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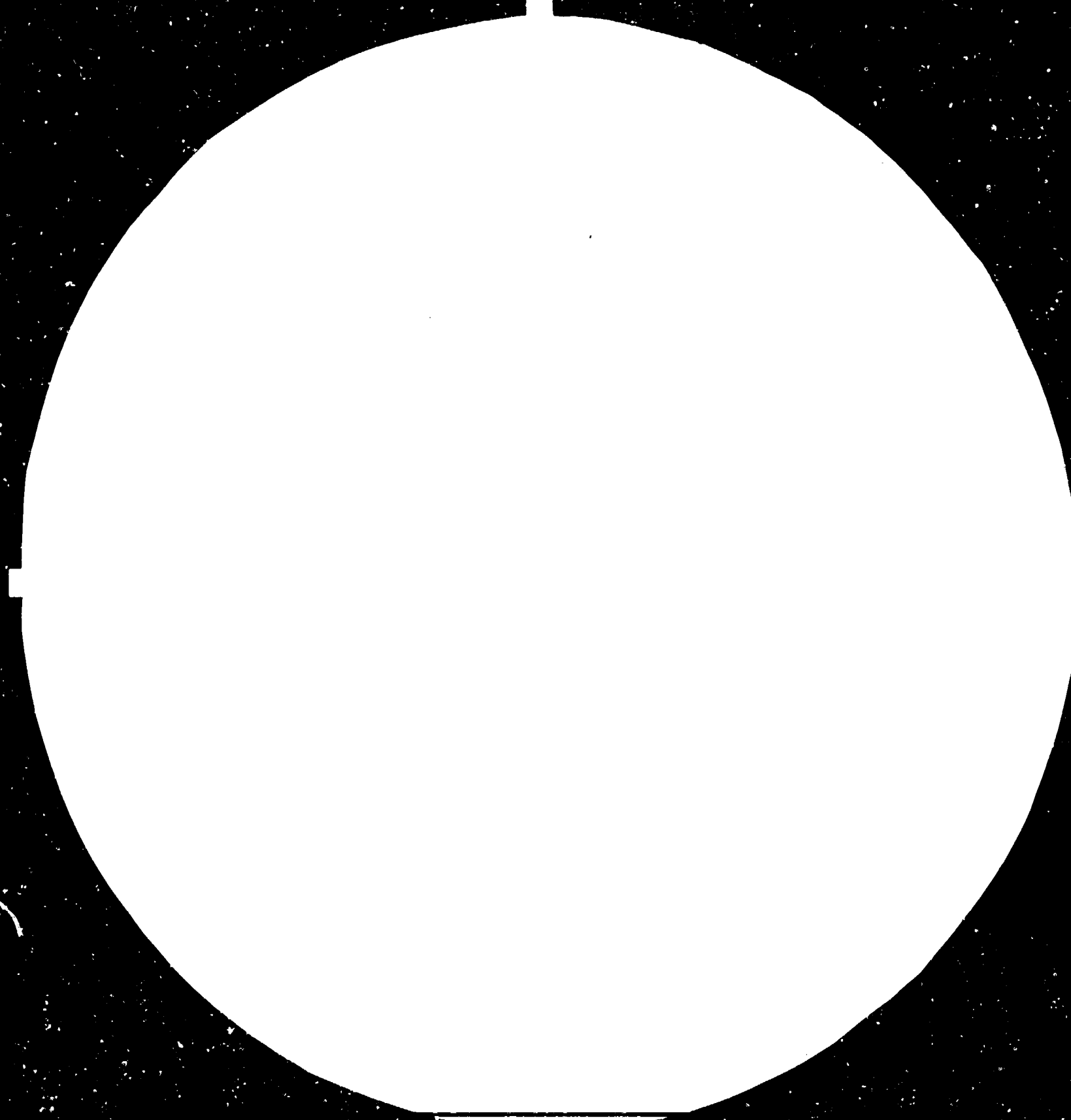
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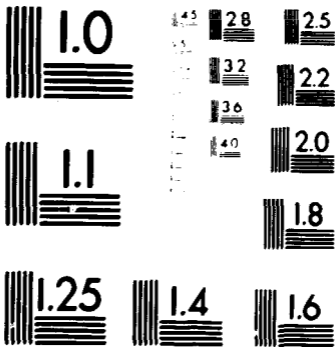
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UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

1984

MONITORING PROGRESS MADE IN ACCELERATING
INDUSTRIALIZATION IN THE DEVELOPING COUNTRIES * , /

Third Survey, 1981-1982

(Compendium of information provided by
Governments and International Organizations)

Prepared by
the Global and Conceptual Studies Branch

2250

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INTRODUCTION

The Industrial Development Board examined at its seventeenth session in April/May 1983, a report (document ID/B/295/Add.2) containing a summary of the main findings drawn from the responses of 67^{1/} governments and international organizations to the third UNIDO questionnaires concerning progress towards accelerating industrialization in developing countries. The Board was also provided with document UNIDO/IS.370 (circulated also as ID/B/CRP.83-3) containing a comprehensive report on the results of the exercise, which was carried out during 1981-1982.

The first two monitoring exercises were carried out in 1976-1977 and 1978-1979, the results of which were reported in documents ID/B/182 and addenda, and ID/238 respectively.

In accordance with established directives concerning the volume of documentation, the reports on the Monitoring Exercises do not elaborate in great detail on the extensive information gathered, although the views of governments and international organizations are duly reflected. In view of this, all responses received are reproduced in their entirety in this compendium, except for publications annexed to the replies. For ease of reference, the information is presented in three parts, the first on developing countries, the second on industrialized countries, and the third contains the contributions from international organizations. For each part the information has been classified according to the main topics included in the questionnaires, in as much as possible. An English translation is given in those cases where the information was received in other languages.

The compendium of all replies received for the second Monitoring Exercise is contained in document UNIDO/ICIS.118 of 11 January 1980.

Country participation in the first, second and third monitoring exercises is shown in the table overleaf.

1/ The responses of five additional countries, received after completion of the reports, have also been included in this compendium (Argentina, German Democratic Republic, Saudi Arabia, Union of Soviet Socialist Republics and Venezuela).

Country participation in the first, second and third monitoring exercises:
1976-1977, 1978-1979 and 1981-1982

Replies received for				Replies received for				Replies received for				Replies received for			
Countries	First exercise 1976-1977	Second exercise 1978-1979	Third exercise 1981-1982	Countries	First exercise 1976-1977	Second exercise 1978-1979	Third exercise 1981-1982	Countries	First exercise 1976-1977	Second exercise 1978-1979	Third exercise 1981-1982	Countries	First exercise 1976-1977	Second exercise 1978-1979	Third exercise 1981-1982
Afghanistan		x		Ecuador		x	x	Lesotho	x	x	x	Saudi Arabia	x	x	n/
Albania				Egypt				Libria				Senegal			x
Algeria				El Salvador	x	x	x	Libyan Arab Jamahiriya		x		Seychelles			
Angola				Equatorial Guinea				Liechtenstein				Sierra Leone		x	
Argentina	x		n/	Ethiopia		x	x	Luxembourg				Singapore	x	x	x
Australia				Fiji		x		Madagascar		x		Somalia		x	
Austria	x	x	x	Finland	x	x	x	Malawi		x	x	Spain		x	
Bahamas	x			France	x	x		Malaysia		x		Sri Lanka		x	x
Bahrain				Gabon				Maldives		x		Sudan		x	x
Bangladesh		x	x	Gambia	x	x		Malta	x	x	x	Suriname			
Barbados				German Democratic Republic	x	x	n/	Mauritania		x		Swaziland	x	x	
Belgium	x	x	x	Germany, Federal Republic of	x	x	x	Mauritius		x	x	Sweden	x	x	x
Benin	x			Ghana	x	x		Mexico	x	x	x	Switzerland	x	x	x
Bhutan				Greece		n/	x	Monaco				Syrian Arab Republic		x	
Bolivia		x	x	Grenada				Mongolia	x	x		Thailand	x	x	x
Botswana		x		Guatemala	x	x	x	Morocco		x		Togo		x	x
Brazil	x	x	x	Guinea				Mozambique				Trinidad and Tobago			
Bulgaria		x		Guinea-Bissau				Nepal				Tunisia	x	x	x
Burma				Guyana	x	x	x	Netherlands		x	x	Turkey		x	x
Burundi		x	x	Haiti				New Zealand	x	x		Uganda			
Byelorussian SSR		x		Honduras		x	x	Nicaragua				Ukrainian SSR		x	
Canada		x	x	Hungary	x	x	x	Niger		x	x	Union of Soviet Socialist Republics	x		n/
Cape Verde				Iceland		x	x	Nigeria		x	x	United Arab Emirates		x	
Central African Republic		x		India	x	x	x	Norway	x	x	x	United Kingdom	x	x	x
Chad	x			Indonesia		x	x	Oman		x	x	United Republic of Cameroon	x	x	x
Chile	x	x	x	Iran (Islamic Republic of)				Pakistan		x	x	United Republic of Tanzania		x	
China		x	x	Iraq		x	x	Panama		x	x	United States	x	x	
Colombia		x		Ireland	x	n/	x	Papua New Guinea		x		Upper Volta			
Comoros			x	Israel	x	n/		Paraguay		x		Uruguay		x	x
Congo				Italy		x	x	Peru	x	x	x	Venezuela		x	n/
Costa Rica				Ivory Coast	x	x		Philippines	x			Viet Nam			
Cuba		x		Jamaica		x		Poland	x			Yemen		x	
Cyprus	x	x	x	Japan	x	x		Portugal				Yugoslavia		x	x
Czechoslovakia	x	x	x	Jordan		x		Qatar				Zaire		x	x
Democratic Kampuchea				Kenya	x	x	x	Republic of Korea		x	x	Zambia		n/	
Democratic Yemen				Kuwait		x		Romania	x	x	x	Zimbabwe			x
Denmark		x	x	Laos People's Democratic Republic				Rwanda	x	x	x				
Djibouti				Lebanon				Sao Tome and Principe							
Dominican Republic															

Total replies received:

48

97

67

n/ Replies received after completion of the IDB reports on the monitoring exercises.

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PART I

CONTRIBUTIONS ON BASIS OF THE QUESTIONNAIRES ADDRESSED TO DEVELOPING COUNTRIES

I. DEVELOPMENT PLANNING AND POLICIES

Governments of developing countries were invited to supply information on the following topics:

- A. Development strategies pursued with particular reference to the development of the industrial sector.
- B. Current growth targets and actual growth.
- C. Five specific industrial branches given high priority for development in the periods indicated.
- D. The respective roles given to public sector and private sector industry in relation to the national development plans.
- E. Policies for foreign investment and other forms of international industrial co-operation.
- F. Other relevant topics.*

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE:

ARGENTINA**

- A. Development strategies pursued, with particular reference to the development of the industrial sector.

(From the Government Programme of Action)

Area: Industry and Mining

<u>Objective</u>	<u>Actions</u>	<u>Co-ordination</u>
18. To reactivate the industrial and mining sector by promoting its growth under conditions of reasonable efficiency with reference to international levels and by ensuring an adequate level of protection.	18.1 To reactivate sectors having a substantial multiplier effect on the employment level and the use of national inputs and technology. 18.2 To establish contact with entrepreneurial sectors.	Ministry of Public Works and Services. Secretariat of Planning.

*/ Most countries did not reply on this item.

**/ Translated from Spanish.

Argentina (cont'd)

<u>Objective</u>	<u>Actions</u>	<u>Co-ordination</u>	
	18.3 To analyse levels of idle capacity.	National Institute of Statistics and Census. Central Bank of the Argentine Republic.	
19. To establish systems of selective promotion for priority sectors and geographical regions.	19.1 To adapt the national and sectoral systems of industrial promotion to the policy reactivation.	Secretariat of Planning.	
	19.2 To bring the area systems up to date.		
	19.3 To implement appropriately the "Buy Argentine" and "National Contract" policy.		
	19.4 To apply effectively the systems for the regulated industries (automotive, tractor, etc.)		
	19.5 To promote the technological extension activities of the National Institute of Industrial Technology (INTI).		
	19.6 To bring the Technology Transfer Act up to date.		
	19.7 To reactivate the construction works at the Bahía Blanca Petrochemical Complex.		Ministry of Defence. Inter-ministerial Council for the Petrochemical Complex.
	19.8 To continue the national geological and mining survey plan.		

Argentina (cont'd)

Objective

Actions

Co-ordination

19.9 To prepare the documentation for the invitation to bid on the Bajo de la Alumbrera, Farallón Negro and "Nevados de Famatina" deposits.

Directorate General of Military Production. Government of Catamarca Province. Government of La Rioja Province. University of Tucumán.

19.10 To devise and apply a course of action for re-starting production at enterprises which have been taken over by the Government or are operating at a loss but which appear to be salvageable.

20. To construct, in co-operation with the competent organizations, a tariff system that takes into account the value added by domestic industry, and to streamline the tariff protection machinery for products that are beginning to be produced in the country.

20.1 To streamline the tariff protection machinery for products that are beginning to be produced in the country.

20.2 To promote the electronics industry and its derivative branches (computer technology, communications).

20.3 To bring the Temporary Admission Rules up to date.

B. Table I-1
(No data provided).

	Table I-2 (%)					
	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices)	-2.6	-3.0	7.8	-10.5	10.2	-3.8

Source: Ministry of Economic Affairs.

Argentina (cont'd)

- C. Answered in the reply to Chapter I, A.
- L. Answered in the reply to Chapter II, B.
- E. The policy with regard to foreign investment is laid down in Act No. 21,382, which provides clear and fair rules for foreign investors, taking into account the national interest.
 - . For the foreign investor this Act establishes two essential principles:
 1. All areas of economic activity are open to his participation;
 2. Anyone registering his investments is guaranteed the remittance of profits and the repatriation of capital, even in periods when an exchange control policy may be in effect.
 - . The application of the new rules entailed taking the following basic actions:
 - a. Determining the registered capital of foreign investors as of the date of entry into force of the Act.
 - b. Giving new investment proposals appropriate treatment in accordance with the principle that such proposals should be handled quickly and by a simple procedure so that they may be cleared in the shortest possible time.
 - c. Disseminating information abroad on the new rules for foreign investment and on the economic policy applied, one of whose objectives is to achieve the kind of outward growth that will enable the country to link up with the economies of the rest of the world and thus give impetus to its development. To this end, attention has been drawn to the foreign investor's opportunities for participating in Argentina's economic development, namely:
 - . By contributing to the outward growth of the economy, especially in those sectors which are based on the processing of natural resources and the use of human resources to promote the export trade.
 - . By contributing to the modernization and expansion of the country's production machinery, especially in the industrial sector, through infusions of capital and technology with the aim of making Argentina more competitive in world markets.
 - . By undertaking projects in capital-intensive and high-technology sectors, such as oil exploration and extraction and mining.
 - . By participating in public investment, especially in the service infrastructure, as a supplier or contractor and financing or investing in cases involving the grant of a concession for the operation of the facility.

- A. - Encouraging the establishment of industries which utilize domestic raw materials.
- Diversification of the economy into areas such as agriculture, fishing and manufacturing in order to reduce our dependence in a single sector and consequently, reduce the openness of the economy.
- Providing inputs for import substituting industries preferably built as far as possible on locally available resources and oriented towards the invisible export market provided by tourism.
- Developing economic and industrial activities in the Family Islands in order to reduce migration to the urban areas.

B. (No reply on this issue).

C.	<u>1975 - 1979</u>	<u>1980 - 1985</u>
	Agriculture and fisheries products	Agricultural and fisheries products
	Cement	Light manufacturing
	Chemicals	
	Household products	

- D. - In the scheme of planned development the public and private sector should be viewed as complementary.
- In the Bahamas the private sector has a strategic role to play, for by its nature, tradition and experience it can stimulate development. Accordingly, the government through its policies and actions such as incentive legislation and the establishment of the Bahamas Development Bank, has sought to encourage and support projects emanating from this sector. However, in order to discharge its responsibility of securing the common good, the government must ensure that projects contemplated do not conflict with national goals or retard the pace of development.
- While as a general policy the government does not normally enter areas which are customarily the domain of the private sector, it has in the overall interest of development sought to complement the efforts of the private sector.

- In recent times the government has become more directly involved in the developmental process through its participation in key areas of the economy, such as Tourism.
 - The Public Sector is responsible for infrastructure and plays a leading role in agriculture and fisheries development.
 - The Private Sector is encouraged to develop other sectors of the economy.
- E.
- Political stability and a constitution which guarantees the fundamental rights and freedoms of the individual have created an environment conducive to long-term investment activities.
 - Foreign investment is necessary and is encouraged in order to achieve a desirable level of economic growth. Accordingly, a conscious decision has been taken to maintain the Bahamas' tax haven status and nationalization is not a tool of economic policy.
 - To ensure Bahamian participation in the industrialization process certain areas of the economy are reserved exclusively for Bahamians. In its development guidelines the Bahamas distinguishes three categories of investment activities:
 - (a) those where ownership must be 100% Bahamian.
 - (b) those where ownership must be at least 60% Bahamian.
 - (c) those where ownership may be 100% foreign.
- However, wherever possible foreign investors are encouraged to work in partnership with Bahamians or through joint ventures with the Bahamas Agricultural and Industrial Corporation.
- While the primary objective of the government's labour policies and practices is to ensure that Bahamian manpower is utilized wherever possible, work permits are granted for foreign personnel provided there are no qualified Bahamians available.
- F.
- Existing legislation designed to facilitate industrial development include:
- The Industries Encouragement Act 1970
 - The Hawksbill Creek Act 1965 (operative in Freeport)
 - Agriculture Manufactories Act 1967
 - Spirits and Beer Manufacturers Act 1965

Bahamas (cont'd)

- Bahamas Development Bank Act 1974
- The Co-operative Societies Act 1974
- The Bahamas Agricultural and Industrial Corporation Act (in process of enactment and replacing Bahamas Development Corporation Act 1971 and the Bahamas Agricultural Corporation Act 1975.

BANGLADESH

- A.
- Expand the manufacturing sector with increased participation of private sector.
 - Limit the role of public sector to the establishment of basic heavy and strategic industries.
 - Encourage optimum utilization of existing capacity including measures for balancing, modernization and replacement (EMR).
 - Encourage investments to move away progressively from 'assembly' to intermediate/basic manufactures.
 - Protect and promote local industries by reasonable tariff measures and/or banning imports where there is adequate domestic capacity.
 - Limit the growth of investments/industries having monopoly character.
 - Improve the efficiency and profitability of public sector enterprises by cutting down overheads, reducing wastage and loss, increasing productivity of labour and capital and toning up management.
 - Promote export-oriented industries.
 - Encourage efficient and economic import substitution.
 - Make extensive and effective use of local resources, skill and know-how and maximize indigenous manufacturing contents as quickly as possible.
 - Promote geographical dispersal of industries on economic grounds.
 - Encourage linkage between large/medium and small industries.
 - Ensure that quality and price of locally manufactured goods are maintained at a reasonable level.

