated textile mill (project No. 18)
- Sugar plant (project No. 24)
- Paper plant (project No. 28)
- Mini cement plant (project No. 31)

The delegate from Egypt stated that because of its own industrial development, Egypt was not able to provide financial assistance. As such, only training in the above-mentioned areas could be made available if the travel cost and living allowance of the Nepalese trainees in Egypt were borne by international agencies such as UNIDO or covered from other sources of funds.

The Nepalese delegation explained the type, grade, number and duration of training required in connection with the above-mentioned projects. The delegate from Egypt indicated that because of the language problem, study in technical colleges and institutions, where instruction is given primarily in Arabic, was not possible. Egypt did not have experience with mini cement plants with shaft kilns. However, training and know-how in large cement plants with rotary kilns, which could be applicable to the new cement plants under construction in Hetauda, Nepal, could be provided. The delegate also expressed interest in providing experts and training in the development and strengthening of scientific and technological capability for industrial development. To assess the nature and degree of assistance, it was agreed that an observation visit to Egypt by Nepalese officials would be necessary. Such a visit was envisaged for a period of two weeks for a team of two persons. It was proposed that the financing of this study tour be borne by international agencies. It was also agreed that if any Egyptian experts were assigned by the Government of Egypt at the request of the Government of Nepal, the salary of such experts would be paid by the Government of Egypt and their travel costs and daily subsistence allowance in Nepal financed by international agencies or other appropriate sources of funds.

The Nepalese side presented the training needed for industrial manpower required in the following subsectors:

1. Engineers and technologist level

<u>Field of training</u>	<u>Duration (months)</u>	<u>No. of persons</u>	<u>Total man-months</u>
Textiles	6	10	60
Paper and pulp	6	10	60
Sugar and alcohol	6	10	60
Cement	6	10	60
Raw material management for paper	6	2	12
Materials management	6	2	12

2. Supervisory level

Textiles	3	18	54
Paper and pulp	3	12	36
Sugar and alcohol	3	14	42
Cement	3	12	36

The Egyptian delegate stated that the request made by the Nepalese delegation would be seriously considered by the Egyptian Government, and the training programme his Government might be able to accommodate would be communicated to the Government of Nepal; UNIDO would be kept fully informed.

Discussions between Nepal and India

The delegation of India showed interest and indicated readiness to assist at an appropriate stage in the following projects:

1. Technical assistance in conducting feasibility studies for:
 - Nitrogen fertilizer plant (project No. 10)
 - Thuligad hydroelectric project (project No. 42)
2. Industrial manpower development programme (project No. 51)
3. Grant or loan to implement the following projects:
 - Electrical goods and electrical accessories (project No. 3)
 - Establishment of light engineering industry complex (project No. 5)
 - Water turbines (project No. 14)
 - Security printing press (project No. 46)
 - Establishment of an export processing zone (project No. 49)
4. Promotion of joint ventures (private-private; public sector-private; public sector-public sector) to promote the following projects:
 - Electric-arc furnace (project No. 2)
 - Chitwan fruit and vegetable processing plant (project No. 15)
 - Integrated textile mill (project No. 18)
 - Sugar plant (project No. 24)

The delegation of India committed \$1 million as assistance to Nepal towards financing of projects implemented bilaterally.

The delegation of Nepal expressed its appreciation of the offer made by the Government of India to promote industrial development in Nepal and stated that Nepal at future bilateral meetings with India would indicate its preferences in availing itself of the assistance offered.

Discussions between Nepal and Kuwait

The following project proposals, in which Kuwait was interested were discussed:

- Integrated textile mill (project No. 18)
- Sugar plant (project No. 24)
- Establishment of a mini petroleum refinery (project No. 39)
- Industrial manpower development programme (project No. 51)
- Programme for the strengthening of science and technological capability of Research Centre for Applied Science and Technology (RECAST) for industrial development (project No. 53)

The Kuwait side suggested that four or five additional proposals should also be submitted in a more detailed manner. All development assistance funds from the Government of Kuwait were channelled through the Kuwait Fund for Development, to which all the above-mentioned proposals would be submitted for their assessment. The Kuwait Fund for Development would communicate to the Government of Nepal its reaction to the proposals.

