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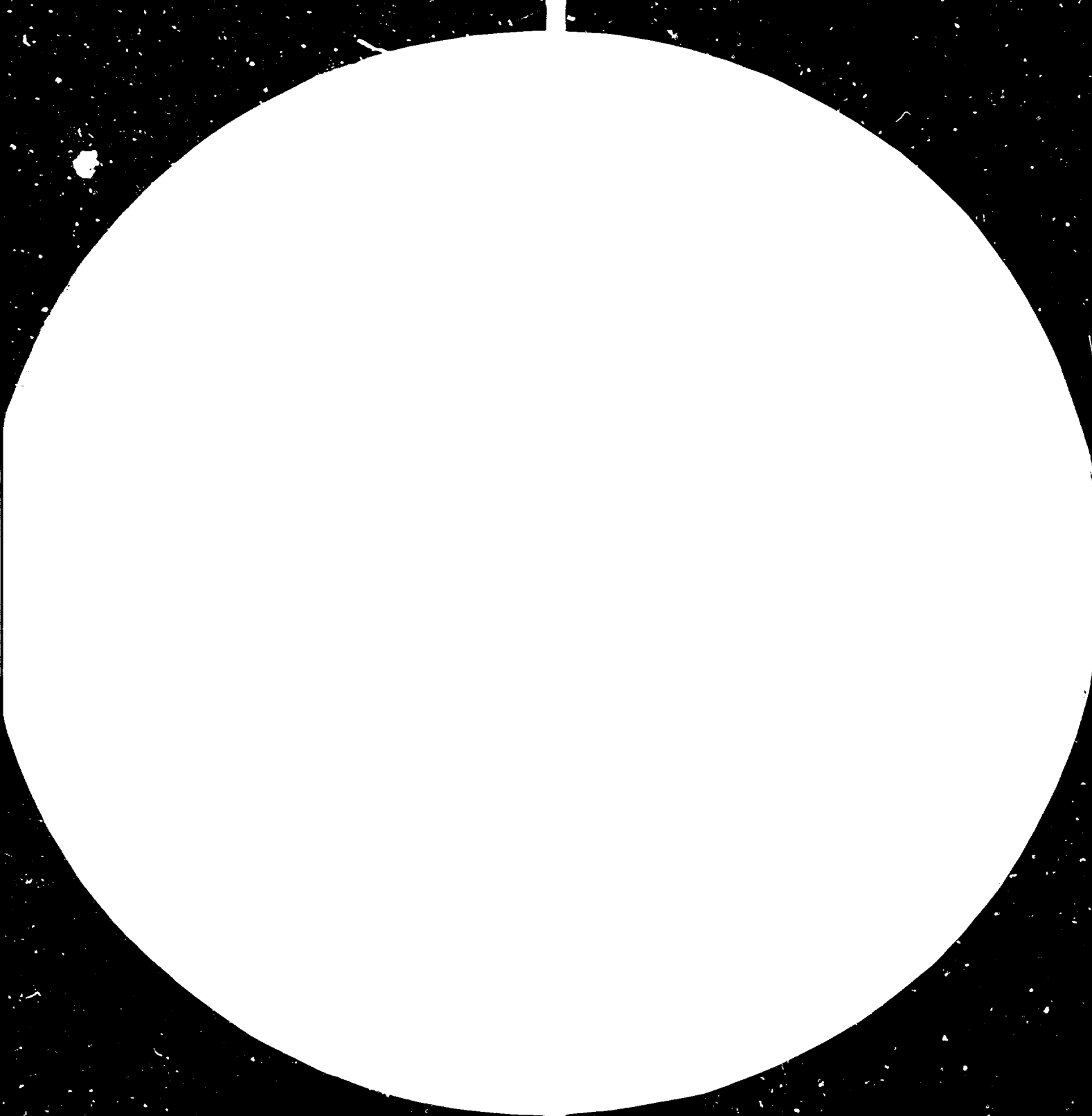
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United Nations Industrial Development Organization

Seventh Meeting of Heads of Technology
Transfer Registries
New Delhi, India, 7-10 December 1982

REPORT (Meeting ● of Heads of Technology
Transfer Registries).