Bangladesh (cont'd)

- Create additional productive employment opportunities in the rural areas through promotion of rural and cottage industries.
- Develop indigenous technology base and encourage judicious application of appropriate technology.

B. Table I-1

Average annual growth target for manufacturing sector under the current Second Five Year Plan (1980-85): 8.3%

- Table I-2

Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1972-1973):

1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
11.4%	10.3%	10.3%	4.4%	2.0%	8.8%

C.

1980 - 1985

Fertilizer and chemical industries

Steel and engineering industries

Mining and mineral based industries

Cotton textile including handloom and sericulture industries

Sugar and food industries

D. - Sectors of industries have been classified in three lists as under:

a) The reserve list:

- Arms and ammunition and allied defence equipment
- Atomic energy
- Air transport
- Telecommunication
- Generation and distribution of electricity
- Forest extraction (mechanised)

Bangladesh (cont'd)

b) The concurrent list:

Jute industry (sacking, hessian and carpet backing); cotton textile (excluding handlooms, powerlooms and specialized textiles); sugar; paper and newsprint; iron and steel (excluding re-rolling mills); shipbuilding and heavy engineering (including machine tools and assembly/manufacture of cars, buses, trucks, tractors and power tillers); heavy electrical industry; minerals, oil and gas; cement; petro-chemicals (fertilizer, PVC, ethylene, methalon, carbon-black, synthetic fibre, etc.); heavy and basic chemicals and basic pharmaceuticals; shipping and appliances and equipment for telecommunication service.

c) Industrial investment schedule:

All sectors/industries not included in the reserve list will be covered under this category.

E. Government welcome foreign investment specially in the following fields:

- . New enterprises, particularly those requiring specific technology available to the foreign investors, which will make an additional net contribution to the economy, including the training of Bangladeshis;
- . Undertakings in which more intensive use of natural resources is made;
- . Export-oriented industries;
- . Capital intensive technologies, the products of which will be either import substitution or export-oriented;
- . Existing public or private sector enterprises where an increase in productivity and an improvement in the product is needed.

F. A company has already been established for financing industries with participation of foreign agencies. The Government is establishing an Export Processing Zone near the Port City of Chittagong and for this purpose the Export Processing Zones authority has been established under an act of the Parliament. The Zone is expected to act as a catalyst to attract the foreign investors in the country. Foreign investments in Bangladesh are protected by Foreign Private Investments (Promotion and Protection) Act, 1980.

BENIN *

A. The main lines of industrial policy are the following:

- Agriculture-industry linkage: agriculture provides the inputs for industry and industry provides machines, fertilizers, pesticides and other manufactured goods for agriculture.

First phase: development of branches of activity whose average technical level can be assimilated by the national economy.

Second phase: research and development of appropriate technology appropriate to local raw materials and compatible with the strategy of import-substitution.

- Enlargement of the base of the national economy through control of the major branches of industrial activity.

B. Table I-1

- Average annual growth target for manufacturing sector in current national development plans (1981-85): 13.3%

- Table I-2

- Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1970):

1975	1976	1977	1978	1979	1980
21.1%	23.7%	10.4%	10.5%	20.7%	21.2%

C. - 1977-1980

1980-1985

Food industries

Mechanical and metalworking industries

Chemical industries
(oil-mills and their
by-products)

Building materials industries

Textile industries

Textile industries

Building materials
industries

Chemical industries

Food industries and agro-industries

D. - The enterprises of the public sector should allow the State to control the major branches of the domestic industry in the fields of agro-industry, building materials, textiles and chemicals.

- The development plan concerns only the public and semi-public (mixed-economy) sector.

Benin (cont'd)

- E. - At the national level: The Investment Code governs foreign and national investments and enables approved enterprises to take advantage of one of the four preferential arrangements which afford exemption from certain duties and taxes for a maximum period of eight years.
- There are, in addition, prospects for South-South co-operation, in particular with neighbouring countries (cf. X.B.).
 - The major industrial investments will, above all, use technologies which would enable local enterprises to sell their products in neighbouring foreign markets.

BOLIVIA*

- A. - The industrialization process in Bolivia, based on the potential of its natural and human resources, must be integrated in order to interlink industry as closely as possible with the other sectors of the economy, particularly agriculture, mining and hydrocarbons.
- Bolivia's industrial strategy will be to promote the widest and most rational use of national resources, the development of the infrastructure and internal development, so as to reduce regional imbalances in the long term, together with full and intensive use and domestic processing of the raw materials provided by its present and potential natural resources.

B. Table I-1

- Average annual growth target for manufacturing sector in current national development plans: 1976-1980 (medium-term): 9.6%

- Table I-2

- Actual annual growth target for manufacturing sector (on the basis of constant prices with base in the year 1970):

1975	1976	1977	1978 ^{a/}	1979 ^{a/}	1980 ^{a/}
6.1%	8.3%	6.1%	4.5%	2.8%	-1%

^{a/} Preliminary figures.

^{*/} Translated from Spanish.

Bolivia (cont'd)

C. -	<u>1975-1979</u>	<u>1980-1985</u>
	Agriculture	Mining
	Industry	Agriculture
	Mining	Hydrocarbons
	Hydrocarbons	Industry
	Construction	Construction

D. - The public sector will participate directly in the implementation and operation of strategic projects and in services which are by nature of public interest. There will also be partial or complete public sector participation in some productive projects which are beyond the capabilities of private enterprise.

- The private sector will place the main thrust of its development efforts in directly productive projects and services, with the aim of achieving the basic objectives of national development effectively, equitably and responsibly.

E. The guidelines for foreign investment under Bolivia's Investment Law are as follows:

- To attract foreign investment by means of a new, realistic and objective investment law containing simplified, clear and readily applicable rules;
- To promote the flow of foreign capital towards direct investments;
- To steer foreign investment towards the agro-industrial sector, taking advantage of an agricultural and forestry potential to achieve a faster and less uncertain rate of development;
- To identify and encourage labour-intensive projects in order to attract foreign investment.

BRAZIL*

A. - (No reply on this issue).

B. - Table I-1
(No data provided).

	Table 1-2 (%)					
	1975	1976	1977	1978	1979	1980
Actual annual growth for manufacturing sector (on the basis of constant prices with base in the year ----) */	4.4	10.5	2.3	7.5	7.0	7.6

*/ Annual rates of growth in the real product of the manufacturing industry.

Source: IBGE

C. - (No reply on this issue).

D. - (No reply on this issue).

E. - (No reply on this issue).

BURUNDI **

- A. - Selective policy of import substitution for essential products and of export promotion, with emphasis on industries using local raw materials;
- Policy of industrial and regional integration;
- Strengthening of agricultural commodity processing industries;
- Creation of regional poles of development through the setting up of labour-intensive industrial units allowing for maximum possible added value.

B. - Table I-1

	Plan period (years)	
	1978-1982 (medium-term)	1980-1990 (long-term)
	(%)	(%)
Average annual growth target for manufacturing sector in current national development plans	Forecast: 13.90	16.4
	Actual: 13.92	

*/ Translated from Spanish.

**/ Translated from French.

Burundi (cont'd)

- Table I-2

	1975	1976	1977	1978	1979	1980	1981
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1978)	0.69	14.54	23.09	13.24	3.68	13.69	7.31

Rates $\bar{\sigma}^{\dagger}$ 1970-1981 = 7.96 per cent
 1975-1981 = 12.43 per cent

C.	<u>1978-1982</u>	<u>1983-1987</u>
	Food industries	Agricultural industries
	Agricultural industries	Building materials industries
	Building material industries	Textile and leather industries
	Chemical industries	Chemical industries
	Textile industries	Glass and ceramics industries

D. Planned public and private sector industry fixed investment of FBu 81.85 billion for the period 1983-1987, at current prices. This represents about 49.4 per cent of total investment for the period.

E. Under the current Investment Code, the Government allows complete freedom to foreign investors. The increase in foreign investment is evidence of the private sector's confidence in the country's industrial development policy.

CHILE*

A. - The Economic-Social Development Strategy is directed towards the attainment of the following four fundamental objectives:

- High and sustained economic growth;
- Social development, concordant with economic development and eliminating extreme inequalities;
- Reduction of external dependence;
- National security.

* / Translated from Spanish.

Chile (cont'd)

- The Development Strategy has man as its motor and fundamental impulsion, and his material and spiritual well-being as a chief aim. Development is therefore understood as a process of economic growth which is translated into real social improvement, and which makes possible the personal improvement of each inhabitant of the country.
 - The action of the State must be governed by the principle of "subsidiariness", assuming directly only those functions which intermediate or private companies are not in a position to fulfil properly.
 - The principle of subsidiariness assumes the existence of a private sector with initiative and the right to free action in the economic field without any restrictions beyond those demanded by the common good.
 - The organizational framework of society, with the aim of attaining the objectives of economic and social development is that of a modern, mixed economy, in which both the State and the private sector play basic roles.
 - The Development Strategy uses the market as a fundamental tool for determining the allocation of resources, which is achieved by means of the correct operation of the price system.
 - It is the objective of the Government that the national economic structure should be orientated towards the development of efficient productive sectors, which are related to our natural resources. Industry must adapt itself to the conditions of the world market, and to do this it is necessary to build an efficient industry, capable of absorbing and rapidly expanding modern technologies which enable it to compete in an open market.
- B. As regards Table I-1 growth targets are not set for the manufacturing sector in view of the policy described above.

Table I-2 (%)

	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (at constant 1977 prices)	-22.5	6.0	8.5	9.3	6.9	5.0

Source: National Accounts

Note: 1979 provisional figures
1980 estimated figures

Chile (cont'd)

- C. - The Development Strategy gives no priority to any industrial sector. It is the objective of the government that the economic structure should be orientated towards the development of efficient productive sectors, which are related to our natural resources.
- D. - Industrial concerns will be of private ownership and administration. However in cases where it is so determined the State, either in permanent or temporary form, may assume the ownership and/or administration of industrial concerns which will operate in the market under the legal status of Limited Companies.
- The main function of the private sector is to carry forward those productive processes which make it possible to increase the material and spiritual well-being of the Chilean people. Only a small number of public concerns of strategic importance, or vital for the population, will form part of the administration. However, they must seek for themselves mechanisms to achieve the maximum efficiency in their operation, and be subject to rules of management as similar as possible to those of private concerns.
- E. - A permanent policy of openness to foreign investment will be maintained. Clear rules will be established and given the stability and continuity which these require in the application of the plans of economic policy. Foreign capital will be subject to the same treatment as domestic capital.
- This matter is made the subject of regulations in the Foreign Investment Statute, Law No. 600, which is appended.

CHINA*

- A. - Seek truth from facts, emphasize practical results, act according to our capacity and work with all our energy in order gradually and systematically to attain the magnificent goal of modernizing our agriculture, industry, national defence and science and technology.
- The primary goal of the Sixth Five-Year Plan (1981-1985) is to strive for a fundamental improvement in China's economic and financial situation. The main efforts will be concentrated on readjusting the economic structure, consolidating existing enterprises and carrying out the technical transformation of key enterprises.

B.

Table I-1

Total industrial	1975	321.9 billion RMB Yuan
production value	1978	423.1 billion RMB Yuan
(on the base of	1979	459.1 billion RMB Yuan
constant prices	1980	499.2 billion RMB Yuan
in 1970)		

*/ Translated from Chinese.

China (cont'd)

- Table I-2 (No data provided)

- C. - The long term policy is to maintain a balanced development of various sectors of the national economy. For a long time in the past, emphasis was one-sidedly given to the development of heavy industry. But in the years to come, prime importance shall be given to the development of consumer goods industry:
- D. - (No reply on this issue).
- E. - In accordance with the principle of equality and mutual benefit, foreigners are welcome to invest in China. But they must respect China's sovereignty and abide by her laws, policies and decrees.
- China absorbs foreign investment in many forms, such as accepting medium- or long-term loans from foreign governments, international financial agencies, credit for export, bank credit and the issuance of securities abroad; developing economic and technical cooperation, through participation in joint ventures, co-operative management, cooperative exploitation, cooperative production, compensatory trade.

COMCROS*

- A. - To introduce an Investment Code in order to provide local entrepreneurs with incentives to invest in industry:
- (a) Exemption from customs duties;
 - (b) Tax exemption for a specified period.
- To set up a body to grant low-interest loans.
- To set up an industrial promotion service in the Development Bank.
- State control of industrial activities.
- B. - As the manufacturing sector is very weak, growth rates will be determined only in the interim plan which is in preparation.
- C.

<u>1975-1979</u>	<u>1980-1985</u>
Agro-industry (sugar refining)	Wood-working
Food industry	Oil Milling
Ylang-ylang essence distillation	
Soap-making	

*/ Translated from French.

- D. - Under the reorganization plan the respective roles of these industries will be defined in the interim plan.
- E. - The government of the Islamic Federal Republic of the Comoros favours a policy of receptiveness towards foreign investors and towards anyone who brings intellectual knowledge or manual know-how to Comorian nationals.

COSTA RICA*

- A. - Action is being taken to strengthen sectoral arrangements within the public sector, the National Industrial Council, the Office of the Executive Secretary for Industrial Sectoral Planning of the Industrial Technical Committee, and the advisory committees of the sector, by granting greater authority to these agencies and by establishing the necessary co-ordination machinery, particularly with the national banking system. In view of the essential role of credit in promoting industrial development, the co-ordination machinery with banking institutions will continue to be improved.
- A review of the stimuli to industrial investment, national and Central American production incentives, and commercial contracts and agreements with the countries of the Central American region and the rest of the world, for the purpose of improving industrial productivity and contributing to the promotion of exports, with emphasis on the diversification of intermediate industrial products and capital goods, and on the study and penetration of new export markets.
- Vertical integration is to be promoted, particularly through the establishment of agro-industry enterprises, with incentives granted to those industries which use the resources of the sea, subsoil and forests.
- Incentives are to be granted to industries which use a high proportion of labour, which are set up outside the metropolitan region and which are based on the intensive use of electric energy and other national inputs.
- Programmes to strengthen small-scale industry and the artisanal sector are to be reactivated.
- Redirection of the activities of the Costa Rican Development Corporation (CODESA) is to be continued.

*/ Translated from Spanish.

- Costa Rica's position within the Central American integration scheme is to be clearly defined, and a new and more advantageous commercial agreement is to be negotiated to make it possible to improve the Costa Rican trade balance with the countries of the region.
- Third markets for those products in respect of which the region enjoys clear comparative advantages are to be sought.
- Regional development and the establishment of industrial estates are to be pursued.
- The strategy for the industrial sector is based on harmonious worker-management relationships and on the concept of the social responsibility of the entrepreneur.
- The training of human resources on the managerial, technical and intermediate levels is regarded as a high-priority task and a responsibility of the State and the country's business organizations.
- New forms of industrial ownership inspired by the concept of human advancement and popular participation are to be promoted.
- Specific and effective consumer-protection measures are to be taken with regard both to the pricing and to the quality of mass-consumption products.

B. Table I-1

(No data provided).

	Table I-2 (%)						
	1975	1976	1977	1978	1979	1980	1981
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1976)	4.3	5.8	6.5*	8.7	3.7	5.8	-4.6

* Based on the National Development Plan (1977, using 1976 as the base, and 1975 and 1976, using 1972 as the base).

Source: The information for the period 1978-1981 is taken from industrial sector surveys.

Costa Rica (cont'd)

C.

1979 - 1982

Metalworking and engineering

Agro-industry

Small-scale industry and artisanry

Natural environment

Rural industry

D. - (No reply on this issue)

E. - The promotion of technological independence and the adaptation and development of intermediate technologies compatible with the priority industries.

- The establishment of a National Technology-Transfer Registry Office.

- The consolidation of a programme or permanent inventory of industrial investment projects and opportunities.

- The establishment of industrial estates.

- Investigation of foreign markets for non-traditional, agro-industrial and small-scale industry and artisanry products.

- The preparation of a foreign investment code for Costa Rica in order that, on the basis of the information required, foreign investors, and particularly transnational companies, may enjoy non-discriminatory treatment, in accordance with United Nations recommendations.

- Selective technical and financial assistance to small-scale industry and artisanry.

- Research into the role of assembly and buy-back industry in the process of economic growth.

- The concentration of capital through the industrialization process, and the participation of foreign capital.

F. - (Included under E. above)

- A. - The economic development policy of the Third Plan (1979-1981) aimed at the gradual restructuring and reorganization of the productive process with a view to attaining high productivity and further promoting the development drive, after the destabilization trends in the economy are eliminated.
- Industrial development efforts aimed at promoting industries using local raw materials, export-oriented manufacturing units which have the potential of exploiting the advantages of the Island's geographical position, etc.

B.

Table I-1

Plan period (years)
1979-1981
(medium-term)

(%)

Average annual growth target
for manufacturing sector in
current national development
plans

8.7

Table I-2 (%)

1979 1980

Actual annual growth rate for
manufacturing sector (on the
basis of constant prices with
base in the year 1978)

6.9 6.9

C.

1979 - 1981

Food and drinks
Non-metallic minerals
Footwear
Clothing
Leather

- D. - Cyprus follows a liberal policy towards economic development and as such the emphasis is on private initiative. The Government intervenes only when private entrepreneurs cannot raise sufficient capital for a specific project.
- E. - Cyprus welcomes foreign investments especially when such investments bring new know-how, new markets and sophisticated technology. Cyprus also welcomes the establishment of "off-shore" companies. For these the Government offers attractive tax incentives.

Ecuador (cont'd)

- | C. - | <u>1975-1979</u> | <u>1980-1985</u> |
|------|--|--|
| | Manufacture of metal products, machinery and equipment | Manufacture of metal products, machinery and equipment |
| | Basic metals | Basic metals |
| | Wood industry | Wood industry |
| | Manufacture of chemicals and petroleum derivatives | Manufacture of chemicals and petroleum derivatives |
| | Food products | Food products |
- D. - Those activities considered as strategic: foundry, petrochemical, cement and automotive, are reserved for the public sector.
- In general, industry must absorb, directly or indirectly, appreciable quantities of labour.
 - The formation of new regional development areas.
 - Increases in the productivity of labour.
- E. - On the matter of foreign investment, Ecuador is guided by the provisions of Decision 24 of the Cartagena Agreement.

EL SALVADOR*

- A. - The following statement is contained in the Three-Year Plan of the Republic for 1981-1983:
- . "As a short-term objective, the industrial strategy contemplates the revival of industry based on the use of idle installed capacity and the rehabilitation of plants. Among the factors contributing to this objective will be an increase in effective demand as a result of the redistributive effects of the agrarian reform, the use of credit to replenish the working capital of enterprises, the multiplier effects of public investment and the expansion of markets in the Central American region. In addition, efforts will be undertaken to rehabilitate enterprises operating on the "buy-back" principle which have been shut down and a transitional system will be put into effect calling for fiscal incentives to national firms so as to encourage them to export their manufactured goods to the rest of the world.

*/ Translated from Spanish.

All of these points require an effort on the part of the government to restore confidence and stability within the industrial sector.