Detailed versions of the above proposals and additional proposals were presented for consideration by Kuwait by the Nepalese delegation. The additional projects submitted were:

- Electrical goods and electrical accessories project (project No. 3)
- Chitwan fruit and vegetable processing plant (project No. 15)
- Production and supply logistics of pharmaceuticals (project No. 29)
- Cotton development programme (project No. 34)
- Narayani livestock development project (project No. 36)
- Centre for textile development (project No. 48)

Discussions between Nepal and Malaysia

The following projects were discussed for bilateral co-operation between Nepal and Malaysia:

Canvas shoe factory (project No. 1)
Chitwan fruit and vegetable processing plant (project No. 15)
Floriculture development (project No. 26)
Establishment of an export processing zone (project No. 49)
Programme for the strengthening of science and technology capability
of RECAST for industrial development (project No. 3)

The Nepalese side explained the projects and handed over the project details.

The response of the Malaysian side is given below.

Technical co-operation

Training facilities could be provided for Nepalese technicians and technical personnel in several Malaysian institutes. Similarly, study tours and consulting services could also be provided. The details of these requirements would be worked out between the two countries in the course of the follow-up to the Soliarity Meeting.

The Government of Malaysia would make available to the Government of Nepal the required information on possibilities and conditions of technical assistance and training through government channels. The Nepal Government would shortly prepare, in concrete terms, training needs for submission to the Malaysian Government in respect of the listed projects.

Joint ventures

The Malaysian delegation also undertook to bring to the attention of the Malaysian private sector joint-venture opportunities in respect of the manufacturing of canvas shoes and food products.

Discussions between Nepal and Pakistan

The Pakistan delegation indicated areas where Pakistan had accumulated experience and proposed that discussions concentrate on projects of particular interest to Nepal. The Nepalese delegation expressed interest in integrated textiles, cotton development, leather and leather products, building materials and housing development, electrical goods, livestock development and pharmaceuticals.

The Pakistani delegate stated that his country could provide assistance in training manpower to construct turnkey textile plants and could supply most of the machinery required for the textile industry on a deferred-payment basis. Technical assistance could also be provided for Nepal's cotton development programme in the form of training for Nepalese technicians and providing the services of the many research centres in Pakistan. Nepal could also be assisted in the manufacture of crust leather from wet blue. The Pakistani private sector might be induced to set up joint ventures in Nepal for developing the electrical goods and accessories industries. Pakistan would also share its experience and know-how in poultry and buffalo farming.

With regard to building materials and low-cost housing development, Pakistan could assist in setting up a laboratory for raw material testing and share its experience in low-cost housing. Possibilities for setting up joint ventures in Nepal with the participation of the Pakistan private sector for the manufacture of building materials could be explored.

As a follow-up measure, the Pakistani delegation suggested that the Nepalese side provide details on the projects selected by Nepal through appropriate channels. On receipt of the relevant information, the Pakistani authorities would arrange a programme of study tours for teams of Nepalese experts in various fields. It was agreed to decide on the areas and means of co-operation after the visit of Nepalese experts to Pakistan.

Discussions between Nepal and the Philippines

The delegation of the Philippines introduced the technical assistance programme of the Philippines for the least developed countries and said that there was large scope for technical co-operation between his country and Nepal. The Nepalese delegation presented six projects for consideration.

The services of two experts from the Philippines were requested for each of the following projects:

- Establishment of light engineering industry complex (project No. 5)
- Establishment of an export processing zone (project No. 49)

The Philippines would send the experts and pay their salaries. Nepal would pay the local costs and UNIDO would be requested to cover travel expenditures.

For the bio-gas development programme and the Dhalkebar fruit and vegetable processing plant the Philippines would organize a 5¹/₂ man-week training programme on bio-gas development and would bear the training fee and local expenses. The observation visit for three Nepalese personnel of the Dhalkebar fruit and vegetable processing plant would also be organized under the same terms. UNIDO would be requested to pay the international travel expenditures.

For the building materials and housing development project the possibility of establishing a joint venture was discussed. For this purpose, exchange of visits of public and/or private firms could be arranged between the two countries.

In connection with the Assistance to cottage industry development project the Philippines would invite a Nepalese team to visit the Philippines to become acquainted with the development of cottage industry there.

Discussions between Nepal and The Republic of Korea

The delegation of the Republic of Korea indicated its country's interest in co-operating with Nepal in establishing joint ventures, with the financial involvement of a third party, in the following industries: mini cement plant, malt and nitrogen fertilizer. In this connection, both sides agreed to explore such financial possibilities together.