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CONTENTS

INTRODUCTION

1.   The Seventh Meeting of Heads of Technology Transfer Registries was held at New Delhi, India, from 7 to 10 December 1982, under the sponsorship of the Government of India and the United Nations Industrial Development Organization (UNIDO). The purpose of the Meeting was to review the progress of co-operation among members of the Technological Information Exchange System (TIES) and develop further areas of co-operation.

2.   Among the objectives of the Meeting were the following:

(a) To designate areas for further work and prepare necessary material for submission to the next meeting or through the TIES Newsletter;

(b) To discuss the implementation and focus of the function of TIES in terms of cross-road level of information;

(c) To consolidate the interests of the participating countries and examine carefully how to bring new members into the TIES system;

(d) To elaborate ways of working more closely with the Licensing Executives Society members through TIES.

CONCLUSIONS AND RECOMMENDATIONS

3.   The Seventh Meeting of TIES discussed a number of items and issues and adopted the following main conclusions and recommendations:

(a) The Meeting agreed and recommended that, within the TIES system and on the basis proposed by the UNIDO secretariat, an annual consolidated report would be made available that would cover overall statistical and other information concerning trends and flows of technology, in particular trends for licensing of technology in individual industrial sectors;

(b) The Meeting adopted the proposed format for the supply of generalized information on technology flows on the basis of sectoral and other information for the purpose of the preparation of the consolidated annual reports;

(c) The Meeting recommended that, in view of the need to reappraise the stage of co-operation reached between the TIES member countries, UNIDO will convene an expert group meeting, early in 1983, of representatives of the TIES member countries, taking into account geographical representation and the scope and nature of registry activities. The expert group meeting will prepare a programme for the system which will be discussed and adopted at the next TIES general meeting in the autumn of 1983. The UNIDO secretariat is entrusted with calling the meeting, preparing the agenda on the basis of the suggestions received from member countries and determining the composition;

(d) With respect to further co-operation with the Licensing Executives Society (LES), the member countries were of the view that the dialogue was definitely of interest to them and recommended that this collaboration should continue in the future, possibly by providing a large group of member countries with an opportunity to discuss with LES matters and issues of common interest;

(e) The Meeting adopted in principle the revised coding manual as presented by the UNIDO secretariat and requested that amendments approved at the Meeting be incorporated in the final version;

(f) The Meeting recommended that the UNIDO secretariat spare no efforts in extending the present membership of the TIES system. The member countries have expressed the will and desire to fully collaborate and support UNIDO efforts in this respect;

(g) The Meeting strongly recommended that the technology registries use all information available on the flow of technologies in their own country and provide such information to UNIDO for TIES members;

(h) The Meeting recommended that the payment-evaluation methodology proposed by UNIDO be used by member countries as an additional tool for such evaluation. The Meeting stressed, however, the limitations of the proposed methodology and the need for further testing by member countries. The Meeting requested UNIDO to further improve and refine the proposed methodology to take into account the problems of inflation, forward projections and level of technology;

(i) The Meeting requested the UNIDO secretariat to continue preparing specific guidelines for the licensing of computer software that covered payments, evaluation, questions of liability and rights of use;

(j) The UNIDO secretariat was further requested to undertake and present, as soon as possible, the study and guidelines on treatment and evaluation of franchise agreements of various types, specifically in fast-food chains, hotels and similar industries;

(k) The Meeting adopted and approved in principle the UNIDO proposal for a unified information system for use in technology registries. However, it felt that the scheme as proposed should first be tested on a pilot basis, as soon as possible. Some member countries expressed their willingness to participate in such an exercise;

(l) The Meeting requested members of TIES to give due consideration to the level of technology in the information system and evaluations;

(m) The Meeting adopted the modus operandi on the ad hoc exchange of information on technology transfer contracts among TIES member countries, as proposed by the UNIDO secretariat;

(n) UNIDO was requested to undertake and present as soon as possible a study into possible ways and methods of effectively monitoring and evaluating the implementation of approved technology transfer contracts.