- During the period 1981-1983, the foundation will be laid for a new industrial development strategy based on the promotion of exports of non-traditional products to the rest of the world and on selective import-substitution. In pursuit of this latter goal, incentives will be made available for the manufacture of intermediate products and capital goods by taking advantage of the demand for these products in the domestic and regional markets, in addition to which the government will carry out investment projects, particularly in the agro-industry area.
- As a means of promoting exports, an institutional scheme will be devised grouping together all forms of export, investment incentives. Branch-wide studies on comparative advantages will be prepared along with analyses of potential foreign markets, and the required legal and incentive-related machinery will be established."

B.

Table I-1

Plan period (years)
1977-1982
(medium-term)

 (%)

Average annual growth target for
manufacturing sector in current
national development plans 9.3

Source: Three-Year Plan of the Republic of El Salvador for
1981-1983.

Table I-2 (%)

	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector	4.7	8.7	5.3	-3.3	-8.3	-14.4

Source: Estimates of the Ministry of Planning/Ministry of Economic
Affairs.

- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

- Table I-2

	(%)					
	1975	1976	1977	1978	1979	1980
Actual annual growth* rate for manu- facturing sector (on the basis of constant prices with base in the year -)	5.0	10.0	5.0	2.0	7.0	6.0

* Value of production

C.	<u>1975-1979</u>	<u>1980-1985</u>
	Foodstuffs	Agricultural industry
	Textiles and clothing	Chemicals
	Non-metallic minerals	Capital goods
	Industrial decentralization	Decentralization
	Small industry	Small industry

- D. - In the Industrial Development Plan 1979-82 the Public Sector took the part of promoter of development through its executive agencies (CORFINA and GUATEXPRO); its action, being directed to the preparation of plans, promoting them within the private sector, or even participating in investment and gradually leaving the industrial plants under the responsibility of the latter sector or the public sector, could favour the establishment of industrial companies without entering into competition with the private sector.
- E. - The laws of the country and the development plans favour participation of foreign investment on the understanding that this must be directed to sectors or activities in which there is no competition with Guatemalan investors; apart from this, the industrial development plans clearly indicate those fields where international co-operation is necessary for the industrial development of the country.

GUYANA

- A. - It is intended that industrialization would play a more important role in the future in the process of development. The development strategy is basically based on maximising the use of available local resources as well as reducing the imports of finished products. The emphasis is given to the development of resources, skills and of technology. The activities on which emphasis will be placed are as follows:
- . Agriculture and agro-based industries (intensive-extensive development of livestock, fishing, forestry and processing agricultural raw materials).
 - . Mining activities.
 - . Manufacturing activities based on local raw materials as well as semi-finished imported raw materials.
 - . This group includes light engineering and electrical activities.

B. - Table I-1 Plan period (years)
 19- -19-
 (medium-term)
 (%)

Average annual growth target for manufacturing sector 6%
 in current national development plans

- Table I-2

	(%)				
	1977	1978	1979	1980	1981
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1977)	100	2.4	6.5	13.8	17.0

* Includes rice and sugar

Guyana (cont'd)

C. 1975-1979

Textile manufacture, glass making, leather and shoe making, assembly operations in radios, bicycles, refrigerators, stoves, housing components made of wood. Production of building components from various metals. Wood processing activities. Brick and hollow clay blocks.

1980-1985

Expansion of foundry operations. Further textile manufacture. Processing of wood. Manufacture of wood products, housing components, and furniture. Ceramic and clay, like light engineering goods. Assembly of garments and electrical goods.

D. - Both sectors are considered important for the development of the economy. The public sector plays a more important role in the sense that it is expected to give emphasis to:

- . The processing of natural resources and agricultural raw materials.
- . Balanced development of the regions.
- . To encourage the development of non-traditional manufactures.
- . To protect national resources from non-optimal utilization/ exploitation while private sector industries are expected to contribute in technology transfer and development of skills.

E. - (As replied to this issue, reference was made to the National Investment Code.)

HONDURAS *

A. Industrial strategy 1979-1983

- The industrial development strategy adopted is a strategy for balanced and harmonious growth of the industrial sector, giving equal importance to the requirements of domestic demand and the maintenance, within existing possibilities of a sustained rate of growth for exports.
- The development strategy includes medium-term targets which correspond with the long-term strategy for the industrial sector approved in the 1974-1978 Plan.

The following are the main aspects of this strategy:

- Efforts will be made to bring the country up to a medium level of industrial development by the end of the five-year period. This means restructuring the country's production system and manufacturing sector, with particular emphasis on industries producing intermediate and capital goods, and consumer industries using domestic raw materials and having external markets.
- An attempt will be made to increase the growth rate of industrial production so as to exceed growth in domestic demand for manufactured goods, and thus reduce the proportion of imports in the supply of goods. This implies a major effort in the direction of selective import substitution, where available resources in the country allow for production under acceptable technical and economic conditions.
- An effort will be made to exploit to the maximum the possibilities for increasing exports, by concentrating industry in fields where the abundance and quality of resources offer advantages over other countries. Export growth will be promoted by large-scale investment in the diversification of industrial exports, using mainly national raw materials of agricultural and forest origin.
- It is proposed to develop industries for the production of consumer durables and semi-durables, which will supply the domestic market and include a high proportion of national inputs.

*/ Translated from Spanish.

Honduras (cont'd)

- The strategy for specific industrial projects, at the present stage, covers three aspects: major projects for the optimum use of natural resources (in particular, pulp, paper and iron and steel), will be ready to start operation at the end of the present plan or the beginning of the next five-year period. There are also medium-sized and small projects, which will be given preferential treatment in the identification, preparation and evaluation stages, and which will be chosen on the basis of a rational system of development and evaluation; and lastly, in respect of the relatively large-scale investment projects which are at an advanced stage of preparation or in the initial stages of implementation (cement plant, sugar refineries, large saw mills), every effort will be made to bring them into full operation during the five-year plan.
- The stage prior to implementation of the major projects will be devoted to perfecting and consolidating the institutional and administrative bases of industrial development, through machinery which will ensure better co-ordination of the public institutions participating.

B. - Table I-1

	Plan period (years)
	1979-1983
	(%)
Average annual growth target for manufacturing sector in current national development plans	9.9

Source: National Industrial Development Plan prepared by the Supreme Council for Economic Planning (CONSUPLANE)

- Table I-2

	1975	1976	1977	1978	1979	1980	1981*	1982*
	(%)							
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1966)	9.0	9.1	12.8	7.5	6.9	6.6	-1.3	7.7

Source: Annual Operational Plans, Industrial Department (CONSUPLANE)

*Estimated

Honduras (cont'd)

C. - 1974 - 1978

Wood industry
Meat and meat packing
Sugar refining
Fruit processing and preserving
Metalworking and engineering

1979 - 1983

Wood industry
Non-metallic minerals
Processing of agricultural products
Food in general
Metalworking and engineering

D. - Public sector

Promotion and development
Technical assistance
Financing
Co-ordination and control
Direct investment in projects of national importance
Training

Private sector

Production of intermediate goods and finished consumer goods
Project implementation
Financing
Marketing
Management control
Training

- E. - In the regulations governing foreign companies operating in Honduras, the principles of freedom of trade and freedom of investment are interlinked with the principles of protection of national sovereignty and guarantees for national creditors.
- In the light of the foregoing and of foreign and national experience, the executive intends that this matter shall be governed by the following principles:
- . Recognition of the freedom of action of foreign firms on the national territory.
 - . A statement that this freedom of action shall be subject to the discretionary authorization of the Department of Finance and Credit.

Honduras (cont'd)

- . Foreign companies are required to hold property in the country, as a safeguard for national creditors.
- . The activity of any foreign company or enterprise is subject to the laws, authority and courts of Honduras.
- . The National Development Plan for 1979-1983 provides that the public sector shall set forth its activity in well-defined fields, which will encourage and promote private, national and foreign investment, strengthen the sector economically, promote employment and increase national production. In order to achieve those objectives, the State shall:
 - . Maintain a climate of confidence and security for investment.
 - . Promote investment of local and foreign capital.

INDIA

- A. Industrial development has been assigned a crucial role in the Indian development strategy particularly with reference to the objectives of structural diversification, modernization and self-reliance. This effort commenced effectively with the Second Five-Year Plan (1956-61) which along with the Industrial Policy Resolution of 1956 articulated explicitly the objective of rapid and balanced industrialization. This strategy involved an emphasis in the industrial structure towards industries producing basic materials and capital goods, growth of public sector, building up of large and strong co-operative sectors and diffusion of ownership and management in private industry. The Resolution also laid considerable stress on the role of cottage, village and small industry and provided for measures ensuring them sufficient vitality to be self supporting and integration with large scale industry. It also envisaged prevention of growth of private monopoly and concentration of economic power. The Industrial Policy Resolution of 1956 continues to provide the framework of industrial strategy and policy even now. In line with the Resolution of 1956, the cornerstone of the Industrial Policy Statement of July 1980 is the optimum utilization of installed capacity and the expansion of industries as part of a wider strategy for the revival of the industrial economy. Significant objectives of this Statement are higher employment generation, correction of regional imbalances, faster promotion of export oriented and import substitution industries, equitable opportunities for investment and dispersal of small and growing units in rural and urban areas, improvement in the contribution of public sector undertakings in terms of generation of

India (cont'd)

surpluses and employment for further growth of the economy, dovetailing the industry and energy policies and pollution control. An important role of the private sector is also accepted in the Industrial Policy and to support its activities, an elaborate network of institutions including banking institutions has been established.

- Industrial strategy for the current Sixth Five Year Plan (1980-85) has been formulated in the context of the provisions of Industrial Policy Statements and past performance. The strategy adopted for the Sixth Plan consists essentially in moving simultaneously to strengthen the infrastructure for industry and agriculture so as to create conditions for an accelerated growth in investments output and exports and to provide through special programmes increased opportunities for employment especially in rural areas and the unorganized sector.
- In addition to the conventional strategies aiming at optimum utilization of existing capacities and improvement of productivity, certain other elements of policy would be necessary in the medium term perspective of the Sixth Plan which encompass the following policy aspects envisaged in the Sixth Five Year Plan:
 - . Substantial enhancement of manufacturing capacities in public/private sector covering a wide range of industries for providing not only consumer goods and consumer durables but also for supporting agricultural and industrial growth through supply of intermediate and capital goods.
 - . The capital goods industry in general and the electronics industry in particular will need special attention as these support the growth of a wide range of economic activity.
 - . In the context of the substantial foreign exchange resources required to support the Plan, export of engineering goods and industrial products, as well as project exports will need to be stepped up.
 - . Industrial progress will necessarily depend upon continued technological excellence: this would call for a judicious blend of permitting import of contemporary technology, and promoting the development of indigenous know-how through domestic research and development.
 - . Although industrial development would increase the demand for energy, measures will need to be taken in the context of the emerging energy situation to improve energy efficiency, not only of manufacturing industry, but also of their end products. Further efforts will need to be made to adjust the energy consumption pattern in the industrial sector to domestic energy endowments.

India (cont'd)

- . New strategies for development of backward regions will need to be devised. The thrust would be to implement a new model of development which would prevent concentration of industry in existing metropolitan areas.
- Also, during the Sixth Plan, the programmes and strategy for promotion of village and small industries would be so designed as to subserve the following objectives:
 - . improvement in the levels of production and earnings particularly of the artisans, through measures like upgrading of skills and technologies and producing oriented marketing etc ;
 - . creation of additional employment opportunities on a dispersed and decentralised basis;
 - . significant contribution to growth in the manufacturing sector through, inter alia, fuller utilization of existing installed capacities;
 - . establishment of a wider entrepreneurial base through appropriate training and package of incentives;
 - . creation of viable structure of village and small industries sector so as to progressively reduce the role of subsidies; and
 - . expanded efforts in export promotion.

B. - Table I-1

	Plan period (years)	
	1980-85* (medium-term)	1985-95 (long-term)
	(%)	(%)
Average annual growth target for manufacturing sector in current national development plans	7.62	6.62

* Current Sixth Five-Year Plan period

- Table I-2

	(%)				
	1975*	1976	1977	1978	1979
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1970-71)	2.1	9.4	6.4	14.2	(-)1.9

* Fiscal year beginning 1st April

India (cont'd)

C.	<u>1974-1979</u>	<u>1980-1985</u>
	Oil exploration and development	Oil exploration and development
	Metals	Metals
	Coal	Coal
	Fertilizers	Fertilizers
	Chemicals including petrochemicals	Chemicals including petrochemicals

- It can be seen from the above that the five industrial sectors given high priority for development in the above two periods continue to be the same in view of their crucial importance to the economy and the long gestation period of the projects in these industries. It may, however, be mentioned that as a result of the investments made, particularly in the Sixth Plan, certain shifts in the pattern of industrial development are expected to emerge in the eighties. Production of natural gas, petroleum and coal and industries based on these resources and more particularly fertilizers, plastics, synthetic fibres, synthetic rubber and other petro-chemicals are expected to grow rapidly during this period. A major expansion in the electronic industry in which the country has a comparative advantage due to the availability of a large pool of technically qualified personnel is also visualized. While the expansion in metal and engineering industries would continue, chemical and electronic industries are expected to assume the leading role in industrial investment and production.

D. - The Industrial Policy Resolution sets out a number of objectives based on the Directive Principles of State Policy enshrined in the constitution of India and also in its Preamble. These objectives have to be realized in the context of a socialist pattern of society with emphasis on accelerated economic growth and rapid industrialization. The Industrial Policy Resolution recognized a mixed economy, but states clearly that it will be one of the goals of State Policy to expand the public sector so that it progressively assumes a predominant role. At the same time, in a large field of industries, the private sector will have an opportunity to develop and expand, but its development will be regulated in social interest so as to fit into the framework of national economic policy.

India (cont'd)

- The adoption of the socialist pattern of society as the national objective, as well as the need for planned and rapid development, require that all industries of basic and strategic importance, or in the nature of public utility services, should be in the public sector. The State has, therefore, to assume direct responsibility for the future development of industries over a wide range. Keeping in view these considerations the industries were accordingly classified into three categories in the Industrial Policy Resolution (IPR)-1956. In the first category were industries, the future development of which were to be the exclusive responsibility of the State. Industries in the first category have been listed in Schedule A of the IPR and are seventeen in number. The second category consisted of industries which were to be progressively State-owned and in which the State was to take the initiative in establishing new undertakings, but in which private enterprise was also expected to supplement the efforts of the State.
- These industries are twelve in number and listed in Schedule B of the IPR-1956. All the remaining industries were assigned to the third category and it was expected that their development would be undertaken normally through the initiative and the enterprise of the private sector though it will be open to the State to start any industry even in this category. Further it was stated in the IPR-1956 that "it will be the policy of the State to facilitate and encourage the development of these industries in the private sector, in accordance with the programmes formulated in the successive Five-Year Plan".
- Industrial undertakings in the private sector have necessarily to fit into the framework of the social and economic policy of the State and will be subject to control and regulation in terms of the industries (Development and Regulation) Act and other relevant legislation. The Government of India, however, recognises that it would, in general, be desirable to allow such undertakings to develop with as much freedom as possible, consistent with the targets and objectives of the national plan. When there exist in the same industry both privately and publicly owned units, it would continue to be the policy of the State to give fair and non-discriminatory treatment to both of them.

India (cont'd)

- A significant aspect of industrial development during this period has been the predominant role assigned to the public sector in the establishment of basic industries. The public sector has taken the initiative for the development of such industries as steel, non-ferrous metals, petroleum, coal, fertilizers and heavy engineering. It has also made investments in consumer industries like textiles, drugs and pharmaceuticals, cement and sugar, partly as a result of the need for it to assume the responsibility for nursing back sick units which were taken over by the Government, while the investments in the public sector in the States are largely confined to medium-scale industries appropriate from the point of view of accelerated exploitation of local resources, the major thrust for the development of capital intensive industries has been provided by the central Government. The total investment in the central public sector undertakings as of March 1980 amounted to Rs. 18,225 crores of which approximately Rs. 13,319 crores were invested in industrial and mining undertakings. Arising from these large investments in the public sector, the share of public sector in the net domestic product in organized industry and mining has also moved up from 8 per cent in 1960-61 to 28.9 per cent in 1977-78.
- The Industrial Policy Statement of July 1980 stresses the expanding role of the public sector and emphasises the need for improvement in effective operational systems of management in the public sector undertakings and their contribution in terms of generating surpluses and employment for further growth of the economy. As regards the private sector, it states that, in general it would be desirable to allow private sector undertakings to develop in consonance with targets and achievements of national plans and policies but the growth of monopolistic tendencies or concentration of economic power and wealth in a few hands would not be permitted.
- During the Sixth Five-Year Plan (1980-85) the public sector will continue to play a major role in the expansion of basic industries such as steel, non-ferrous metals, capital goods, fertilizers and petrochemicals. At the same time, there will be a substantial scope for the expansion of private, joint and co-operative sectors within the framework of the broad policy. The fields in which these sectors are expected to contribute significantly are fertilizers, cement, paper, textiles, chemicals, pesticides, drugs and pharmaceuticals, village and small industries. The Sixth Plan provides for a public sector outlay of Rs. 22,188 crores for industry and mineral sector including

India (cont'd)

Rs. 1,780 crores for village and small scale industry. Private investment in industry and minerals including small and village industries in the Sixth Plan is estimated at Rs. 30,323 crores.

- E. Our foreign investment policy stems basically from the fact that our requirements in the industrial field today are vastly different from what they used to be before. Over the years, the country has built up and increasingly diversified and sophisticated industrial base and has also acquired a substantial reservoir of industrial capabilities and technological skills. We are also keen to reduce our dependence on external sources and to become self-reliant through a proper utilization of the various resources as speedily as possible. Our foreign investment policy has, therefore, become highly selective and is designed to channel such investment into areas which will reinforce our own efforts to accelerate the country's economic growth. We are, therefore, looking for foreign investment primarily in areas which require sophisticated technology or where critical production gaps exist or which would help expand our export potential. Foreign investment is regarded by us more as an instrument for securing much-needed sophisticated technology, than a device for requiring foreign money capital. We would prefer to buy such technology through outright commercial purchase or short-duration royalty arrangements. Where foreign investment by way of equity becomes unavoidable, our preference is to secure such foreign participation on a minority basis, not exceeding 40%. Our policy in this regard is, however, flexible and we have been permitting higher equity participation depending on the technology to be acquired. In the light of these considerations, we are no longer permitting foreign investment in fields like banking, commerce, finance, plantation and trading, or in consumer and high-profit-yielding industries. Thus our foreign investment policy takes into account the present stage of our economic development, the industrial infrastructure and technological skills that we have built up, the balance of payment requirements and our objective to achieve self-reliant economic growth as speedily as possible.
- In October 1980, in the light of the changed balance of payments situation, and to attract resources from Oil Exporting Developing Countries (OEDC), some facilities have been provided within the framework of the investment policy of the Government. Accordingly, investment of portfolio nature from the OEDC sources has been permitted in export-oriented or companies engaged in manufacturing activities, covered under Appendix I of the Industrial Policy of the 1973 up to 40 per cent of the equity capital. The items specified in Appendix I of Industrial Policy

India (cont'd)

of 1973 cover 19 product groups such as fertilizers, cement, paper, drugs and pharmaceuticals, industrial machinery, machine tools, earth-moving machinery, chemicals (other than fertilizers) etc. Such investment is also being permitted in new hotels and hospitals.