With reference to the paper plant project, the Government of the Republic of Korea would consider providing technical training. It would also continue its efforts to provide technical assistance to the development of the sericulture industry. As regards the match industry project, both Governments would continue further consultations to identify areas for assistance. Further consultations would also be carried out on possibilities of technical assistance from the Republic of Korea to the following projects (Nos. 50 and 57): Establishment of pilot/dimensional analysis unit for utilization of natural products and Strengthening the scientific instrumentation division of the Research Centre of Applied Science and Technology (RECAST). The Government of Nepal was requested to furnish detailed information on foreign investment.

possibilities, policies and other relevant conditions to the delegation of the Republic of Korea.

Discussions between Nepal and Romania

The bilateral discussions between Nepal and Romania covered the areas referred to in the general statement made by the Romanian delegate. Further explanations were given by the Romanian representative on experience gained in Romania and on means of co-operation with other developing countries. In this context, Romania's policy of developing economic relations with other developing countries on a mutually advantageous basis and on commercial terms, including joint ventures, was reiterated.

Romania was ready to co-operate with Nepal in various fields, in particular in oil and gas drilling, extraction and processing; and mini-scale oil refinery; capacity utilization of existing mechanical workshops; construction of hydropower plants; assembling tractors, trucks and buses; shoe production; cotton spinning mill and integrated textile mill; and mini iron steel plant.

In the area of oil and gas drilling and exploration, UNDP, the World Bank or another third party might be approached to provide financial support for such undertakings in co-operation with Romania. As to the means of co-operation, either Nepal could buy equipment, train workers in Romania and then start working together with Romanian experts in Nepal, or Romanian experts could come to Nepal with their own equipment and work together with local experts on agreed upon terms of payment.

With regard to assembling trucks, tractors and buses, the Romanian delegate was of the opinion that such co-operation would benefit Nepal, since it would lead to full-capacity utilization of existing workshops (by assembling and producing parts of such vehicles locally) and would be less costly than continuing to import ready-made vehicles. Machinery, know-how and design could be brought from Romania and training arranged on terms to be agreed upon, including deferred payment of payment with Nepalese products.

With regard to the utilization of water resources for producing electricity, Romania had extensive experience in both large and small hydropower plants. Romania could supply know-how, equipment etc. and was prepared to collaborate with the private sector in Nepal. Wooden turbines

and rock dams locally made could be used for mini plants, and local manufacture of steel structures for large hydropower plants based on Romanian design was also possible; a complete turnkey project was not necessary. Romania had a specialized institute for hydropower plants, and the Nepalese could go there to observe Romanis's experience.

The Romanian delegation requested further information on the above and on other project proposals. Romania might be interested in some other projects, in particular those connected with leather and leather products and building materials, including cement. The Romanian side proposed that a Nepalese delegation headed by a minister and composed of experts from various sectors should visit Romania to continue the dialogue. On that occasion, a trade and payment agreement and the agreement on techno-scientific co-operation between the two countries could be signed.

Discussions between Nepal and Singapore

The representative of the Singapore Government reiterated his country's desire to provide technical assistance to Nepal. He requested that a complete portfolio of detailed technical assistance needs, especially in the field of training, be submitted to him to transmit to his Government for consideration. The Nepal delegation would very soon prepare a comprehensive list of projects reflecting priority needs in various areas of industrial development. The Government of Nepal and UNIDO would jointly follow-up on the realization of co-operation programmes with the Government of Singapore.

Discussions between Nepal and Sri Lanka

The discussions took place on the basis of the project proposals identified by the delegation from Sri Lanka earlier.

Canvas shoe factory (project No. 1)

Sri Lanka could arrange for training in Sri Lanka for four officials from Nepal for a duration of four months each. A canvas shoe factory could be established as a joint venture in Nepal in the private sector with Sri Lankan participation, and the Sri Lankan delegation would explore the possibilities of sending a team to Nepal.

Leather and leather products industry (project No. 8)

Sri Lanka could provide in-plant training facilities in footwear design and leather goods and send an expert in effluent treatment to Nepal. When the Sri Lankan authorities provided training facilities, it was agreed that international travel would be borne by outside agencies.