I. ORGANIZATION OF THE MEETING

4.   The Seventh Meeting of the Heads of Technology Transfer Registries was attended by 21 participants from 18 countries and 6 observers from international organizations (see annex I).

Opening of the Meeting

5.   The Meeting was opened by Mr. Ghosh, Secretary for Industrial Development of the Government of India, who stated that TIES was an essential element of practical co-operation among developing countries. He stressed the need to improve the exchange of information on technological advances, particularly those that had been made in the developing countries, and to increase the transfer of technology between the developing countries and, in particular, between research and development establishments in the developing countries. He also stressed the need for accelerated access to frontier technologies by developing countries and greater involvement of UNIDO and TIES in this area.

6.   Carmen Peralta of the Philippines expressed the hope of the outgoing TIES Chairman, Governor Lilia R. Bautista (Assistant Secretary of Industry of the Philippines), that the Seventh Meeting would further co-operation between members of TIES. She singled out the need for extending the membership and hoped that the observer countries would soon become full-fledged members.

7.   On behalf of the United Nations Development Programme (UNDP), J. Berke, Deputy Resident Representative, said that the variety of countries represented at the Meeting indicated an increase in the co-operative effort. He assured the Meeting of the support of UNDP in all matters in this field.

8.   The Director, Division for Industrial Studies, UNIDO, noted the increase in TIES membership since its inception from 15 to 30 countries, an increase that was commended in the Caracas Plan of Action and enforced in the New Delhi follow-up meeting. He stated that a faster rate of technological growth might be obtained by considering frontier technologies. The recent meeting held at Moscow on the preparation for a high-level meeting on technological advances and their implications for the problems of the developing countries drew attention to the importance of genetic engineering, biotechnology, micro-electronics, materials technology and energy technology research. Such technologies had low investment costs and offered the possibility of decentralizing economic activities.

Election of officers

9. The Meeting unanimously elected the following officers:

    Chairman: S.L. Kapoor (India)

    Vice Chairman: T. Michelangeli (Venezuela)

    Rapporteur: T. Gitonga (Kenya)

Adoption of the agenda

10. The following agenda was adopted:

    1. Opening session

    2. Election of Chairman, Vice-Chairman and Rapporteur

    3. Review of progress in TIES:

        (a) Progress report
        (b) 1982 annual review
        (c) Integrated coding manual
        (d) Linkage of TIES data system with TIEN and SAIT
        (e) Advisory services and training

    4. Strengthening of negotiation capabilities:

        (a) Payment evaluation
        (b) Evaluation of joint-venture agreements
        (c) Computer software contract evaluation

    5. Effect of legislation on technology transfer and technology
        flows

    6. Other matters

    7. Adoption of the report

    8. Closure

II. SUMMARY OF THE DISCUSSIONS

11. Discussions were opened by the UNIDO secretariat with a brief outline of
the scope of the work undertaken by TIES and the Technological Advisory
Service (TAS). The participants were informed that Poland had become an
active member of TIES; it was possible that Bangladesh, the Ivory Coast,
Keny , Pakistan and Turkey would join as observers.

12. The confidential nature of the system was stressed, and it was explained
that co-operation with other United Nations organizations on any information
received was permissible only with the prior permission of the TIES members,
who could also establish the extent of the information to be provided and ex-
changed. It was suggested that the operation and effectiveness of TIES, as
well as the TIES Newsletter, be the subject of constructive discussion at the
Meeting in order to make the system one that fulfilled the needs, aims and
requirements of its members.

13. The representative of the United Nations Centre for Transnational
Corporations said that much of the detailed information on technological
contracting agreements and financing was extremely hard to obtain. TIES
should work out a method of disseminating the information available, either on
an annual or biannual basis, as this information was of great use to organiza-
tions involved in the field. He also urged the extension of the scope of TIES
in other areas in view of the increasing needs of developing countries.