- Where foreign investment is approved, there is complete freedom of remittance of profits and dividends (subject, of course, to payment of Indian taxes), as well as repatriation of capital by the foreign investors, subject to the usual regulations. Companies which have diluted their non-resident holdings to less than 40 per cent are treated on par with the Indian companies, except in cases specifically notified, and their future expansion is guided by the same principles as those applicable to Indian companies. Foreign share capital should be by way of cash without being linked to tied imports of machinery and equipment or to payments for know-how, trademarks, brand names, etc.

INDONESIA

- A. - In accordance with the general pattern for long-term development, priority in the Third Five-Year Development Plan (1979-1984) will be given to economic development, with main emphasis on the development of the agricultural sector toward self-sufficiency in food with the industrial sector increasing the processing of raw materials into finished goods in the context of balancing the economic structure of Indonesia.

B - Table I-1	Plan period (years)
	1979-1984
	<u>(medium-term)</u>
	<u>(%)</u>
Average annual growth target for manufacturing sector in current national development plans	11

Indonesia (cont'd)

- Table I-2 (8)

	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1973)	12.3	9.7	13.7	11.2	12.9	21.1

C. - 1975-1979

- Cement
- Fertilizers
- Textiles
- Food processing industries
- Agro-based industries

1980-1985

- Basic chemicals
- Basic metals
- Engineering, especially capital goods industry
- Automotive (including heavy duty equipment and automotive)
- Agro-based industries.

D. - The public sector in the national development plans is given an important role, i.e. as an agent of development, a stabilizing factor in respect of production, distribution and prices of strategic commodities.

- The private sector on the other hand, is given an important role in the development of small and medium-scale industries. The private sector, as a matter of fact, is also given an opportunity in the development of basic industries. However, due to large amounts of capital involved and the slow yielding characteristic of the industries, the establishment of such industries is in most cases initiated by the government or state-owned company.

E. - Foreign investment can be made in sectors where production does not meet domestic demand or in expanding export sectors taking into account community interest and the growth of national companies. Foreign investment is accepted on condition that they provide extensive job opportunities and make possible the transfer of skill and technology to the Indonesian people within a short period of time; preserve the equilibrium of ecological quality and directed at support of national development aims and strengthening national economic growth. Foreign investment is required as complimentary and supportive to the national economic development.

IRAQ

- A. - Maximum utilization of natural resources on the national level.
- Strengthening of various economic activities to decrease dependence on oil revenues.
- Give priorities to chemical and petrochemical industries for domestic and foreign markets.
- Other priorities are given to building materials and engineering industries.

B. - Table I-1

	Plan period (years) 1976-1980 (medium-term)
	(%) -
Average annual growth target for manufacturing sector in current national development plans	17.8

- Table I-2
(No data provided).

- C. - 1975-1979
- Petrochemicals
 - Chemicals
 - Electric power
 - Building materials
 - Engineering industries

- D. - The public sector in Iraq is the leading industrial sector, where all heavy manufacturing plants and capital intensive projects are implemented. Light industries are within the line of the private sector, whose main interest lies within the light consumer goods.
- E. - Foreign investments are not allowed in Iraq at present.
- Iraq encourages participation in Arabic projects and presently is a share holder of a number of such projects.

KENYA

A. - The development strategies pursued with particular reference to the industrial sector are set out in the current Development Plan 1979-83; the most important of these are briefly referred to below:

- . To promote export industries particularly those based on indigenous raw materials.
- . To step up the production of essential goods consumed by the masses.
- . To assist industries to improve the quality of their products and reduce their production costs.
- . To create large employment opportunities.
- . To promote Kenyanization.
- . To promote dispersal of industries.
- . To develop small-scale informal and rural industries.

B. - Table I-1

	Plan period (years) 1979-1983 (medium-term) (%)
Average annual growth target for manufacturing sector in current national development plan	9.0

Note: A long-term plan is yet to be formulated.

- Table I-2

	(%)			
	1977	1978	1979	1980
Actual annual growth rate for the manufacturing sector in monetary economy (on the basis of constant prices with 1976 as the base year)	15.9	12.6	7.6	4.6

(Source: Economic Surveys 1980 and 1981)

Kenya (cont'd)

C. - 1974-1978

Import substitution industries

Industries to meet domestic needs

Export-oriented industries

Small-scale industries

1979-1983

Export-oriented industries

Strategic and basic industries

Resource-based industries

Foot-loose industries

Small-scale, rural and informal industries

- D. - Kenya follows the policy of mixed economy with complementary roles for the public and private sectors. The Government's role is to promote industrial development through mainly creation of a favourable climate towards private investment, identification of new investment opportunities, finding partners for foreign investors in the country, assisting local investors in preparation of pre-feasibility and feasibility reports, providing extension services and infrastructural facilities. The Government will, however, play a direct role in the promotion of selected basic and strategic industries.
- E. - According to the current Development Plan, the Government will continue to welcome foreign private investment for selected sectors as well as grants and loans from international donors. Foreign private investment is welcome, particularly when such investment creates employment for Kenyans, processes local raw materials, earns or saves foreign exchange, transfers needed technology, etc. The Government expects that in future such opportunities will be found increasingly in export-oriented activities, manufacturing, agricultural processing, mining and tourism. Such investment is not expected to seek opportunities in certain strategic areas as basic transport, telecommunications and hydro-electric power.
- The Government has all along participated in, supported and extended co-operation to all international as well as regional activities and institutions concerned with industrial development particularly the follow-up of the Lima Declaration and Plan of Action.

LESCOHO

- A. - Utilization of full available capacity.
- Minimizing material inputs and maximizing the output in the manufacturing sector.
- Maximizing the value added of every project.
- Ascertain suitable markets for the products.
- Ascertain the flow of materials especially those which have to be imported, so that a complete cycle in the sphere of production could be achieved.
- Maximizing the know-how of labour both on production and management levels and achieving suitable courses for training.

B. Table I-1
(No data provided).

	Table I-2 (%)			
	1976	1977	1978	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1975)	17	37	39.6	44.6

C. - <u>1975-1979</u>	<u>1980-1985</u>
Food processing	Slaughter houses
Leather works	Wool and mohair scouring
Mohair processing	Dairy production
Manufacturing of mainly imported materials	Leather tanning and processing
	Manufacturing of edible oil

Lesotho (cont'd)

- D. - The Lesotho National Development Corporation (LNDC) was established in 1967 to promote the industrial development by embarking upon a programme of attracting foreign investors.
- The Basotho Enterprise Development Corporation (BEDCO) was established in 1975 to promote industrial development by assisting small-scale local entrepreneurs to participate in industrial production.
 - The Government is also participating in promoting industrial development (established a wheat mill, an abattoir is in the building process).
- E. - Lesotho National Development Corporation (LNDC) assists in creating an attractive business environment for private investors, both local and foreign.
- Lesotho offers duty free entry of many products into Black Africa, the EEC and USA.
 - Quota-free importation of raw material for the manufacturing of goods intended for export.
 - No restrictions on the training and development of workers and managerial staff.
 - The country offers up to six years tax holiday or other generous concessions for new industries, and repatriation of profits, capital and interest.
- F. - Lesotho is a member of the Southern African Development Co-ordination Conference (SADCC).
- Lesotho is at present preparing to host a Solidarity meeting in June 1982.

MADAGASCAR *

- A. - Agriculture is the basis of the economy and industry the driving force;
- Self-centred industry (independence and self-sufficiency);
 - Basic industry (intermediate goods) is the fundamental objective in building for the future, and its development will be derived at by developing agriculture and light industry;
 - Light industry (consumer goods) should meet all local needs (industry of substitution);
 - Integration of industry (use of local resources);
 - Export industry (foreign exchange);
 - Foreign aid as a supplement, not as a complement except where priorities require means exceeding local capacities.

B. Table I-1
(No data provided).

- Table I-2
Owing to the world crisis, only a few large-scale State industrial enterprises have achieved a measure of growth in recent years.

C. - <u>1975-1979</u>	<u>1980-1985</u>
Energy branch	Energy branch
Food industry	Food industry
Textile industry	Building materials
Building industry	Chemical industry (fertilizers, etc.)
Agricultural equipment	Paper industry (pulp, paper, etc.)

- D. - Public sector enterprises in which the State is almost the only shareholder (key sectors of the economy) and others in which the State is simply the majority shareholder (sectors turning out products of primary necessity (PPN) or national interest sector).
- Other enterprises are either private or partly private, partly State-owned.

*/ Translated from French.

Madagascar (cont'd)

E. Foreign investments requires prior authorization from the Ministry of Finance.

- In principle Madagascar relies exclusively on its own resources except in the case of projects which are considered to be priorities but whose execution and/or operation exceeds local capacities; in such cases, foreign investment or other forms of international co-operation are sought on the basis of association/participation.

MALAWI

- A. - Industrial development strategies, based on economic viability criterion are:-
- Labour-intensiveness
 - Supply-orientation (where possible)
 - Demand-orientation
 - Deconcentration
 - Localisation
 - Export-orientation (where possible).

B. - Table I-1

	Plan period (years)	
	1980-1985 (medium-term)	1986-1990 (long-term)
	(%)	(%)
Average annual growth target for manufacturing sector in current national development plans	8	8

- Table I-2

	1975 1976 1977 1978 1979 1980					
	(%)					
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1973)	14.2	-2.2	10.6	8.7	5.0	3.9

Malawi (cont'd)

C.	<u>1975-1979</u>	<u>1980-1985</u>
	Tobacco	Energy (ethyl-alcohol)
	Tea	Fertilizer
	Food	Glass
	Beverages	Cement
	Plastics	Tanneries

- D. - Priority is given to the private sector. The public sector has a more supportive role in industrial development, where the private sector is reluctant to engage in nationally important industrial investments.
- Malawi welcomes foreign investments on their own merits and international co-operation, particularly with development of financial institutions. There are no restrictions on foreign investments and international co-operation. On the contrary, policies and measures relating to the industrial promotion and incentives are generous enough to attract foreign investors.
- An industrial development programme project assisted by UNDP/UNIDO aims at establishing a systematic approach to the industrial development process in Malawi.

MALTA

- A. - Malta has been pursuing a fast economic restructuring programme so as to transform an economic base, for many years moulded to meet the needs of a foreign military base, into principally a viable industrial one. Accordingly, development strategy has had as one main aim the growth of manufacturing industry as the dominant sector of the economy and manufacturing was assigned a particularly onerous role in the 1973-80 Plan. To encourage the setting up of new industrial projects, the government introduced in 1973 new investment incentives in the form of accelerated depreciation allowances, tax concessions on profits channelled back into investments and other inducements. The institution entrusted with responsibility for the broad thrust of the industrial strategy is the Malta Development Corporation. One other objective of the seven-year plan was to establish the Island as a leading shiprepair and shipbuilding centre: strong

Malta (cont'd)

foundations were laid during the seventies for the expansion of the country's capabilities in marine engineering and shiprepair facilities were considerably strengthened. Thus, inspite of the world-wide slump and depressed prices in the shiprepair sector, the workload at the Malta drydocks was maintained at a consistently high level.

B.

Table I-1
Plan period (years)
1981-1985
(medium-term)
(%)

Average annual growth target for manufacturing sector in current national development plans	6.2
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Table I-2
(%)

	1975	1976	1977	1978	1979
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1973)	13.4	27.4	19.1	5.2	9.8

C. - 1973-1980

1981-1985

Manufacturing

Manufacturing preferably in the metal and light engineering sectors

Shiprepairing

Shiprepairing

Shipbuilding

Shipbuilding

D. - In the current plan it is stated that the rate of growth which Malta has to attain up to the mid-eighties can best be reached through a bold joint effort by the public and the private sector. The Government, while doing its utmost to maintain a favourable economic environment for investment, will also support measures that ensure the continued competitiveness and growth of local industry. On its part, industry has to show resilience, flexibility and initiative to develop and expand its business contacts and to grasp opportunities in foreign markets. Given the magnitude of Malta's future challenge there exists room for both sectors to participate jointly in Malta's development without giving rise to

Malta (cont'd)

conflict. In this context, there is no need of a sharp and clear-cut distinction - which could turn out to be arbitrary and artificial - as to what constitutes the sphere of operation of the private and the public sectors. The two sectors working in tandem can complement one another in industry and establish a more dynamic relationship based on partnership in the best national interest.

- E. Though the Government encourages projects conceived and promoted from internal sources official support is also forthcoming for joint-venture projects since in recent years this formula has been found to offer advantages. In a likewise manner, operations wholly-owned by foreign interests are also welcome. One inducement offered under the current package of incentives relates to the statutory protection for fully foreign-owned companies and free transfer of profits and capital from Malta in unlimited amounts in any currency and to any country at any time during the life span of a project. As a result of this flexible approach, there exists full scope for the development of various forms of industrial partnerships in Malta. In all cases due weight is given in the assessment of investment proposals to such considerations as access to markets, higher-skill labour content, balance of payments criteria, multiplier effects on the domestic economy and the possibility of stimulating regional co-operation.
- F. The attraction of a steady flow of foreign enterprises has invariably been a vital component of Malta's industrial development strategy and to put this strategy into practice, the Island has since the inception of its industrial expansion programme offered incentives. However, in the current plan, it is also stated that in pursuit of Malta's objective of increasing self-reliance, the longer-term industrial strategy should be aimed at the setting up of locally conceived, controlled and owned industrial projects.

MAURITIUS

- A. - Investment loans, tax holidays, duty-free imports of machinery and raw materials, etc. for export industries.
- Similar scheme for import substitution industries.
- Export credit guarantee scheme.
- Negotiated duty-free quotas with the EEC and the U.S.A markets.

B. Table I-1
(No data provided).

Table I-2
(%)

	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1976)	+15	+0	+4	+3

C. - <u>1975-1979</u>	<u>1980-1982</u>
Spinning and weaving	Knitwear
Knitwear	Garments
Garments	Miscellaneous small assembly
Import substitution	Import substitution
Diamond cutting	Precision assemblies

- D. - Public sector for utilities: Electricity, water and transport.
- Private sector: Manufacturing and tourism.
- E. - Establishment of business promotion centers throughout the EEC.
- Specific sectoral marketing studies in new potential markets.
- Various bilateral and multilateral agreements of co-operation.

MEXICO*

- A. - The development strategy adopted during the period 1977-1982 has comprised three stages: the first consisted in overcoming the crisis; the second involved laying firmer foundations for a self-sustaining development process; and the third is a stage of accelerated growth, which it is hoped to maintain till 1990.
- Within the strategy the specified objectives of the National Industrial Development Plan were as follows: (a) to redirect production towards basic consumer goods; (b) to develop highly productive branches of industry capable of exporting and replacing imports; (c) to improve the structure of industry in order to take greater advantage of the country's natural resources and to develop branches of industry such as those producing capital goods; (d) to decentralize economic activity geographically by shifting investment towards the coasts, frontiers and other areas which may thereby become viable alternatives to the country's major industrial centres; (e) to ensure balanced market structures by fighting oligopolistic tendencies and setting off major enterprises by small and medium-sized concerns.

B.

Table I-1
Plan period (years)

	1980-1982 (medium-term) (\$)	1979-1990 (long-term) (\$)
Average annual growth target for manufacturing sector in current national development plans	10	10.9

Source: First Progress Report on Global Development Plan.

*/ Translated from Spanish.

Mexico (cont'd)

Table I-2

	(%)					
	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year —)	3.6	3.5	3.6	9.8	10.6	7.2

Source: Annual Report of the Banco de Mexico (for the years 1975, 1976 and 1977), Fifth Report of the Government, September 1981 (for 1978, 1979 and 1980). 1960 for the three years 1975, 1976 and 1977. 1970 for 1978, 1979 and 1980.

C. (No reply to this issue).

D. - The purpose of participation by semipublic industry in Mexico's mixed-economy system is to enable the State to stimulate, support and direct national enterprises and the production and supply of raw materials and intermediate goods. In this way private enterprise is made to play its rightful part in the social system.

- The private sector itself contributes to the attainment of the objectives laid down in development plans by carrying out commitments assumed in response to incentives offered by the Federal Government.

E. - Under the National Development Plan, "enterprises with foreign capital may provide access to external markets and to sources of technology exchange. Once guidelines for the country's priorities have been laid down, the fields and forms in which foreign participation may make a significant contribution will be determined"^{1/}.

- The Mexican Investment Promotion and Foreign Investment Control Act is intended "to stimulate fair and balanced development and to consolidate national independence"^{2/}. It lays down general provisions and establishes the National Foreign Investment Commission to deal with specific matters and other issues.

^{1/} National Industrial Development Plan, chapter 1, Planning Strategy, 8. Market Structures, Mexico City, 1979.

^{2/} Mexican Investment Promotion and Foreign Investment Control Act, Chapter 1, art. 1, Mexico City, Diario Oficial, 9 March 1973.

Mexico (cont'd)

- International co-operation policies, including industrial co-operation policies, share an overall conception of relationships "for the purpose of avoiding the application of simple - and sometimes simplistic - commercial criteria"^{3/}.

NIGER*

- A. - Creation of an industrial basis to ensure the economic independence of the country;
 - Reduction of the national economy's dependence on agriculture;
 - Reduction of regional disparities;
 - Giving priority to the development of the processing industry for farm products;
 - Policy of developing import-substitution and some export industries; and
 - Encouragement of the creation of highly labour-intensive enterprises.

B.

Table I-1
Plan period (years)
1979-1983
(medium-term)

(%)

(Five Year Plan (1979-1983))

Average annual growth target for manufacturing sector in current national development plans	28.2
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Table I-2 (%)

1979 1980

Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year --)	42	10.4
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^{3/} Fifth Government Report, Additional Report by José López Portillo, External Relations, Mexico City, 1981.

*/ Translated from French.

Niger (cont'd)

C. - 1979 - 1983

Food industry

Building materials industry

Hide and leather industry

- D. - Public sector enterprises, particularly in the areas of energy, building materials and agricultural materials, contribute to the basic infrastructure. However, they are highly capital-intensive.
- Private sector enterprises, particularly in the areas of consumer goods and textiles, require little capital; however, their profitability is unquestionable.
- E. - The country's industrial activity is governed by a number of regulations, among them:
- the investment code: Law No. 74-18 containing provisions on the encouragement of investment in the country;
 - Decrees No. 82-65 and 82-66, listing the occupations from which foreigners are barred or their exercise of which is restricted;
 - bilateral agreements (protection of investments with certain countries, such as Luxembourg and the United Kingdom.