Floriculture development (project No. 26)

The experience of Sri Lanka in floriculture was not fully relevant to the requirements of the proposal. However, possibilities should be explored for a brief visit to Sri Lanka by a Nepalese official to observe the situation.

Mini cement plant (project No. 31)

It was noted that the current expertise and experience in Sri Lanka would not be fully relevant to the requirements of Nepal.

Assistance to cottage industries development (project No. 47)

Sri Lanka could assist cottage industries if specific requirements were clearly identified. The Nepalese delegation showed interest in training Nepalese in stone cutting, batic industry, handicrafts etc. Nepalese officials should visit Sri Lanka to examine the possibilities and determine areas of training.

Establishment of an export processing zone (project No. 49)

Both delegations agreed that co-operation in the establishment and operation of export processing zone would be highly beneficial to Nepal, and it was proposed that officials of Nepal and Sri Lanka should make a joint study of export processing zone matters by visiting both countries. Sri Lanka would not be able to finance such a trip of Nepalese officials, but could finance the trip to Nepal of the experts from Sri Lanka, after discussing the matter with the Greater Colombo Economic Commission.

Industrial manpower development programme (project No. 51)

Arrangements could also be made to train Nepalese managerial personnel at the National Institute of Business Management at concessional rates.

Strengthening the Scientific Instrumentation Division of the Research Centre for Applied Science and Technology (RECAST) (project No. 57)

In view of the excellent research and development work being carried out by the Sri Lanka Institute of Scientific Research and the National

Engineering Research Development Centre in the utilization of natural products such as spices, oil-bearing plants, natural dyeing and tanning materials, extraction of vegetable oil, energy conservation and solar energy, and development and adaptation of appropriate technology, the delegation from Sri Lanka suggested that experience should be exchanged between the two countries and training programmes set up.

Bilateral agreement

The Sri Lankan delegation mentioned the possibility of the two Governments' concluding a bilateral agreement on the export of fertilizers from Sri Lanka to Nepal and red lintel and jute bags from Nepal to Sri Lanka. Such an arrangement would be mutually beneficial.

Discussions between Nepal and Thailand

The delegation of Thailand indicated its Government's willingness to provide technical assistance (study tours, training, expert and consulting services) to the following projects:

- Electric fans and motors (project No. 3B)
- Electrical power capacitors and condensers (project No. 3C)
- Electrical energy meters (project No. 3D)
- General lighting service (GLS) electrical lamp (project No. 3E)
- Electric wet-cell batteries (project No. 3F)
- Establishment of light engineering industry complex (project No. 5)
- Leather and leather products industry (project No. 8)
- Chitwan fruit and vegetable processing plant (project No. 15)
- Jute carpet industry (project No. 19)
- Floriculture development (project No. 26)
- Industrial manpower development programme (project No. 51)

Thailand's delegation requested that the Government of Nepal submit detailed proposals on training requirements so that the appropriate authorities in Thailand could determine the scope and extent of assistance Thailand would be able to offer. Thailand's Government would also, after receiving comprehensive proposals from Nepal, explore how the private sector in Thailand could co-operate with Nepal. The Nepal delegation would shortly prepare the above-mentioned proposals for submission to the authorities of Thailand.

Discussions between Nepal and Turkey

Several project proposals of interest to Nepal were discussed, such as building materials and housing development (project No. 45), industrial manpower development (project No. 51), leather and leather products (project No. 8), lime industry plant (project No. 9), mini cement plant (project No. 31) and fruit and vegetable processing (project No. 17).

With regard to building materials, it was agreed that the approach would be first to have a Nepalese expert visit Turkey and then Turkish experts would come to Nepal to identify locally available raw materials and prepare project reports. As far as industrial manpower development was concerned, some Nepalese could be placed in Turkish universities to study industrial engineering and other fields; and in-plant training programmes could also accommodate a number of Nepalese candidates. For cement and foundry technology, arrangements could be made through UNIDO-sponsored group training programmes organized every year in Turkey. In leather and leather products, Turkey could provide short-term specialization in leather technology. With regard to the lime industry plant, subject to additional information to be provided by the Nepalese, the matter would be reported to the Turkish Government for its further examination. A similar approach was suggested with respect to the mini cement plant project. Concerning the fruit and vegetable processing plant project, where mainly training was involved, the Turkish authorities would consider providing the necessary training for two Nepalese.

