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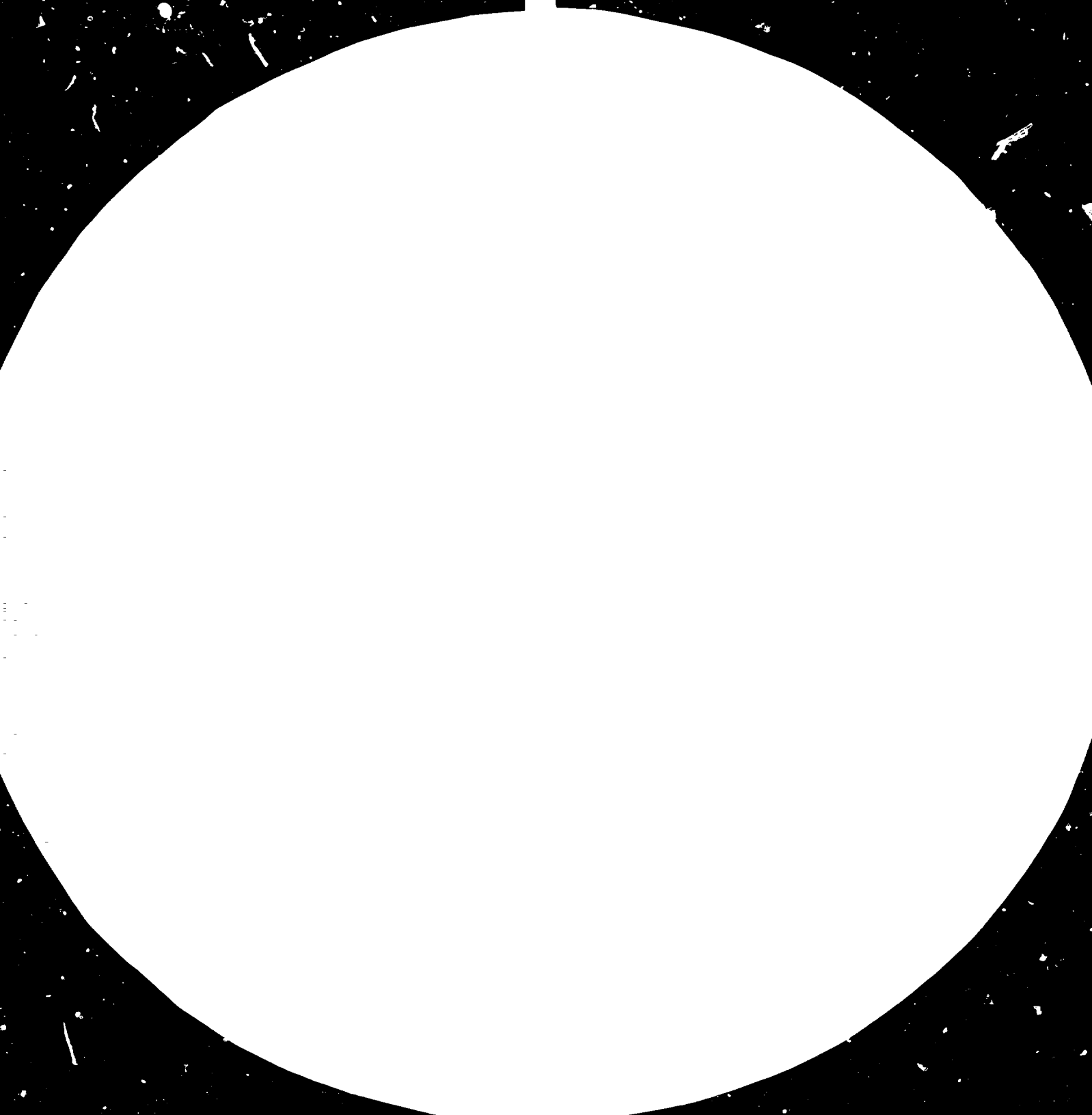
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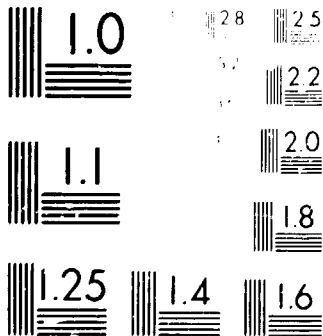
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Micro Resolution Test Chart, 1963, by F. A. Davis

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"The Tenth Round Table of Developing Countries
Industrial Development and Co-operation among
Developing Countries from Small-Scale Industry
to the Transnational Corporations"

Zagreb, Yugoslavia, 15-17 September 1982

Industrial Co-operation among Developing Countries:*
The Case of Coconut Industry

By

Percy Thenuwara
Coconut Development Authority

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** IDC: Institute for Developing Countries

In most of the vital industries in developing producer countries (DCs), such as the coconut industry, a proper highlighting of the problems and finding of the adequate solutions is needed.

Although 70% of the world's population is located in DCs, their share in the world trade is less than 20%. Also, only about 5% of the world's research and development capacity could be accounted for the DCs. Basically, any development in industrialization has to end up in the marketing field, and this is the area with the considerable lack of experience and expertise, where DCs continuously need more and more foreign assistance.

Particularly, the coconut industry presents the views of Sri Lanka regarding to the possible co-operation among some of the coconut producing countries as a matter of fact DCs. This a brief case study restricted to one production sector may be applied to any other product, industry or service, of course including all the specific differences. First of all, there are two kinds of fiber: the white and the brown one. India maintains a strong position in the white

fiber industry, and Sri Lanka in the brown one. Furthermore, there are elaborate plans from Sri Lanka to improve its white fiber industry. Some foreign assistance is also forthcoming. The main point is to examine the real advantages of India and Sri Lanka in the brown and white fiber industry, with intention to carry out whether we could expand the proper further production according to the real specific advantages rather than to continue the further competition. The main goal is the co-operation on the basis of mutual understanding, with possible concrete diversification of financial resources for the expansion of such industries for the benefit of both countries.

Then, even the new research and the development in the coconut fiber industry is also very important and could be a proper field for co-operation and understanding between the major producing countries, such as India and Sri Lanka. For example, the experiment being carried out in Sri Lanka on fibre bricks as a fuel resource could be very useful to the Indian government who is also looking for cheaper energy resources.

Also, before pursuing an ambitious industrial development plans in DC, such as in the fiber industry in Sri Lanka, there is a need for finding of the adequate assistance in developed countries. This is just an area where joint ventures' collaboration would come in and even the import-country could come in to assist in setting up industries and proposing some arrangements where marketing would not present any problems.

In the specific case of the fibre industry, a very important product which accounts for more than 50% of the entire coconut earnings is the dissicated coconut. Both of these industries employ a lot of people and if anything endangers the coconut industry serious employment problems would emerge. International prices of coconut indicate a sharp decline in the recent past. This has become a serious problem to all production sectors in the DCs. The market is stady. These are seasonal products. Due to an over-supply the international prices tend to fall down. The international prices are also dominated by a few countries, large-scale buyers. It would be benefitial for the producer countries to have some understanding on production and supply arrangements, i.e. to come to some understanding on each country's market share for these products. The most difficult question is to achieve such a co-operation, but this is a problem where solutions will have to be found. The solution lies in constant dialogue between the producers- DCs and in creating a new atmospehere for cordial discussion to come to terms on production and trade activities, when the market forces are in adverse conditions. Though it may be difficult it is possible to achieve it through mutual co-operation and understanding. There is a hope that various adequate conferences and forums of such nature would be able to give a lead towards such achievements in business co-operation among the DCs.