NIGERIA

A. Policy and objectives

- Maximisation of local value added.
- Research and development in the processes of production and the amount of local input.
- Employment generation labour-intensive technologies within the limits of economic viability.
- Steady growth of technological and material self-reliance.
- Promotion of export-oriented industries.
- Industrial dispersal throughout the country.

Nigeria (cont'd)

Strategy

- Incentives to industries, e.g., pioneer status, approved users scheme, accelerated depreciation of capital investment and custom (drawback) regulation, etc.
- Provision of infrastructural facilities especially to disadvantaged areas.
- Financial arrangements for industries.
- Encouragement of private initiative.
- Manpower development.

B.

Table I-1
 Plan period (years)
 1981-1985
 (long-term)

 (%)

Average annual growth target
 for manufacturing sector in
 current national
 development plans 15 p.a.

Table I-2
 (%)

	1970/71	1974/75	1980
Actual annual growth for manufacturing sector (on the basis of constant prices with base in the year 1973-1974)	11.5	15.6	15.0

Nigeria (cont'd)

C. - 1975-1979

Basic metals and engineering industries including iron and steel industry

Cement

Commercial vehicle assembly/manufacturing projects

Integrated sugar projects

Fish and shrimp industry

1980-1985

Agro-based and food processing

Building materials

Engineering and transport

Chemical industries

Scientific instruments

Telecommunication

D. - The private sector is free to venture into any industry except those of strategic importance which the Government will invest in. The Government is also free to intervene in any sector to fill a gap. Primarily, the role of the public sector is to promote rapid development through incentives and assistance to private entrepreneurs.

E. - Before 1972, the Nigerian economy was dominated by foreign capital. The Nigerian Enterprises Promotion (N.E.P) act of 1972, enabled Nigerian citizens to take equity shares in foreign-owned business enterprises. The N.E.P act of 1977 advanced further the issue of Nigerian participation in foreign-owned enterprises. The legislation classified all enterprises into 3 categories namely category I, II and III. Nigerians are expected to own 100 per cent of the equity in enterprises under category I, a minimum of 60 per cent of those in category II and 40 per cent of those in category III. Foreign investors are enabled, through the approved status certificates issued in respect of non-resident capitals, to repatriate their dividends and investments whenever they wish. Both the Nigerian government and private Nigerians invest in joint ventures outside Nigeria.

F. - The 1977 act has been amended to make it more liberal to foreign investors especially in activities in which indigenous capability is known to be small: plantation agriculture, cement and fertilizer manufacture, as well as manufacture of metal containers; all of which are now in category III, are some of these areas.

OMAN

A. - The Development Council Resolution of February 9, 1975 and the Second Five-Year Development Plan (1981-1985) spell out the strategy and broad objectives of economic development of Oman. Among others, they emphasise the following:

- . To develop new sources of national income to augment and eventually to replace oil revenues.
- . To increase the ratio of national investments directed to income generating projects, particularly in manufacturing, mining, agriculture and fisheries.
- . To provide for the creation of a national economy based on private enterprise and free from monopolistic practices by giving a strong and stimulating push to the private sector engaged in productive activities in agriculture, fisheries, manufacturing and mining.
- . To give higher priority to industrial projects which would embody one or more of the following factors: the use of local raw materials, the production or processing of food-stuffs, the benefit of a relative advantage in export-markets or the use of a high percentage of local manpower.

3.

	Table I-1	
	Plan period (years)	
	1976-1980	1981-1985
	(%)	(%)
Average annual growth target for manufacturing sector in current national development plans	146.60	34.2

Source: The First Five-Year Plan document.
The Second Five-Year Plan document.

Oman (cont'd)

Table I-2

	(%)				
	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of current prices with base in the year —)	90.5	107.5	34.9	26.8	23.2

Source: The Second Five Year Plan document

- C. - 1976-1980 1980-1985
- | | |
|--|--|
| An industrial zone | A copper smelter |
| A cement plant | An oil refinery |
| A flour mill | A compound animal feed mill |
| An asbestos cement plant and building materials industry | A salt refinery and allied chloralkali plant |
| Dates processing and diary products | Glass bottles manufacturing plant |
- D. - Industrial development has to take place primarily through the private sector. The Government will continue to develop basic infrastructure for industry and provide a strong and stimulating push to the private sector by direct financial support by providing part of the equity capital, interest-free loans and grants in appropriate cases besides giving liberal concessions such as tax-relief, "protection" etc., encouraging foreign investors and carrying out techno-economic feasibility studies for industrial projects having potential for success in Oman.

Oman (cont'd)

- E. - One of the targets of the Second Five Year Development Plan is to encourage foreign investors to join in the projects which contribute to the economic development of the country.
- Foreign business and investment law (issued 1974), specifies that the proportion of the Omani share in the capital should not be less than 35%.

PAKISTAN

- A. - In the Fifth Plan, the investment strategy in industry is to restrict the public sector primarily to the completion of on-going projects and consolidation of earlier investments while encouraging private investment to increase substantially and to play its full role in the industrial development of the country.
- The first priority is being given to the creation of a sizeable base of manufacturing units for producing basic industrial and agricultural inputs. Without sizeable domestic production of such basic inputs as steel, cement, heavy chemicals, fertilizers and agricultural machinery, no policy to build a viable capital goods industry or to achieve self-sufficiency in agriculture can succeed. Basic commodities like steel are of no particular use unless the capability to convert them into final products also exists. Therefore, it is proposed to enhance the capability of the capital goods sector, through balancing and modernising existing facilities and creating new capacities to effectively utilize the envisaged output of the Karachi steel mill.
- After producer goods, priority is being accorded to industries based on indigenous raw-materials. This category includes agro-based and mineral based industries. Nearly 38% of the investment in industry in the Fifth Plan is earmarked for agro-related industries. A large part of this investment will be in the private sector on small industries located in or near rural areas. These will include agricultural processing industries like rice husking, cotton ginning, wheat milling, oil crushing, gur and sugar making. The development of new industries based on agricultural by-products and waste products (like molasses, bagasse, wheat and rice straw, etc.) will be encouraged and traditional industries like leather and footwear, textile crafts and carpets will be supported. The contribution of mineral based industries may appear to be small in the Plan. However, the emphasis on mineral exploration, with a view to mineral exploitation, should result in a significant expansion of mineral based industries in the long term.

Pakistan (cont'd)

- A notable feature of Pakistan's industrialization has been its export orientation. In the Fifth Plan, this emphasis will continue. Investment is, however, proposed to be directed towards export-oriented industries based on local raw-materials. Parallel with the efforts to expand the exports of agro-based commodities, emphasis will be placed on effecting improvements in quality and on moving towards the production of more finished items with a higher component of domestic value added.
- With a view to conserving foreign exchange and moving towards self-reliance, investment in import substitution industries will continue on a selective basis. Although investment in purely import-substitution industries will not be large, proposed for the producer goods industries.

B.

Table I-1
Plan period (years)
1981-1982 1978-1983
(medium-term) (long-term)

	(%)	(%)
Average annual growth target for manufacturing sector in current national development plans	8.8	10

Table I-2 (%)

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1959-60)	1.55	0.43	9.19	4.57	9.48	9.2

Pakistan (cont'd)

C. - 1975-1977

Essential non-reserved industries such as cotton, textiles and sugar

1978-1983

Capital goods industries
Agro-based industries
Mineral-based industries
Export oriented industries
Import substitution industries

- D. - In order to open a much larger field to the private sector and to clarify what industries can be set up by the private sector, demarcation has been made between the private and public sectors in respect of certain categories of industries. Only basic and heavy industries have been reserved exclusively for the public sector. These industries are:
- . Iron and steel industry - rolling of M.S. sheets and plates (all types and sizes), plain and corrugated black and coated.
 - . Basic metal industries - manufacture of basic metals and alloys thereof.
 - . Heavy engineering (mechanical) industries - (i) high speed engines (i.e. above 1600 RPM), all types (including automobile engines); (ii) cotton textile machinery; (iii) sugar mills machinery; (iv) cement machinery plant (v) chain pulleys and cranes, all types; (vi) railway rolling stocks; (vii) mining machinery and equipment; and (viii) shipbuilding and drydock repair.
 - . Heavy electrical industries - (i) power and distribution transformers above 33,000 volts (33 KV); (ii) circuit breakers and isolators above 33 KV; (iii) instrument transformers and capacitors above 33 KV.
 - . Assembly and manufacture of motor vehicles - assembly and manufacture of automobiles (trucks, buses, cars, pick-ups, vans and jeeps, etc.).
 - . Petrochemical industries - basic manufacture of petrochemicals.
 - . Public utilities, including (i) electricity generation transmission and distribution; (ii) gas supply; and (iii) oil refineries.

Pakistan (cont'd)

- The Economic Reforms Order 1972 does not debar the private sector from entering into any industrial field. This demarcation is only indicative and depending upon the merit of each case, the Government, however, has the option to permit private investment in any industry reserved for the public sector.

E. - The Government has consistently followed a liberal policy towards foreign private investment. A wide area of industrial activity has always been open to foreign private investors. Foreign investment is particularly encouraged in industries which require sophisticated technology or which are highly capital intensive. Foreign investment is, however, not encouraged in industries which are capable of attracting growth independently without any further inflow of foreign investment or technology.

- To attract investment from abroad, Pakistan offers a number of incentives and concessions. These include:

- . Freedom in selection of industrial projects consistent with national objective and policies.
- . Repatriation of capital investment including capital gains, if any.
- . Remittance of profits.
- . Remittance of approved royalties and technical fees.
- . Flexibility in the extent of local participation.
- . Depreciation allowances.
- . Income tax exemption to foreign technicians for three years.
- . Tariff protection to deserving industries.
- . Tax concessions on export.
- . Relief from double taxation to foreign investors from capital exporting countries with whom Pakistan has entered into an agreement.

- In order to provide necessary safeguards to foreign investors, "Foreign Private Investment (Promotion and Protection) Act, 1976" has been promulgated. This law contains the basic principles which govern the facilities, incentives and safeguards offered to foreign private investors.

PANAMA*

- A. - Implementation of Statute 413, which relates to the granting of tax incentives to manufacturing industries (exemption from import duty and tax on income from exports and on property).
- Creation of state Finance Corporations, empowered to grant low-interest loans to parties engaged in industrial activities (Cofina; funds through the Banco Nacional; Small Companies).
- Special interest in the development of agro-industrial resources.
- Creation of Industrial Estates (concentration of various industrial activities).

B. Table I-1
(No data provided).

- Table I-2
(%)

	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year —)	16	14	13	13	14	15

C. - 1976-1981

Agricultural food products

Fishing resources

Mining resources

Hydroelectric energy (IRHE)

Assembly industries
(corn for grinding)

1982-1985

Mining resources

Assembly industries

Intermediate industries

Energy

Agricultural industry

The tourist industry has also been promoted, with favourable results.

*/ Translated from Spanish.

Panama (cont'd)

- D. - The public sector industry has been engaged in the following activities: cement, sugar, energy resources, etc.
- Its prime function is to meet the needs of consumers which are not covered by the private sector, in view of high investment risks.
- The function of the private sector is to cover consumers' immediate needs. In both cases efforts are being made to overcome the state of underdevelopment by increasing the number of jobs available.

- E. - Policy for Foreign Investment:
 - . There is no restriction whatsoever on the control of gains and retention of profits from foreign investment.
 - . Any foreign company may invest without restriction (incentives given, such as those specified in Government Statute 413 of 30 December 1970).
 - . The government reserves the right to invest in strategic sectors such as: electricity, airports, highways, etc.
 - . No precise indications have as yet been issued as to the particular areas in which companies may invest.
- International Industrial Co-operation
 - . Based on financial means and the execution of technical studies on such resources by the I.D.B., A.I.D., etc.
 - . By sending teams of experts who remain in the country in question for a given period to advise in a particular sector.

PERU*

- A. - In 1970 the government started to apply a new industrial strategy making the manufacturing sector the driving force for economic development and one of the main areas for the policy of social reform. An important part of industry was nationalized, and in the remaining private enterprises the participation of the workers in the share capital and in management was introduced. Incentive and protection policies involved strong support for the manufacturing sector.
- The most important political changes introduced in 1975 affected foreign trade. Since 1976, export promotion policies have concentrated on the reinforcement of the Certix incentive system, improvements in export financing and flexibility as regards foreign exchange. The establishment, in 1979, of an organization to promote exports, the Fund for the Promotion of Exports (FOPEX), under the

*/ Translated from Spanish.

Peru (cont'd)

auspices of the Ministry of Commerce, has contributed to the promotion of non-traditional exports (manufactures), which are showing more dynamism than in the past. Since 1979 the system of tariffs and import restrictions has been the subject of a continuing careful review, leading to a gradual elimination of all non-tariff restrictions on imports, a slight decrease in the average level of tariffs and a substantial reduction in the maximum tariff.

B. -

Table I-1
Plan period (years)

	1982-1986 (medium-term) (%)	1978-1990 (long-term) (%)
Average annual growth target for manufacturing sector in current national development plan (average growth of the product of manufacturing) <u>1/</u>	5.1	4.9

Source: Modelo Prospectivo - Informe al Horizonte 1990. INP, December 1980.

1/ Total manufacturing sector, including industry and crafts.

Table I-2
(%)

	1975	1976	1977	1978	1979*	1980**
Actual annual growth rate for manufacturing sector <u>1/</u> (on the basis of constant prices with base in the year 1973)	4.1	4.0	-4.3	-3.9	4.1	5.9

Source: Cuentas Nacionales del Perú 1950-1980. INE, May 1981

* Tentative

** Estimated

1/ Total manufacturing sector, including industry and crafts.

Peru (cont'd)

C. - 1975-1979

Food industry
Chemical industry
Cement industry
Small-scale and medium-scale industry
Shipbuilding industry

1980-1985

Small-scale industry and crafts
Agro-industry
Wood industry
Beer, wine and spirits industry
Iron and steel industry

D. - The role of the public sector industry has been mainly directed at those manufacturing activities which are characterized by a high degree of forward and backward linkage (e.g. iron and steel, shipbuilding, petroleum, cement, fertilizer, fish meal, paper, etc.). This has permitted some degree of participation by the private sector, which dominates the production scene in the remaining branches of manufacturing activity.

E. - Greater flexibility has been given to the conditions for the attraction of foreign investment in line with the opening of the gate to imports as a result of the reform of the country's tariff policy, whose major objective is efficiency and industrial competitiveness.

- In the area of international co-operation, especially within the Andean subregion and the Latin American region, steps are being taken to ensure effective bilateral industrial co-operation, with an eye to bi-national industrial projects.

REPUBLIC OF KOREA

- A. - The Korean Government has formulated the newly revised industrial policies in order to develop each industrial sector more in line with the changing comparative advantage in the world market. The primary emphases of the industrial policy to be implemented during the coming years include:

a more efficient allocation of investment resources;
 attainment of the advanced industrial structures; and
 a more rational energy policy.

B.

	1981-1983 (medium-term) (%)	1982-1986 (long-term) (%)
Average annual growth target for manufacturing sector in current national development plans	9.2	11.0

	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1975)	12.7	22.6	14.4	20.7	9.8	-1.2

C. - 1975-1979

Textile industry
 Shipbuilding industry
 Iron and steel industry
 Chemical industry
 Industrial machinery

1980-1985

Electronics industry
 Industrial machinery
 Shipbuilding industry
 Textile industry
 Fine chemical industry

Republic of Korea (cont'd)

- D. - Aside from a limited number of large-scale projects, investment choices will be left to the initiative of the private sector, while the Government will indicate only the general framework and direction in which such choices should be made.
- In order to foster creative endeavors in the private sector, the Government will further reduce its intervention in the market mechanism through regulation and protection, and instead begin to gear various new incentive systems.
- E. - Under the new policy to liberalize foreign investment, eligibility for direct investment has been expanded, and it is now possible for foreign investors to hold an equity share of up to 100% in many industries. Eventually the government will adopt a negative list system whereby direct investment application will be automatically approved, except in a very few cases.

ROMANIA*

- A. - In working out its development policy, Romania has started from the premise that only by planned development can it ensure the rational and optimum utilization of the country's resources, in accordance with the needs of society. As a result, all the sectors of economic life, including industry, have a planned development, in accordance with a single national plan.
- The medium-term and long-term strategy relating to the Romanian economy provides, as a priority, for the growth of material production in order to implement the programme to raise the standard of living of the whole population, to meet the other requirements of the national economy, to expand and diversify foreign trade and bi- and multi-lateral economic, technical and scientific co-operation. Within this context the five-year and annual plans are aimed at simultaneously promoting the intensive development of agricultural and exploiting all the natural and labour resources, as well as developing a powerful industry, whose structures will be able to ensure high output and efficiency. The development of industry between now and 1985 requires the continuous expansion of our own infrastructure of raw materials and energy resources, the greater exploitation of agricultural resources and the acceleration and intensification of the process to modernize and automate production structures in the manufacturing industry.

*/ Translated from French.

Romania (cont'd)

B. Growth targets and actual growth rates for industrial production (the period to which the plans related and the base year are indicated).

Table I-1
Plan period (years)

	1981-1985 (medium-term) (%)	1981-1990 (long-term) (%)
Average annual growth target for manufacturing sector* in current national development plans	7.6	8.2-8.7

Table I-2
(%)

	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector* (on the basis of constant prices: base year 1970)	184	205	230	251	271	289

* These data refer to industry as a whole (including the mining sector).

C. - 1975-1980

- The metallurgical industry with the accent on basic iron and steel products
- The mechanical construction industry, in particular the electrical engineering, machine tool, agricultural machinery and transport industries

1980-1985

- The chemical industry, with the accent on the reproduction of synthetic resins, plastics and artificial fibres, synthetic rubber and rubber products, drugs, beauty products and detergents.

1981-1985

- The chemical industry, petroleum and natural gas processing industry: refinery products, chemical fertilizers, pesticides, soda products, organic acids
- The industrial consumer articles industry
- The building materials industry: cement, prefabricated concrete, masonry materials
- The metal products, machinery and tools industry: means of automation, computing techniques, fine mechanical products, optics, hydraulic and pneumatic equipment technological machinery and equipment for the mining and manufacturing industry.

Romania (cont'd)

1981-1985

- The metallurgical industry and, in particular, the industry of sophisticated manufactured products.
 - The consumer industry (canning of meat, milk products, fish preparations, oils and fats, sugar and sugar products, fabrics, clothing, leather products, household appliances).
- D. - The character and structure of Romania's economy are determined by the leading position occupied by the public sector enterprises, especially in industry. We mention the fact that, at the end of 1980, this sector accounted for over 75% of the industrial units and 90% of the workforce; the difference is made up of co-operative type enterprises (418 units) employing around 300,000 workers.
- E. - By virtue of the inter-state relations which govern the foreign policy of the country, Romania is expanding its trade and carrying out economic, technical and scientific co-operation schemes with the socialist countries, the developing countries, and the developed capitalist States. The main forms of co-operation are:
- prospecting work and the exploitation of natural resources carried out abroad, paid for by deliveries of raw materials obtained or other goods as agreed with the partners;
 - the construction abroad of economic objectives, the supply of installations, equipment, documentation and the provision of technical assistance, against payment in cash, by products obtained in the new facilities and in other goods;
 - the formation of mixed companies for the production of capital goods, and also companies of a commercial and financial-banking nature;
 - bi- and multi-lateral specialization in the manufacture of machinery, installations and other industrial products to meet our own requirements and the needs of our partners, and for export to third markets.