14. At the conclusion of the general discussions, it was pointed out that
TIES had been given an important role to play by UNIDO, and it was essential
that this system be continuously adjusted to meet the requirements of the
developing countries. It was felt that information that enabled developing
countries to make their own technology choice in all its aspects would be of
great value. However, the system could only give the information that it
received and, therefore, the Meeting should investigate how to alter or extend
the system to increase the inflow of information, including the development of
guidelines for periodic reporting on issues and trends important for decisions
in policy matters in the developing countries.

15. To facilitate discussions on the various agenda items, the Meeting had
before it a number of documents (see annex II). An introduction was made by a
representative of UNIDO, who focused on the revised coding manual and on prob-
lems associated with increasing the number of active members.

16. In the ensuing debate, the following specific comments were made:

(a) The manual was suitable to the requirements of members; however, some doubts were raised about the compatibility of UNIDO and the International Organization for Standardization (ISO) codes regarding supplier country and currency;

(b) It was difficult to define various prevailing types in the service agreements;

(c) Imports of technical documentation were not included in the service system.

17. The debate further covered the needs to regularly compile data on technology licensing, both at the country and sectoral level, thus providing important information on flows of technology and distinct trends at the sectoral level.

18. With regard to the Development Decade for Africa, it was pointed out that information should be made more readily available on the engineering and consultancy service.

19. It was reiterated that the Newsletter was primarily intended as a means of information exchange on recent developments in registries that were members of TIES. The inflow of information was rather sparse and could perhaps be improved by designating one person in each registry who could send information on a regular basis to the TIES Newsletter.

20. The comment was made that the Newsletter appeared to be of limited use for the entrepreneur. Information on royalties alone was not enough to make a decision, but the whole procedure involved had to be considered in all its aspects. Information provided to entrepreneurs in a piecemeal way could even be misleading; consequently, the entrepreneur had to use information as a guideline only. It was agreed that the vehicle for disseminating appropriate information to entrepreneurs was not necessarily the Newsletter. Detailed sector studies would have to be done by the national registries with the help of UNIDO.

21. The next subject covered was UNIDO assistance to the national registries and co-operation with the Licensing Executive Society in view of the results of the joint UNIDO/LES meeting at Vienna in June 1982.

22. There was consensus that efforts should be made to continue co-operation and dialogue with LES. Such dialogues should be initiated by TIES to discuss items of interest to all its members; a group of representatives from TIES member countries should be present.

23. Draft guidelines for an annual review of trends in technology transfer (ID/WG.383/6) were introduced by representatives of UNIDO.

24. The following main issues, which are also reflected in the conclusions and recommendations, arose from the discussion:

(a) Institutional arrangements should be specified in more detail;

(b) Annual reviews could be aggregated on a five-year basis and published by the United Nations;

(c) The general survey as proposed by the UNIDO secretariat should be supplemented with sectorial analysis;

(d) General trends, as proposed by the UNIDO secretariat, should be expanded to include the quantum of investment;

(e) The UNIDO secretariat should look into the possibility of including the level of technology in the surveys;

(f) Sector surveys could include hotels, fast-food franchises and possibly one of the sectors selected by UNIDO for global consultation

25. The UNIDO secretariat introduced the agenda item on a pilot exercise for payment evaluation methodology (ID/WG.383/1). Participants critically reviewed in detail the proposed methodology. Portugal introduced a report resulting from the pilot exercise (ID/WG.383/7).

26. The following main issues arose from the discussions:

(a) The suggested methodology might be treated as an additional alternative tool in the evaluation of payments;

(b) Certain basic procedures in the methodology needed further clarification, expansion and elaboration;

(c) The proposed methodology had certain restrictions; application should be on a selective basis;

(d) Some of the participating countries expressed optimism in using the proposed evaluation scheme in their daily work, in view of the lack of alternative and reliable evaluation systems;

(e) It was also stated that the analysis had certain advantages but only for a certain group of production branches where there was single foreign input;

(f) Another point raised concerned the difficulties encountered when companies produced more than one product using only partially imported technology.