In the area of leather and leather products, the Nepalese delegation indicated that Nepal needed advice from Turkey on how to make better use of locally available raw materials and to improve design and quality of leather products so that exports could be stimulated. They inquired whether contacts with private entrepreneurs in Turkey could be established. The Ambassador of Turkey replied that such contacts might be arranged.

Discussions between Nepal and Venezuela

The delegation of Venezuela indicated that its country would assist in the implementation of four projects: Standardization, industrial manpower development and training and oil refinery.

Venezuela would be interested in assisting Nepal in implementing the project Strengthening the laboratory and testing facilities of Nepal Institute of Standards (project No. 56). Venezuela would share its accumulated experience with Nepal in this field. As a start, the Venezuelan delegate would welcome having a person from Nepal come to study the organization of the Venezuelan Institute of Standards. This activity could be supplemented by a visit of a Venezuelan expert to Nepal to assess areas where the assistance would be most useful. In this connection, the Venezuelan delegate would discuss with his authorities the possibility of providing technical and financial assistance. The outcome would be reported to the Nepalese authorities shortly.

Assistance for the projects Industrial manpower development programme (project No. 51) and Strengthening the Industrial Services Training Division/ Industrial Services Centre (project No. 55) was also discussed. The major obstacle to providing training in Venezuela was language difficulties. The Venezuelan delegate would, however, investigate what type of training in Venezuela could be provided. It was agreed that the most effective support for these two projects would probably be financial assistance for training Nepalese in other countries. The Venezuelan delegate suggested that all participating countries contribute to a fund to be utilized by the Government of Nepal for training. The decisions of the Venezuelan Government in this respect would be communicated via UNIDO.

Both sides agreed that the establishment of a mini refinery plant in Nepal was a very important project. In this field, Venezuela had gained considerable experience that could be made available to Nepal. A pre-feasibility study had already been carried out with the help of UNIDO. As a second phase, Venezuela would be willing to provide the necessary technical assistance for an additional, updated feasibility study and a project report. If the results seemed promising, the project could later be introduced by the Venezuelan Government to the Fund of the Organization of Petroleum Exporting Countries (OPEC).

In addition to the above-mentioned projects, Venezuela would be able to share its successful experience in reforestation. This offer was much appreciated by the Nepalese delegation. In this connection Nepal would initiate action via the Ministry of Forestry.

Finally, the importance of follow-up and close ties between the Governments and UNIDO was stressed by both sides.

Discussions between Nepal and Yugoslavia

The discussions concentrated on the tannery project (project No. 13) for which the Yugoslav Government had decided to offer ND 3.0 million as grant-in-aid for the supply of equipment. The Yugoslav delegation indicated that, in addition to the grant, the Yugoslav organization INTERTRADE was ready to enter into a joint-venture agreement with a Nepalese counterpart for the same project, in which case negotiations should take place directly between the enterprises concerned. Under such an arrangement, INTERTRADE would provide some additional equipment, including equipment for pollution control, on a deferred-payment basis. A buy-back arrangement would be worked out for the payment of the equipment.

The Nepalese delegation expressed interest in some other project proposals, namely, the construction of the Salyantar mini hydropower plants (project No. 41) and industrial manpower development (project No. 51). These would be examined by the Yugoslav authorities concerned and, perhaps, certain requirements could be accommodated within the programme of scientific, technical, educational and cultural co-operation between the two countries for the period 1983-1984.

V. CONCLUSIONS

The participants at the Meeting felt that the promotion of solidarity among developing countries and the building up of their collective self-reliance were essential steps towards establishing the new international economic order. The Meeting was of the opinion that the potential for technical and economic co-operation among developing countries was immense and that its scope could be further broadened. Exploiting this potential should be a key element in the strategy of the developing countries.