RWANDA*

- A. - In view of the very high rate of population growth (3.7 per cent per annum) and the reduction in the size of family farms (less than 1 hectare per family of 4.5 persons), industrialization and the development of the handicrafts and tertiary sectors will in future have to take the lead in creating jobs to absorb the increase in population.

*/ Translated from French.

Rwanda (cont'd)

B.

Table I-1
Plan period (years)
1980-1986
(long-term)
(%)

Average annual growth target for manufacturing sector in current national development plans	Exporting agro-industries	11.6
	Agro-food industries	3.1
	Manufacturing industries	6.7
	Sector as a whole	4.7

Table I-2

	(%)		
	1977	1978	1979
Actual annual growth rate for manufacturing sector (on the basis of constant prices)	10.8	6.1	-1.0

C.

Third Plan, 1982 - 1986

Processing of local raw materials

Integrated industrialization of the suppliers and customers of the agricultural sector

Production of popular consumer goods

D. (No reply on this issue).

E. (No reply on this issue).

SAUDI ARABIA

In response to the UNIDO questionnaire the Government of Saudi Arabia submitted the following documents:

- Lists of licensed factories and industrial licences issued under the National Industries Protection and Encouragement Law and Foreign Capital Investment Law during the years 1400, 1401 and 1402.
- Industrial Cities in the Kingdom
- A Guide to Industrial Investment
- Industrial Statistical Bulletin (1401 A.H. - 1381 A.D.)

SENEGAL*

- A. - To ensure effective participation by the public in decision-making concerning the industrial development of their environment;
- To organize industrial development pursuant to a policy of town and country planning;
- To harness the factors of production through technological readaptation the promotion of Senegalese capital and the utilization of raw materials; and
- To collaborate with the nearest neighbours under a genuine policy of development in concentric circles.

(Gambia River Development Organization (OMVG); Organization for the Development of the Senegal River (OMVS); West African Economic Community (WAEC); Economic Community of West African States (ECOWAS).

B. -

Table I-1
Plan period (years)
1981-1985
(medium-term)

(%)

Average annual growth target for manufacturing sector in current national development plans 5.0

Table I-2
(%)

	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices)	5.1	7.5	4.5	-10.0	9.8	-9.0

C. - 1977-1981

1981-1985

Food industries engineering	Chemical industries
Mechanical engineering industries	Textile, miscellaneous
Chemical industries	Food industries
Textile industries	Mechanical engineering industries
Timber, paper, board industries	Industrial estates

*/ Translated from French.

Senegal (cont'd)

- D. - Small and medium-sized enterprises are found mainly in the private sector.
- Large-scale enterprises are in the public sector, but there is private capital invested in them.
- E. - Since resort to foreign banks and foreign private financial institutions for financing leads to a substantial increase in debt servicing, the State seeks to reduce private borrowing and new commitments have been entered into with government agencies and public bodies. Adoption of an Investment Code safeguarding foreign investors.

SINGAPORE

- A. - Given changed domestic and international conditions, Singapore is restructuring its manufacturing sector away from labour-intensive, low value-added industries to new industries with higher technology and skill content. The strategy remains export-oriented. Industries are encouraged to upgrade their operations through higher labour productivity, more efficient utilization of inputs and product development. The strategy is implemented through fiscal incentives, wage policy and manpower development programmes.

B.

Table I-1
Plan period (years)
1981-1990
(medium-term)

Average annual growth target for manufacturing sector in current national development plans	11% in value-added
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Table I-2
(%)

	1975	1976	1977	1978	1979	1980*
Actual annual growth rate for manufacturing sector (on the basis of constant factor cost with base in the year 1968)	-2.0	10.1	7.6	11.3	15.0	11.9

* Preliminary

Singapore (cont'd)

C. - 1975-1979

1980-1985

Chemical process industries

Chemical process industries

Metal engineering and machinery industries

Metal engineering and machinery industries

Heavy engineering industries

Heavy engineering industries

Electrical industries

Electrical industries

Electronics industries

Electronics industries

D. - Direct government investment in industry is not accorded an important role. The role of the Government is essentially a supportive one. to develop basic infrastructural facilities, to train manpower in specific skills and to provide fiscal and financial assistance to desirable industries. The aim is that the provision of these facilities and incentives, as well as the maintenance of Singapore's position as a politically and economically stable country, will guide private sector investment into the priority sectors.

E. - The manufacturing sector needs to acquire new technology which will enable it to compete effectively in the international market. The most expedient way to achieve this is to encourage the appropriate foreign investment. The official approach towards foreign investment is therefore an actively promotional one. Besides fiscal and financial incentives, the Economic Development Board (EDB), through its international centres, is responsible for the marketing of Singapore as an attractive location for investment.

SRI LANKA

- A. - Foster growth in the industrial sector in such a manner as to make maximum use of local resources; provide employment opportunities to the maximum extent possible consistent with economy and efficiency. Plan location of industries consistent with economic and other criteria as far as possible, so as to provide employment opportunities in the areas in which people live; establish social control of industry so as to avoid the evils of industrial concentration.
- Develop within the public sector such basic and heavy industries as would give depth to local industrial development and generate growth in the economy.
 - Reorient industrial research for practical ends and to develop industrial technologies consistent with the factor endowment within each industry.

Sri Lanka (cont'd)

- Stimulate and give maximum support to the export of manufactures.
- Establish and maintain the quality of industrial products at reasonable prices.
- Promote scientific and industrial research.

B.

Table I-1
Plan period
1980-1985
(%)

Average annual growth target for manufacturing sector in current national development plans	Average annual compound growth rate) 8.3)
---	---

Table I-2
(%)

	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices)	2.9	1.8	1.1	8.4	4.0	8.0

C. - (The reply on this issue is given under point E.)

D. Statement of the industrial policy

- The present policy is to revitalize the economy by ensuring efficiency in the public sector, and by helping the small and medium investor so that each could make the maximum contribution to the development of the country. The promotion of the industrial sector will focus on the attainment of the three major objectives of increasing productivity, reducing the cost of living and achieving full employment. In seeking to attain these objectives the government will:
 - . Expand the scope of activities of all sectors. It will seek to create an efficient and non-corrupt public sector especially affecting public utilities, extraction of mineral resources and areas considered to be of strategic importance. The other sectors will be given the opportunity to compete on equal, non-discriminatory terms in areas not reserved exclusively for the public sector.
 - . Create an Economic Rehabilitation Area which will operate as a Free Trade and Export Processing Zone; providing all forms of international banking, such as off-shore banking.

Sri Lanka (cont'd)

- . Outside this area, subject to a ceiling on investments to give all facilities to small and medium industries.
- . Combine fiscal incentives with the removal of constraints such as the uncertainty of investment and cumbersome administrative procedures. Procedures associated with allocation and licencing will be carefully examined. Where possible they will be done away with and where necessary simplified with the co-operation of Trade Chambers in order to minimize delays and malpractices.
- . Encourage and facilitate regional development and thereby provide direct as well as indirect employment in rural and semi-urban areas. Local companies will be encouraged to promote small-scale export oriented industry through industrial centres located in each district. Preferential tax rates and fiscal incentives will be extended to regional based industries. Banking, credit and other ancillary facilities will be expanded to support such industry.
- . Establish and improve agro-based industries, adopt small-scale technology and labour intensive processes and encourage the utilization of local raw materials in industry.
- . Establishing training centres for craftsmen, design centres and craft centres to facilitate export oriented industry.
- . Encourage and expand management training facilities.
- . Adopt strict measures to ensure quality control and cost control to facilitate successful competition abroad and to protect the interests of local consumers.
- . Invite foreign participation and encourage joint enterprises or other arrangements between local and foreign entrepreneurs. Enact legislation containing the terms and condition of foreign investment. Safeguard national interest and the interest of foreign investors concluding agreements which will ensure the rights of foreign investors and enable arbitration in disputes through an appropriate international agency.

Sri Lanka (cont'd)

- F. - The broad criteria adopted by the Ministry of Industries and Scientific Affairs in approving of foreign capital participation in manufacturing industry is set out below:
- . Setting up of industries in which the increase in the value added content of all our primary export products could be maximized.
 - . Setting up of import substitution industries in which surplus production if available could be exported.
 - . Setting up of industries to produce from export items for which this country has a comparative advantage:
 - . Agro-based industries
 - . Mineral-based industries
 - . Export oriented industries.
 - Both the public sector and the private sector have been entrusted this task of promoting manufacturing industries in this country.
 - Generally the basic infrastructure industries are in the public sector.

SUDAN

- A. - Agro-industrial production to satisfy local markets and export the surplus.
- Manufacturing of agro-industrial by-products and production of agricultural inputs.
 - Promotion of the building material industries, especially those using local raw materials.
 - Processing of mineral resources and natural gas and petroleum according to ongoing discoveries.
 - Distribution of industries all over the country to create a nationally integrated balanced economy.

Sudan (cont'd)

B.

Table I-1
Plan period (years)
1977-78/82-83 77-78/94-95
(medium-term) (long-term)

	(%)	(%)
Average annual growth target for manufacturing sector in current national development plans	9.5	15

Table I-2 (%)

	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year ----)	8.1	8.2	8.1	8.3	8.1	8.1
	At current prices.					

C. - 1975-1979

1980-1985

Food industries

Food industries, especially sugar

Textile industries

Building materials

Building materials

Textile industries

Leather industries

Petrochemical industries

Extractive industries

D. - Public sector: Projects that require huge investments which are not available to the private sector. Projects in which financial and economic benefits are blended with socio-economic development strategies.

Private sector: Plays a complementary role to promote agro-industrial and extractive industries, for local consumption and export of surplus.

Sudan (cont'd)

- E. - Local and foreign industrial investors are encouraged to invest within the said industrial strategy governed by the 1980 Investment Act:
- . If business is liquidated, the imported capital would be returned to the country of origin.
 - . Repatriation of profits to the country of origin.
 - . Joint venture and direct foreign investment are encouraged within the declared plan priorities.

THAILAND

- A. - The Fifth Five-Year National Economic and Social Development Plan (1982-1986) which was launched on 1 October 1981 has been intended to be an action-oriented programme for development and growth on the basis of harmony and justice. The six major targets set in the Fifth Plan are as follows:
- . Eradicate rural poverty;
 - . Stabilize the country's economic and financial position;
 - . Restructure industrial and agricultural processes, energy usage, foreign trade; transportations and communications;
 - . Promote social harmony and equitably distribute social services;
 - . Co-ordinate the country's security needs with economic and social programmes; and
 - . Reorganize and streamline national and local development operations and systems to ensure co-ordination and the ability to handle today's development needs.
- With regard to the development strategies particularly on the development of the industrial sector, the Royal Thai Government fully committed to the policy orientation with the emphasis on the development of agro-industry which will strengthen the linkage between agriculture and industry. The resource-based industries and the industries serving basic needs are also considered as equally important as those large-scale export-oriented industries. In this connexion the small-scale industries will also receive at least the same encouragement. Along these policy guidelines and in order to avoid congestion already existing in urban areas of Bangkok, better incentives under the Investment Promotion Act are given to those industries which are established in the Industrial Promotion Zone and Industrial Estate situated in various regions outside Bangkok.

Thailand (cont'd)

- The Fifth National Economic and Social Development Plan aims to maintain economic and financial stability in the country as well as to spread the prosperity to the provincial areas and to save energy and for technological development purposes. It is also expected that the total industrial production will increase by not less than 7.6 per cent per annum together with the target set forth for the export of industrial products to be increased by not less than 15 per cent per annum in terms of value and the attempt to increase this capability to reach 25 per cent per annum. This target will be successfully achieved by accelerating the promotion of finished product industries such as food processing, jewelries, ornaments, furniture, rubber and wood products. At the same time the Government will speed up the development of such industries as textiles, building materials, electronic parts, automotive parts, motorcycles and clothing apparels in order to achieve high-value exports.

- Industrial development for domestic consumption is project to increase about 5 - 6 per cent per annum. All in all the target set for labour force employment in the industrial sector will be increased by not less than 7.6 per cent per annum or around 168,400 persons.

B.

Table I-1
Plan period (years)
1982-1986

	(%)
Average annual growth target for manufacturing sector in current national development plans	7.6

Table I-2

	(%)					
	1975	1976	1977	1978	1979	1980
Actual annual growth rate of gross domestic product for manufacturing sector (on the basis of constant prices with base in the year 1972)	6.9	15.6	13.0	9.3	10.1	6.1

Thailand (cont'd)

- C. Indication of five specific industrial branches given high priority for development in the relevant periods indicated below are as follow:

1977-1982

- The Royal Thai Government had tried every effort to promote the country's needed industries such as iron and steel, fertilizers, pulp and papers, large-scale industries utilizing natural resources as well as industries with forward and backward linkages with other industries such as petroleum and labour-intensive industries.
- Apart from these the Government had encouraged the establishment of agro-processing industries close to the main sources of raw material supplies which are located outside the Bangkok area by providing facilities, tax protection and various promotional privileges as well as accelerating the production of agricultural raw materials.
- High priority had been given to the export oriented and less important industries in order to protect and grant promotional privileges to import substitution consumer goods industries.
- Encouragement had also been focussed on the development of small-scale industries which are important for generating employment. This has been done through the provision of credit, risk guarantees, the provision of investment opportunity, technological and marketing services.

1982-1986

- As it has been stated earlier, the Fifth National Economic and Social Development Plan emphasizes the industrial restructuring of which the high priority for industrial development are given to the promotion of basic industries along the eastern sea coast particularly those based on natural gas such as sponge iron and integrated steel, chemical fertilizer, soda ash, potash and petrochemicals. The improvement in promotional privileges and adjustment of industrial export promotion will be carried out. The medium and small-scale industries will also be encouraged particularly through sub-contracting and supplies arrangement.
- Besides the industrial development priority mentioned in paragraph 1, finished industry products will be expanded in such areas as finished food, jewelries, ornaments, furniture, rubber, wood and leather products etc.

Thailand (cont'd)

- D. - The Government will encourage both local and foreign investors to invest in the production and sale of industrial products. In doing this the Government will lay down measures and regulations in order to achieve the target and favorable prospects set forth for national industrial development.
- In general, the Government will jointly invest with the private sector in such initiated industrial projects on a temporary basis. If such projects are important to the national economy and stability, the Government will jointly invest on a permanent basis.
 - The Government will avoid to take serious measures on price control except for some industries that monopolize marketing structure.
 - The Government will give more opportunities for the private sector to play major roles in industrial development with the offer of such investment incentives as financial support, the reduction of corporate income tax, technology transfer and training, investment promotion including the revision of existing laws and regulations so as to create a more favourable investment climate.
- E. - It is clearly indicated in the Fifth National Economic and Social Development Plan that the Government will try every effort to promote more foreign investment. It is our firm intention to create a favorable investment climate and to attract foreign investors to transfer as much of their capital into Thailand as possible. The promotion of foreign investment aims at the restructuring of industry in the country to the highest extent. To achieve these objectives the following measures will be taken:
- . Setting up of a new government agency with the responsibility in promoting, selecting, controlling of the investment, as well as the responsibility in the procurement, the transfer of technology, the investment registration from foreign countries.
 - . Different foreign investment sources will be strongly supported in order to avoid dependency on limited resources.
 - . Transfer of technology and upgrading of Thai skilled labour will be fully encouraged so as to be accepted in the employment in the foreign investment business.
- In addition to these, the Government with its free enterprize system will give foreign investors mutual benefits. In these circumstances, there will be no nationalization and the investors are free to export their profits. Furthermore, the current Investment Promotion Act gives investors favorable incentives.

TOGO*

A. - Import substitution:

- . Development of agricultural products and mineral resources;
- . Restructuring of existing enterprises; and
- . Promotion of small and medium-sized businesses.

B.

	Table I-1 Plan period (years) 1981-1985 (long-term) _____
	(%)
Average annual growth target for manufacturing sector in current national development plans	6.5

-

	Table I-2 1976-1980 (%)
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year ---)	4.5

C. - 1976-1980

1981-1985

Mining industries

Food industries

Food industries

Mining industries

Chemical industries

Chemical industries

Textile and clothing industries

Non-metallic mineral industries

Non-metallic mineral industries

Metallurgical industries

- D. - While certain strategic or relatively important projects are carried out by the State, it should be noted that private initiative plays an important role, and is encouraged to do so, in the development plans.

*/ Translated from French.

Togo (cont'd)

- E. - National industrial policy is based on the practice of an open-door policy and on the affirmation of the free will of the economy. Foreign investment and all forms of industrial co-operation are therefore encouraged and even granted privileges by investment legislation.

TUNISIA*

- A. - 1st decade (1961-1970): establishment of an industrial infrastructure.
- 2nd decade (1971-1980): promotion of manufacturing industries and small and medium-sized companies:
- . Establishing regulations relating to investments (Statute 74/74, Statute 72-38, Fund for the Promotion of Industrial Decentralization, etc.).
 - . Creation of institutions (Investment Promotion Agency, Industrial Real Estate Agency, etc.).

B.

	Table I-1	
	Plan period (years)	
	1973-1976 (medium-term)	1977-1981 (long-term)
	(%)	(%)
Average annual growth target for manufacturing sector in current national development plans	6.6	planned 11.7
	6.5	actual 9.5

	Table I-2					
	(%)					
	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1972)	1.7	20.9	5.4	11.0	9.3	13.3

*/ Translated from French.

Tunisia (cont'd)

- C. - 1977-1981
- | | |
|---|---|
| Chemical industries | Mechanical engineering, metallurgical and electrical industries |
| Industries producing ceramic and glass building materials | Textile, leather and shoe industries |
| Textile industries | Chemical and petrochemical industries |
| Mechanical engineering, metallurgical and electrical industries | Building materials industries |
| Miscellaneous industries and food industry | Miscellaneous industries and food industry |
- D. - Public sector:
- . (1961-70): role of producer, major contribution towards realization of investments (68%)
 - . (1971-80): role of producer, legislator and co-ordinator of economic development.
- Private sector:
- Appreciable contribution to industrialization efforts made during 1971-80. Its share increased tenfold in volume and the percentage doubled compared with the period 1961-70.
- E. - Industrial co-operation between Tunisia and foreign countries related to the following areas:
- . Participation in, and financing of, industrial projects.
 - . Exchange of experience, circulation of industrial information.
 - . Dynamization of institutions responsible for industrial promotion.
 - . Technical assistance for the implementation of existing projects.
 - . Joint execution of industrial projects.
 - . Sub-contracting.
 - . Complementary industrial activities and specialization.