27. Argentina presented its methodology for the evaluation of payments (ID/WG.383/8), which took into account the R and D expenditure of the supplier country. The method was tested on some 10 technology transfer contracts which were concluded between the matrix company and its Argentine subsidiary. After a critical review of the method and the data presented, the Meeting agreed that the method was an interesting additional tool in the evaluation of payments related to technology transfer.

28. The background paper of the UNIDO secretariat on the licensing of computer software (ID/WG.383/3) was prepared at the special request of some of the TIES members and it provided for a set of basic guidelines for the evaluation of such licensing contracts. Although not all TIES members dealt with such contracts, it was expected that the growing trade in computer software throughout the world would soon affect all TIES member countries.

29. The discussions revealed the extent of computer software trading in developing countries and the number of problems related to systems and methodology for evaluating licensing agreements.

30. A number of countries congratulated the secretariat for the excellent work done in preparing the paper and requested further work in this field.

31. The representative of the UNIDO secretariat, following the suggestion of some of the TIES member countries, brought up for consideration of the Meeting the need to devote some time and effort towards extending TIES in three directions:

> Towards policy-makers at the national level

> Towards appropriate international organizations or offices, such as UNIDO or the United Nations Centre for Transnational Corporations

> Towards industries that co-operate with technology registries

A fourth direction was suggested, namely, the flow of technology between developing countries. The discussions confirmed the need to expand TIES, and it was agreed that the participating countries would send detailed suggestions for the broadening of the scope of TIES to UNIDO not later than 1 March 1983.

32.   A representative of the UNIDO secretariat outlined the model information system using computers described in ID/WG.383/2.   That document covered optimal information systems that could be used for both the internal as well as external work of technology registries in developing countries.   The scheme proposed by UNIDO represented an attempt towards standardizing information systems.

33.   In the ensuing discussion the feasibility of making the information system compatible in different registries and possibilities for using the proposed system for various activities of the registries were debated.

34.   Questions were raised as to whether the proposed system would become a part of a national information system and whether all the registries would be in a position to use the proposed system in its entirety.   It was explained that the proposed scheme would facilitate the harmonization of present information systems using computer software progress in existing registries, with ready-made and easy-to-use information schemes tested elsewhere.

35.   The participants agreed that the efforts of UNIDO in preparing guidelines on the establishment of industrial joint ventures were commendable.   In addition to some suggestions for improvement expressed during the Meeting, it was agreed that all TIES members would supply written comments, which will be taken into consideration during the preparations of the final text of the guidelines.   Such comments were to reach UNIDO before 1 February 1983.

36.   In the discussion on general and other matters the participants made a number of recommendations and suggestions vis-à-vis the UNIDO secretariat, which are summarized in the conclusions and recommendations.

37.   The representatives of Peru and Venezuela conveyed an invitation to hold the next meeting of TIES in one of the Andean Pact countries.   The Meeting unanimously accepted this invitation and instructed the UNIDO secretariat to work out the details for the next meeting of TIES with the countries concerned.

38.   The Seventh Meeting of the Technological Inforamtion Exchange System was closed on the afternoon of Friday, 10 December 1982.   Statements were made by the Secretary of the Ministry of External Affairs of India, who attended the

ceremony, and by the representative of Venezuela on behalf of the partici-
pants, the Chairman of the Seventh Meeting and a representative of the UNIDO
secretariat. The representatives of Venezuela and UNIDO expressed their
gratitude to the Government of India, and particularly to the Ministry of
Industry, for the excellent facilities, assistance and hospitality extended to
the Meeting.

Annex I

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Annex II

LIST OF DOCUMENTS

Pilot exercise - Guidelines for technology transfer payment evaluation	ID/WG.383/1
Some considerations on registry information systems	ID/WG.383/2
Licensing computer software	ID/WG.383/3
Progress report	ID/WG.383/4
Draft guidelines for annual TIES review on trends in technology transfer	ID/WG.383/5
Technology payments and profit sharing in Portugal	ID/WG.383/6
Research and development expenditure as a criterion for technology payment evaluation	ID/WG.383/7
TIES Coding Manual, Revision 1	—
Draft guidelines on the establishment of industrial joint ventures	UNIDO/IS.361