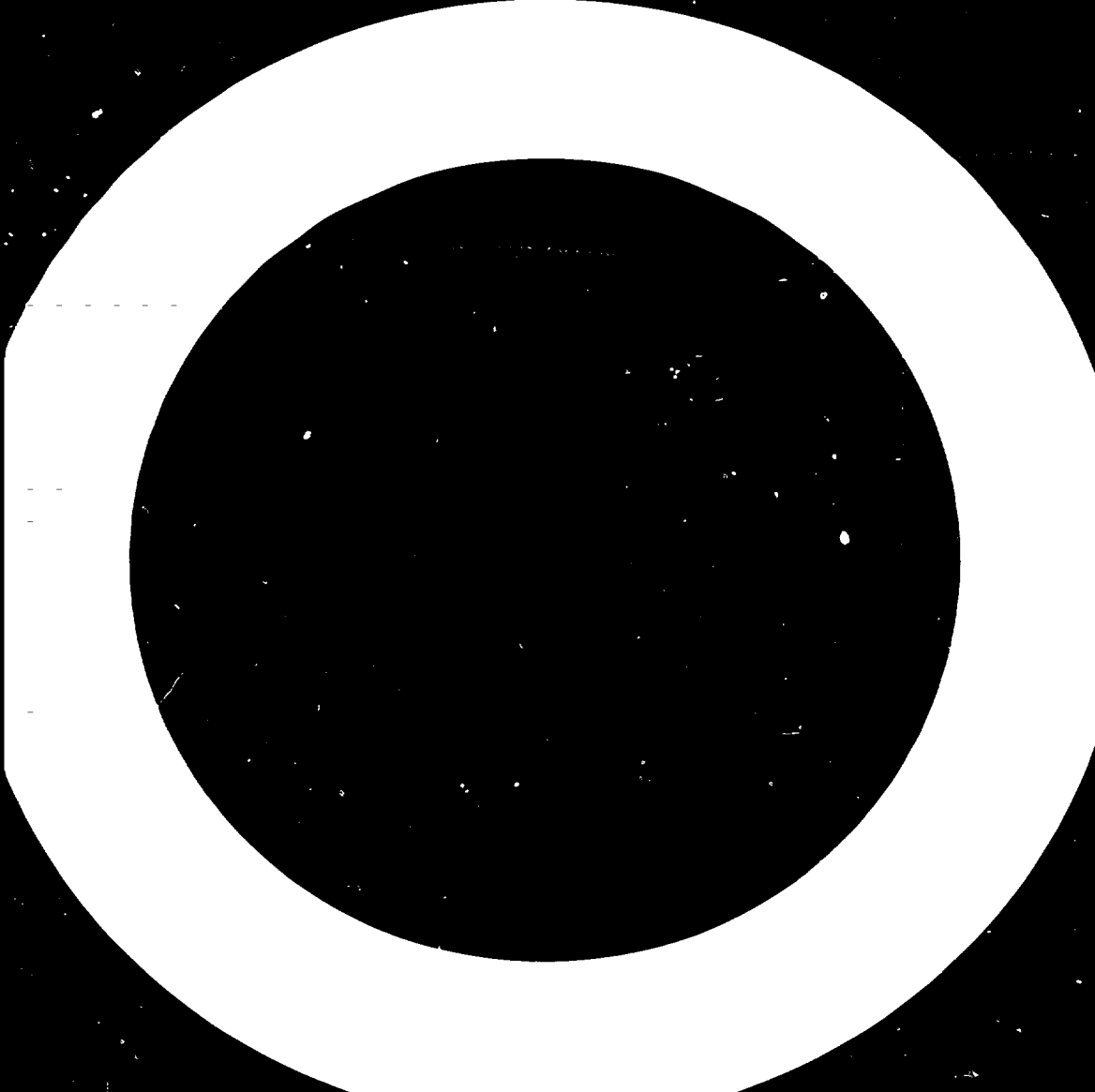
It was reaffirmed that Solidarity Meetings provided a pragmatic approach in promoting co-operation among developing countries. It was hoped that as a result of the Kathmandu Meeting numerous programmes of mutual co-operation would begin that would assist the industrial development of Nepal.

The Meeting noted that the projects contained in the project portfolio were fully consistent with the development plans of the Government of Nepal.

The Meeting indicated that the experience and capabilities of the participating countries in industrial development could be of considerable use and value to Nepal and noted that the participating countries would be willing to share their experience and capabilities with Nepal in appropriate forms.

The representatives of the participating countries expressed their willingness to render technical and economic co-operation to the host country in manifold forms as recorded in chapter IV of the Report.

The Meeting emphasized the importance of a close and systematic follow-up during the various stages of implementing the co-operation programmes agreed on during the Meeting. The participants were convinced that the implementation of the various programmes could contribute positively to the industrial development of Nepal. It was also agreed that the forms of co-operation should be kept flexible.



Annex

LIST OF PARTICIPANTS

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Hiroshi Yokota, Secretary General