Tunisia (cont'd)

- Foreign investments (Statute 72-38 of 27/4/72 relating to export industries): By 31 December 1980, 224 companies had been set up in Tunisia under the provisions of this statute, having been financed by investments from foreign countries. These projects were backed by investments totalling 100 MD and provided 24,000 jobs.

TURKEY

- A. - The main economic objectives of Turkey may be summarized as:
- . to accelerate development within a dynamic stability;
 - . to reach an advanced level of industrialization;
 - . To create contemporary technologies, to raise the capability of the absorption of the imported technologies in line with the conditions and requirements of the country;
 - . to raise rapidly the foreign payment capacity of the country;
 - . to increase resources and exploit them in a most productive manner;
 - . to eliminate the infrastructural deficiencies of the economy.

B.

Table I-1
Plan period (years)
1979-1983
(medium-term)

(\$)

Average annual growth target for manufacturing sector in current national development plans (Base year in 1978)	11.4
---	------

Source: SPO (State Planning Organization)

Turkey (cont'd)

Table I-2

	(%)					
	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1968)	8.1	10.0	8.1	2.6	-5.3	-5.2

Source: SIS (State Institute of Statistics) and SPO.

C. - 1973-1977

1979-1983

Petrochemicals

Machinery production

Petroleum products

Metallurgy

Fertilizers

Electronics

Metallurgy

Chemical industries

Chemical industries

Electrical equipment

D. - Broadly speaking, the role of preparing the necessary environment for industrialization is given to the public sector. Being more specific, the role of providing regular and enough energy, sufficient transportation network, and similar infrastructural activities are within the responsibilities of public sector. The role of specialization in manufacturing industries within the scope of international division of labour and capital is left to the private sector.

E. - All fields are open to the foreign investment. Turkey does not have fixed rules regarding the levels and areas of foreign investment. The policy adopted is fully flexible, so that cases of particular benefit to one country and to the firm can always be accommodated. Each case is considered on its own merits. Foreign capital has the same rights and obligations as local capital. Transfer of profits, fees and royalties, and repatriation of capital in the event of liquidation or sale is guaranteed by law.

UNITED REPUBLIC OF CAMEROON*

A. - Economic policy based on planning-governed liberalism directed towards self-reliant development in the service of social justice and equilibrium. The agricultural and livestock sectors are the basis of economic development, with the secondary sector supplying the motive power for this development. This policy has led to an industrialization which gives priority to industries using local raw materials, to upstream and downstream industries of the agricultural and livestock sectors, to import-substitution industries and to basic industries in the industrialization process.

B.

	Table I-1	
	Plan period (years)	
	1980-1986	1980-2000
	(medium-term)	long-term
	<u>1976-1980</u>	<u>§</u>
Average annual growth target for manufacturing sector in current national development plans	15% - value added 12% - output 15% - turnover	

-

	Table I-2	
	(%)	
	<u>1977</u>	<u>1978</u>
Actual annual growth rate for manufacturing sector (value added) (on the basis of constant prices with base in the year --)	29.9	32.1

C. -

1975 - 1979

Branch 6 Food industry

- 14 Transport of metals
- 12 Construction materials
- 19 Textiles and clothing
- 15 Chemical industry

*/ Translated from French.

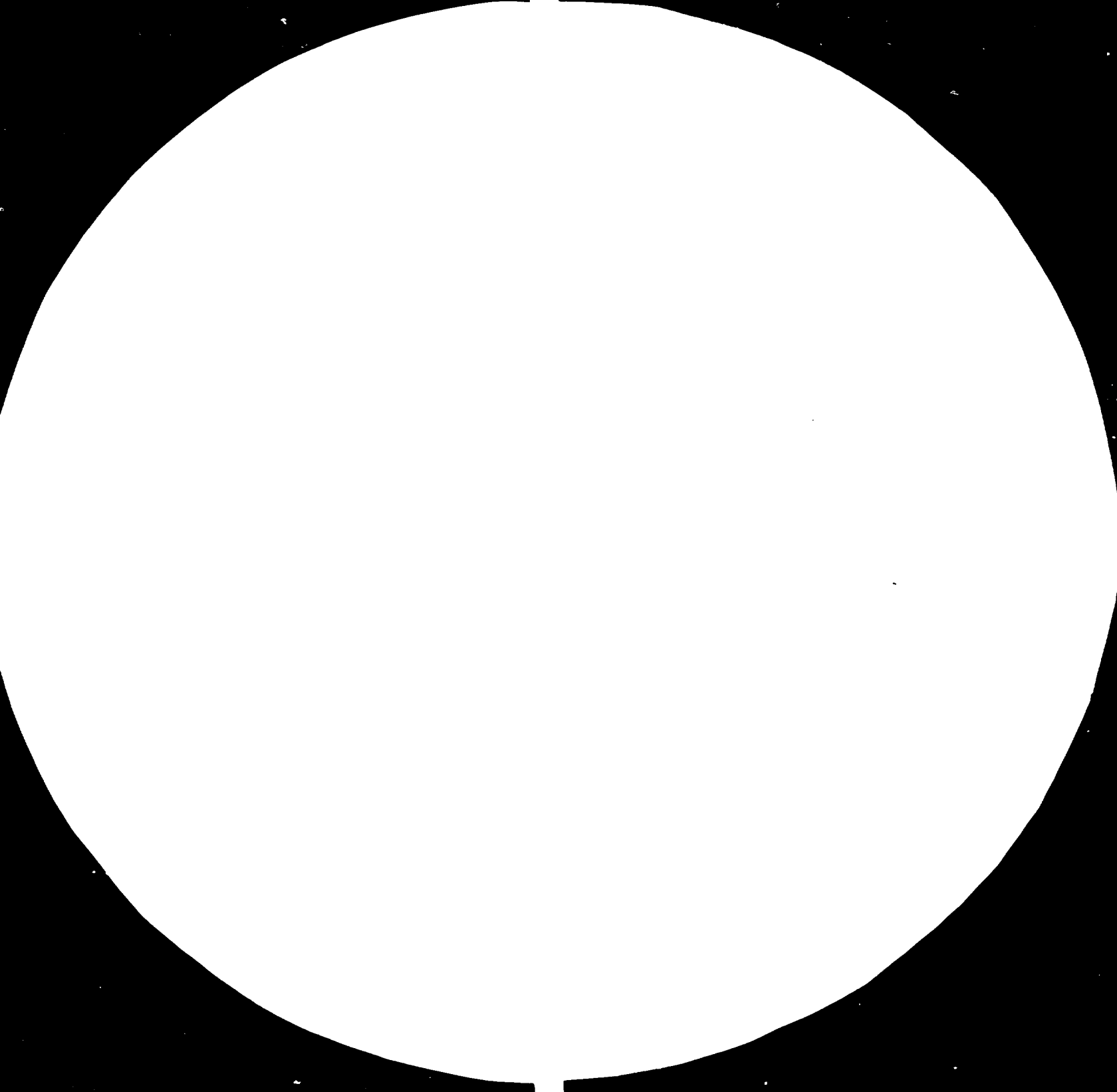
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(ANSI and ISO TEST CHART No. 2)

United Republic of Cameroon (cont'd)

- D. - Public sector: Implementation of major social projects (education, public health, infrastructure, administrative capital equipment); establishment and maintenance of an environment favourable to the development of the private sector.

Private sector: Financing of private sector production projects. The financing of the Fifth Plan is derived 44 per cent from the national public purse, 17 per cent from public funds from abroad and 39 per cent from the private sector (national and foreign).

- E. - Invitation and encouragement of foreign investment through the stability of institutions; option of planning-governed liberalism; a very advantageous investment code; establishment and maintenance of an environment welcoming and encouraging foreign investment; economic missions abroad (Paris, Bonn and Washington).

UPPER VOLTA*

- A. - Upper Volta has adopted a strategy for the development of agro-industries in order to help it achieve self-sufficiency in food supplies. It is therefore developing upstream industries for agriculture - manufacture of agricultural machinery, pesticides and fertilizers.

B.

Table I-1
Plan period (years)
1972-1976
(medium-term)

(\$)

Average annual growth target for manufacturing sector in current national development plans	Textiles	0.9
	Food industry	0.4
	Metals	1.6
	Timber and paper	10.0

- Table I-2
(No data provided).

*/ Translated from French.

Upper Volta (cont'd)

C. -

1975 - 1979

Food industries

Textile industries

Metal industries

Chemical industries

D. - Public sector industry serves to:

- . Encourage integrated rural development in order to increase the drawing power and strength of secondary centres as poles of regional growth;
- . Reduce under-employment by establishing labour-intensive industries;
- . Provide a framework for rural development responsive to the overall needs of the population.

E. - Upper Volta has a very flexible policy on foreign investment. Any foreigner may invest in Upper Volta subject to observing the conditions laid down by the Fund for the Voltaization of Capital, set up in 1975 to acquire company shares and distribute them to nationals of the country, whether public bodies or private individuals.

- (A minimum of 51 per cent of the shares in essential or priority sectors).

URUGUAY*

A. - Support for the industrial development of sectors which have internationally competitive advantages, especially those which process national resources and whose activities are export-oriented.

- The basic consideration is that the impetus for development should come from the private sector.

*/ Translated from Spanish.

Uruguay (cont'd)

B. Table I-1

There is at present a general strategy laid down by the Government, which has not established specific medium-term and long-term growth targets. In the period 1973-1977 a cumulative annual growth rate of 5 per cent was established as a target.

Table I-2

	1975 1976 1977 1978 1979 1980					
	%					
Actual annual growth rate for manufacturing sector (on the basis of constant prices)	6.72	3.95	6.12	6.06	10.10	2.60

C. - 1975 - 1979

Refrigerators

Leather

Rice

Fishing

Sugar

There is no machinery for sectoral development. Support is given to export activities in general.

D. - Emphasis is placed on the private sector. There are a few State enterprises engaged in important activities (petroleum refining, power generation, telephones, etc.). At the present time the trend is to privatize public enterprises with the exception of these cases where, for reasons of sovereignty, security or the promotion of activities of national interests, it is considered appropriate to maintain the industry within the ambit of the State.

E. - In Uruguay the foreign entrepreneur is treated on equal terms with the Uruguayan entrepreneur. There is a specific law which encourages the investment of foreign capital.

VENEZUELA *

A. Under Venezuela's Sixth National Development Plan, which is now in effect, the country's industrial production will be directed towards making an effective contribution to the independent and sustained growth of the economy and supporting the social programmes, which are designed to improve the living conditions and quality of life of the people. To this end, it will be necessary for the industrial sector to expand faster than the economy as a whole.

- The strategy in the Fifth National Plan was to embark on a new policy in industrial development so as to make possible the effective use of the nation's natural resources in the integration of its industry, with production directed towards the manufacture of essential intermediate and capital goods.

B.

Table I-1
Plan period (years)
1981-1985
(%)

Average annual growth target for manufacturing sector in current national development plans

6.2

Table I-2

	1975	1976	1977	1978	1979	1980

(%)

Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year —)

	11.4	11.9	4.1	4.9	5.1	3.8
--	------	------	-----	-----	-----	-----

C. 1975-1979

Metalworking and engineering
Petrochemicals
Basic industry
Shipbuilding
Capital goods

1980-1985

Agro-industry
Capital goods
Basic industry
Construction materials
Electronics and electrical equipment and appliances

*/ Translated from Spanish.

Venezuela (cont'd)

- D. During the Fifth National Plan, the State acted as the driving force behind the development of the steel, aluminium and petrochemical industries and of basic industries in general. The private sector was responsible for promoting the growth of traditional industries and part of the metalworking and engineering branch, particularly motor vehicles.
- Under the Sixth Plan, although the State will continue to promote these activities, the private sector will be responsible for the development of agro-industry, textiles, clothing, footwear, pharmaceuticals, construction materials and motor vehicles. The State will be responsible for aluminium, iron and steel, petrochemicals and capital goods.
- E. Under the Sixth National Development Plan, foreign investment will be directed, in keeping with national interests, towards the country's development objectives and will be subject to the conditions accepted by Venezuela as a member of the Andean Pact. The Government's negotiating position will be strengthened, and the domestic private sector will be given advice on expanding inputs of technology, purchases of materials and capital goods and exports of its products and gradually increasing domestic participation in the ownership and management of the enterprises in question.

YUGOSLAVIA

- A. - The major strategic issues include a resolute orientation towards redressing the structural disparities in the economy, as a basic prerequisite for ensuring a more harmonious and vigorous development of the overall economy, primarily through the accelerated development particularly of the following: production and services through which major results are achieved in exporting and reducing the import of goods which can be manufactured in the country and thereby contribute to mitigating the balance-of-payments problems of the country; power generation relying on the exploitation of local energy sources; the production of raw materials and primary products, particularly in the sector of basic metals, non-metallic minerals and deficient basic chemistry products; food production, particularly the production of agricultural staples and basic foodstuffs; production of equipment and installations employing a higher technical and technological level and promoting export patterns; arterial highways and integrated transport.

Yugoslavia (cont'd)

B.

Table I-1
Plan period (years)
1981-1985
(medium-term)
(%)

Average annual growth target for manufacturing sector in current national development plans (1980 prices).	5,0
--	-----

Table I-2
(%)

	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year 1972)	6,4	3,6	9,5	8,6	8,2	4,1

C.

1976-1980

1983-1985

Power generation

Electric power industry

Ferrous metallurgy production

Coal production

Non-ferrous metallurgy production

Oil and gas production

Chemical industry production
basic chemistry

Iron ore, non-ferrous metals
and non-metallic minerals
production

Chemical products (basic chemistry)

- D. - The question is irrelevant having in mind the type of enterprise in Yugoslavia (basic characteristics: the concept of social ownership and associated labour).
- E. - Investments of foreign persons in Yugoslav organizations of associated labour are presently being encouraged, provided the conditions for investing in industrial co-operation are governed by special legislation such as the Law on Investments of Foreign Persons in Yugoslav Organizations of Associated Labour and the Law on Long-Term Production Co-operation, Business and Technical Co-operation.

ZAIRE

- A. - Development of small and medium-scale enterprises in order to process local products;
- Establishing a favourable climate for investment in new industrial projects (to produce for export);
 - Promoting highly labour-intensive technologies;
 - Directing industrial investment projects to the deprived regions of the country;
 - Processing local products into finished or semi-finished products in order to reduce imports of similar products.
- B. - Table I-1: At present there is no national development plan. There is, however, the Mobutu plan, which is a programme of public investment.

- Table I-2
(%)

	1976	1977	1978	1979
Actual annual growth rate for manufacturing sector (on the basis of constant prices)	-7.9	-2.1	-12.1	-8.1

C. -

1975 - 1979

Food, beverages and tobacco industries
Textile and footwear industries
Non-metallic mineral industries
Transport equipment industries
Chemical industries

*/ Translated from French.

Zaire (cont'd)

- D. The role of the public sector is to develop the basic infrastructure which will be used by the private sector for production and marketing.
- E. To promote the industrial sector, the Government has granted foreign investments the same advantages as domestic investments. Also, special guarantees are given for foreign investments under Chapter 5 of the new "Investment Code", promulgated in Legislative Order No. 79-027 of 28 September 1979.

ZIMBABWE

- A. - The manufacturing sector is expected to become more export-oriented than it is now. Industries in which Zimbabwe has dynamic comparative advantage are receiving special encouragement and promotion.
- Efforts are being made to increase the degree of labour intensity in the sector both through encouraging those branches of industry that are more labour intensive and encouraging more labour intensive technologies for all industries.
- Industrial expansion is being sought more through consolidation, rationalization and expansion of existing units than through establishing new ones.
- Training and development of managerial, scientific, technical and skilled personnel is considered a critical input in industrial development.
- The degree of domestic participation, ownership and control of the sector is being increased.
- The Government will assist small and medium-scale enterprises in particular and decentralize industry geographically.

B.

Table I-1
Plan period (years)
1982-1985
(medium-term)
(%)

Average annual growth target for manufacturing sector in current national development plans	11
---	----

Table I-2

	(%)					
	1975	1976	1977	1978	1979	1980
Actual annual growth rate for manufacturing sector (on the basis of constant prices with base in the year —)	(-)0,9	(-)5,7	(-)5,2	(-)3,3	10,7	15,6

C.

1982 - 1985

Chemicals and petroleum products

Non-metallic mineral products

Foodstuffs

Cotton grinding and textiles

Paper and printing

- D. The private sector is by far the dominant sector in the manufacturing industry. A high degree of cooperation with the private sector is involved in production, investment and financing of manufacturing activities. The Government is creating environments conducive to meaningful consultation and cooperation with the private sector. While following the realistic policies towards foreign and domestic private investment, the Government intends to participate in the ownership and control of some enterprises in the sector if this is deemed to be in the national interest.
- E. The Government recognizes the vital role which foreign investment can play in the development of industry and desires the maximum possible Zimbabwean participation in all spheres of economic activity carried on within the country. Foreign investment is encouraged when it brings new and appropriate technology, makes maximum use of local raw materials, generates export and/or participates with local private entrepreneurs or Government and transmits managerial and technical skills to Zimbabweans.

II. INDUSTRIAL PRODUCTION

Governments of developing countries were invited to supply information on the following topics:

- A. 1. Manufacturing production.
 2. Major factors which contributed to the growth in manufacturing production in recent years.
 3. Major factors that have limited growth in manufacturing production in recent years and measures taken to overcome them.
 4. Estimates of current level of industrial capacity utilization in major branches.
- B. With reference to public manufacturing enterprises (more than 50% government ownership), the share in total MVA and the share in total employment in manufacturing.

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE :

ARGENTINA

A.1.	Table II-1 (in millions of pesos)			
	1975	1978	1979	1980
Value added in manufacturing (at current prices in national monetary units)	24,853	23,248	25,616	24,644
Share of manufacturing in GDP (%)	27.7	25.3	26.1	24.9

- A. 2. The irregular growth in manufacturing production during the period considered was the consequence of various interrelated factors caused by a sharp drop in the purchasing power of the population and a consequent general decline in consumption. The principal factors responsible for this development were the various measures taken to contain inflation, both domestic and "imported".
- A. 3. - The economic recession;
- The decline in consumption;
- The drop in real salaries and wages.

Argentina (cont'd)

- A.4. There are no official estimates on this subject.
- According to a survey regularly conducted by the Argentina Business University (Universidad Argentina de la Empresa, UADE), the situation is as indicated in the table:

Evolution of utilization of the production capacity
of Argentine manufacturing industry
between November 1981 and October 1982

	<u>Percentage of utilization</u>	
	<u>Nov. 1981</u>	<u>October 1982</u>
I. Manufacture of paper, articles of paper and cardboard	57.8	70.1
. Paper and cardboard factories	53.2	50.3
. Local production of pulp and paper	64.9	99.9
II. Industrial chemicals	73.5	79.3
. Basic chemicals	64.3	71.0
. Petrochemicals	82.5	85.3
. Plastics	67.5	74.8
. Synthetic rubber	70.8	97.0
III. Derivatives of petroleum and coal	70.7	-
. Petroleum refineries	76.0	-
IV. Stones, glass and ceramics	-	-
. Manufacture of cement	59.7	57.3
V. Basic metal-working industries	54.3	72.6
. Basic	51.6	69.4
. Cold-rolled products	48.3	63.0
. Hot-rolled products	62.0	83.1
VI. Basic non-ferrous metal industries	-	-
. Aluminium	99.0	-
VII. Machinery and transport equipment	-	-
. Manufacture of motor vehicles	48.1	47.9
. Manufacture of tractors	8.4	14.4

Argentina (cont'd)

VIII. Food, beverages and tobacco	-	-
. Slaughtering of bovine cattle	54.6	36.2
. Manufacture of oil and by-products	23.1	57.7
IX. Textile industry; spinning mills	53.0	70.8
. Cotton	61.3	77.5
. Acetate	66.4	87.9
. Synthetic fibres and yarn	37.5	57.5

Source: Survey by the Argentina Business University.

B.

Table II-2
Attained in 1980^a

Share of manufacturing value added	8.2
Share in total employment in manufacturing	4.4

Note: According to the total number of enterprises which file information with the National Industrial Registry, it is likely that these estimates are somewhat too high, because at the lower levels the small-scale enterprises are not registered.

a/ Figure for a specified recent year.

BAHAMAS

- A. 1. A major constraint to industrial development in the past has been the absence of a strong local capital market. The raising of investment capital for most local businessmen is a purely individual and personal exercise, and the chief sources of capital funding are the international banks which operate locally.

Ironically, the lending policies of these institutions reflect not so much the local conditions but the policies laid down by head offices.

The Bahamas Development Bank, which has been in operation since 1978, was established to provide medium and long-term finance developmental purposes.

Another constraint has been the absence of linkages between the major sectors of the economy, notably tourism, agriculture and fishing, and manufacturing.

Efforts are being made to increase the linkages between tourism and the other sectors of the economy by gearing production towards the increased market provided by tourism.

Bahamas (cont'd)

Table II-1

Share of manufacturing in GDP: 1975 - 7%

- A.2. Foreign investment
Tourist development
- A.3. The Bahamas is essentially a service-based economy and manufacturing is of secondary importance.
- A.4. Major industrial units are operating near full capacity.
- B. (No reply on this issue.)

BANGLADESH

A.1. Table II-1 (in million Taka)

	1975-76	1976-77	1977-78	1978-79	1979-80
Value added in manufacturing (at current prices in national monetary units)	8,173	8,660	9,403	10,315	11,873 (provisional)
Share of manufacturing in GDP (%)	7.6	8.2	7.2	7.1	7.2

- A.2. Gradual but decisive shift in policy, widening scope of private sector, disinvestment of large number of government owned industrial units, liberal fiscal and other incentives, etc. improved the investment climate considerably resulting in increased investment by private sector. Performance of the public sector also improved following the decentralization of banks, improvement of their operational efficiency and better management.
- A.3. Major factors limiting production are:
- . delay in timely implementation of project;
 - . want of replacement/EMRE of old and inefficient units;
 - . want of timely and adequate supply of raw materials and spares;
 - . frequent power failures;
 - . shortage of working capital and foreign exchange; and
 - . labour troubles.

Bangladesh (cont'd)

The Government has taken steps to overcome the difficulties by giving priority for implementation of ongoing projects, installation of stand-by electricity generating sets, etc.

A. 4.	<u>Name of the items</u>	<u>Year 1979-80 (%)</u>
	Fertilizer	72.44
	Paper	63.92
	Newspprint	85.98
	Steel ingot	53.32
	Bicycle	56.60
	Electric cable	39.25
	Jute goods	65.90
	Cotton cloth	53.00
	Sugar	88.57
	Water transport vessels	77.62

B.	<u>Table II-2</u>	<u>Attained in 1978-79 (%)</u>
	Share in total manufacturing value added	69
	Share in total employment in manufacturing	77

BENIN

A. 1.	<u>Table II-1 (in millions of CFA francs)</u>			
	<u>1975</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Value added in manufacturing (at current prices in national monetary units)	8445	8854	10642	12600
Share of manufacturing in GDP (%)	8.2	5.8	6.1	6.4

The available statistics relate to the industrial sector as a whole and not to the manufacturing sector alone.

Benin (cont'd)

- A. 2. Enlargement of the market to include neighbouring foreign markets, particularly in the field of textiles and beverages (Nigeria, Angola, etc.);
- Permeability of frontiers, permitting the development of non-official trade;
 - Increased substitution of local processing of products, above all agricultural commodities, for exports of unfinished goods.
- A. 3. - External factors: the increase in the price of oil and the international economic recession;
- Internal factors: problems in the agricultural sector (fall in production, vicissitudes of the climate);
 - limited financing capacity;
 - lack of skilled manpower;
 - poor organization of marketing networks;
 - poor management and disparity of industrial enterprises.
 - Measures taken:
 - . Improvement in the price to the products for certain agricultural commodities;
 - . Investment efforts in the agricultural sector;
 - . Attempts to reorganize the agricultural sector by the creation of such structures as CARDER, the provincial marketing companies;
 - . Restructuring of the industrial sector now under way.
- A. 4. Estimates of current level of industrial capacity utilization in major branches:
- . Textiles: 40 per cent (IBETEX) to 100 per cent (SOBETEX);
 - . Chemicals: 20 per cent (problems with the supply of raw materials and antiquated plant);
 - . Food: 50 per cent (bakeries) to 90 per cent (production of wheat flour);
 - . Building materials: 60 per cent (clinker crushing plants);
 - . Beverages: 100-110 per cent (Cotonou plant).
- B. Results of the census of enterprises not yet available.

BOLIVIA

A. 1.

Table II-1

	1975	1978	1979	1980
Value added in manufacturing (at current prices in national monetary units)	6,603	10,555	13,722	21,074
Share of manufacturing in GDP (%)	13.4	13.1	13.5	14.1

*At current prices in millions of Bolivian pesos. 1976-1980 Plan.

- A. 2. The existence of export opportunities;
 Project implementation;
 Entrepreneurial capability to accept and promote opportunities;
 Import substitution policy;
 Adoption of the Export Promotion Law;
 Incentives for new labour-intensive investments.
- A. 3. Delays in starting many public sector projects owing to reductions in planned allocations;
 Non-fulfilment of agricultural policies;
 Protracted negotiations for the launching of the automotive industry and other engineering assignments;
 Lack of financing and deficits incurred by State enterprises which were incapable of increasing output;
 Decrease in supplies from private industry because of rising production costs;
 Tendency for some products to disappear from family shopping lists because of high prices;
 Many private businesses squeezed out of the market because of economic inadequacy and financial losses.
- A. 4.
- | | |
|---|-----|
| 31. Manufacture of food, beverages and tobacco | 58% |
| 32. Textile, wearing apparel and leather industries | 60% |
| 33. Manufacture of wood and wood products, including furniture | 55% |
| 34. Manufacture of paper and paper products, printing and publishing | 57% |
| 35. Manufacture of chemicals and chemical, petroleum, coal, rubber and plastic products | 61% |

Bolivia (cont'd)

36. Manufacture of non-metallic mineral products, except products of petroleum and coal	72%
37. Basic metal industries	60%
38. Manufacture of fabricated metal products, machinery and equipment	68%
39. Other manufacturing industries	70%

B.

Table II-2
Attained in 1980
(%)

Share in total manufacturing value added	24
Share in total employment in manufacturing	4.2

BRAZIL

A. 1.

Table II-1 (in billions of cruzeiros)
1975 1978 1979 1980

Value added in manufacturing (at current prices in national monetary units)*	306.9	1027.8	1651.3	3468.5
Share of manufacturing in GDP (%)**	25.0	22.8	23.0	23.5

*/ The value of industrial manufacturing, based on the 1975 Industrial Census (Brazil/75, IBGE), covers all industrial establishment belonging to private organizations, mixed companies and State enterprises. The data for 1978-1980 have been estimated on the basis of the increase in the value of industrial manufacturing at establishments with five or more employees and/or production value greater than 640 times the country's highest minimum wage as indicated by the 1976 Industrial Survey (IBGE) and adjusted by the growth indicators for nominal production (IBGE).

**/ Share of the internal earnings of the manufacturing industry in the GDP (National Accounts/80, FGV).

Sources: IBGE and FGV.

A. 2. (No reply on this issue.)

A. 3. (No reply on this issue.)

Brazil (cont'd)

A. 4. Average utilization of the installed capacity of the manufacturing industry (%) 1/

Year	Quarter	I	II	III	IV
1975		87	87	87	87
1980		84	85	84	92

1/ Average degree of utilization of installed capacity in manufacturing industry, obtained through a survey of some 2,000 firms, taking as a basis their replies regarding the average utilization of their equipment and the value of their total sales during the previous year.

B.

Table II-2
Attained in 1980
(%)

Share in total manufacturing value added 1/	10.5
Share in total employment in manufacturing 1/	3.8

1/ Information from the Census of State Enterprises (SEST) covering 48 governmental industrial enterprises.

Source: SEST.

BURUNDI

A. 1.

Table II-1 (in millions of FBu)

	1975	1978	1979	1980	1985 ^a	1987 ^b
Value added in manufacturing (at current prices in national monetary units)	3,341.8	7,717.7	9,733.5	11,506.7	19,153.0	22,611.3
Share of manufacturing in GDP (%)	10.97	15.71	15.34	16.12	13.73	12.4

a/ Planned or estimated

b/ Target year of current national development plan

Burundi (cont'd)

- A. 2.- Mobilization of human and financial resources;
- Diversification and channelling of investments into the most productive sectors;
 - The private sector's confidence in industrial development policy, and careful preparation of supporting documentation for seeking external finance have contributed to the growth in manufacturing production in recent years;
 - Installation of infrastructure facilities, to which the Government attaches great importance.
- A. 3.- Factors : Weakness of rural sector and weak purchasing power of the people;
- . Smallness of national market;
 - . The fact of being landlocked, with the all the consequences.

Measures: Massive public investment in the infrastructure sector, and mobilization of financial resources abroad;

- . Maintenance of economic policy favouring local and foreign private investment;
- . Use of local materials and creation of agricultural-commodity processing units, contributing significantly to growth of production in the sector.

A. 4.		<u>1981</u>
- Agricultural industry	=	60%
- Food industry	=	75%
- Construction industry	=	100%
- Textile and leather industry	=	30%
- Chemical industry	=	60%

B.	<u>Table II-2</u>	
	Attained in 1979 <u>a/</u>	Planned for 1985 <u>b/</u>
	(%)	(%)
Share in total manufacturing value-added	6	13
Share in total employment in manufacturing	70	41

CHILE

A. 1.

Table II-1

	1975	1978	1979	1980
Value added in manufacturing (at current prices in national monetary units)	7,187,399	109,174,174	155,142,141	226,511,005
Share of manufacturing in GDP %	20.3	22.4	20.4	20.7

Source: National accounts.

Note: Value added in manufacturing in thousands of pesos for each year. There are no projections for future years.

- A. 2.- Increases in manufacturing production in recent years have been achieved solely by the better allocation of resources which the free and open market achieves. The market has operated in this way because of the policies applied; amongst these we may mention the Trading Balancy Policy, the Tariff Policy of a universal 10% tariff which reduces costs of overheads and demands productive efficiency and re-allocation of resources, free prices and simplification of formalities and requirements for the installation of new industries.
- A. 3.- With effect from 1974 the Supreme Government, in its desire to achieve an optimum allocation of resources, set up the free market mechanism. The progressive liberalization of prices and the opening up to foreign trade have made it possible, through competition, for an extensive re-allocation of resources to take place from inefficient or unprofitable activities to those which show comparative advantages in their production.
- In this connexion the industrial sector has not stood aside from that process. All those activities which arose in the plan characterized by excessive protectionism for national industry, carried out by former administrations, tended to disappear when they were unable to compete with imported produces of better quality and lower costs. Others, however, once they had got over the first impact, were strenghtened by new conditions.
- A. 4. No information is available on this point.

Chile (cont'd)

B.	Table II-2
	1979 (%)
Share in total manufacturing value added	8.8
Share in total employment in manufacturing	1.9

Source: National accounts.

There are no future estimates in connexion with these points.

CHINA

A. 1.	Table II-1 (in Billion RMB YUAN)			
	1975	1978	1979	1980
Total Industrial Production Value	321.9	423.1	459.1	499.2
Percentage in total industrial and agricultural Production Value	72%	74%	74%	75%

(on the basis of constant prices in 1970).

- A. 2. Over past years, in light and textile industries, production rose markedly thanks to the principle of stressing the manufacture of goods for everyday consumption and to the adoption of a series of detailed measures. This fact has played a major role in meeting the needs of people in town and country, creating a thriving market, re-invigorating the economy, enabling all industry to maintain a certain rate of growth and increasing financial revenues.
- A. 3. In heavy industry, which is now being readjusted, the year 1981 will witness a decrease in output value as compared with 1980. This has resulted from the following circumstances: a number of heavy industrial enterprises have suspended production of grossly overstocked items whose manufacture entails high energy consumption. These cutbacks enable us to transfer the energy thus saved to light industry. A considerable number of heavy industrial enterprises, which have long engaged mainly in serving capital construction, have found their production dropping in 1981 as a result of the much curtailed investment in capital construction and the corresponding decrease in orders for equipment and other production goods.

China (cont'd)

Apart from producing certain durable consumer goods, in its future development, our heavy industry must attend to the more important task of readjusting its orientation, enlarging its scope, raising the quality of its services and improving its adaptability, so that it can give better services and improving its adaptability, so that it can give better services to agriculture and the consumer goods industries, the technical transformation of the economy, exports and the modernization of our national defence.

- A. 4. Since the founding of new China, its industry has been greatly developed with major achievements made. An independent and relatively complete industrial framework has been established. Nevertheless, China's industry is now also facing a series of problems. For instance, the backwardness of fuel and power and raw materials industries failed to meet the needs of economic development while the over-rapid development of processing industry resulted in the surplus of production capabilities.
- B. (No reply on this issue.)

COMOROS

- A. 1. In view of the weakness of the sector, the value added is virtually nil. However, there has been a marked increase in manufacturing production.
- A. 2. This growth is due to the increase in national requirements. Similarly, to reduce the chronic deficit in our balance of trade, the Government encourages the exercise of local initiative in meeting the needs of the population, particularly for manufactures of prime necessity.
- A. 3. (No reply on this issue.)
- A. 4. (No reply on this issue.)
- B. Public enterprises which are 50 per cent government-owned do not at present carry on any activities in the manufacturing sector.

COSTA RICA

Table II-1

A. 1.	1975	1978	1979	1980
Value added in manufacturing (at current prices in national monetary units)	3,427.1	5,657.3	6,331.3	8,123.3*

*Preliminary figure, available for total activity only.

- A. 2. Tariff protection measures, tax exemptions and subsidies of various kinds through the national banking system; similarly, the allocation by the State of resources for the establishment of a physical and social infrastructure to facilitate the operation of the industrial sector.
- A. 3. The limited size of the national and Central American market;
- The policy applied to encourage the development of the industrial sector;
 - The desire of the transnational companies to maintain their leading positions in the market (it has not been determined what type of industries are most beneficial to the country);
 - The lack of information, legislation and regulations with respect to the transfer of technology;
 - The shortage of properly trained personnel;
 - The limited savings and internal investment capacity;
 - The relative shortage of the business skills needed for the development of new projects, in both private and the public sectors.
- The government is endeavouring to overcome these problems in the following ways:
- . By seeking third markets for those products which enjoy clear comparative advantages in Central America;
 - . By regulating the transfer of technology;
 - . By training human resources;
 - . By developing rural industry;
 - . By establishing industrial estates;
 - . By promoting the country's development in the area of science and technology so that it will be able to develop its own technologies to meet the most pressing national requirements.

Costa Rica (cont'd)

Utilization of the installed production capacity of the industrial sector 1/

<u>Percentage</u>		
October 1975 ^{2/}	October 1976	October 1979
68	87	77

1/ Informe coyuntural del sector industrial de año 1976
(Situation report on the industrial sector for 1976),
National Planning Office (OFIPLAN), November 1976.

2/ Does not include processing of coffee, meat and sugar.

Source: OFIPLAN-OSPI direct survey, October 1979.

A. 4. (No reply on this issue.)

B. (No reply on this issue.)

CYPRUS

A. 1.

Table II-1 (C£'000s) Cyprus Pounds)

	1978	1979	1980	1981
Value added in manufacturing (at current prices in national monetary units)	92,235	109,960	134,125	151,610
Share of manufacturing in GDP (%)	243.841	303.648	372.281	441.897

A. 2. Overseas demand for the Cyprus manufacturing products has been one of the major factors. However, the Government's policy, the dynamism of the Cypriot entrepreneur and the political stability also contributed greatly to the growth in manufacturing production in recent years.

A. 3. International recession, imported inflation and lack of sophisticated technology are some of the factors that have limited growth. Thus, a number of measures have been taken to increase the competitiveness of the Cyprus products as well as to attract new know-how and new technology in manufacturing production.

A. 4. With the exception of non-metallic mineral branch all other branches have reached a high level of industrial capacity utilization.

Cyprus (cont'd)

B. (No reply on this issue.)

Ecuador

A. 1.	Table II-1 (in millions sucres)			
	1975	1978	1979	1980
Value added in manufacturing (at current prices in national monetary units)	13,945	29,895	27,517	22,038
Share of manufacturing in GDP (%)	12.9	15.8	11.9	7.7

A. 2. Exploitation and exploitations of oil.

- Concessions granted to the country within the Andean Group.
- Foreign investment.
- Incentives given to industry by the Industrial Support Laws.

A. 3. - The process of world inflation, which increased the price of raw materials, intermediates and capital goods required by the home industry.

- Reduction of the rate of growth of the economy owing, inter alia, to the fall in exports.
- Countermeasures: Incentives to set up new companies; credit, with interest rates below the market rates; incentives to export non-traditional products.

A. 4.	1980	1981 (Prov.)
Foods	75.0	61.2
Beverages	80.5	65.4
Textiles	84.1	80.5
Wood	85.4	77.9
Paper	73.0	67.2
Chemicals	75.4	65.1
Non-metallic minerals	88.2	74.4
Basic metal industry	76.3	52.6
Metal products, machinery	72.1	64.1
Total manufactured goods	77.5	66.7

B. (No reply on this issue.)

EL SALVADOR

A. 1.	Table II-1 (in millions of colons)		
	1975	1978	1979
Value added in manufacturing (at current prices in national monetary units)	331.3	1,280.0	1,342.5

Source: Economic and Social Indicators, July-December 1980

A. 2. There has been a relative decline in manufacturing production because of the political and economic situation which the country has been facing since 1979.

A. 3. Limiting factors arising out of the economic situation: labour-management conflicts, the closing of plants, unemployment, raw material shortages, foreign-exchange restrictions, financing problems, etc.

Measures taken

Revival of the sector:

- Utilization of idle capacity; and
- Rehabilitation of plants and factories.

A. 4. Many enterprises are operating below capacity, while others have been closed for economic reasons.

B. (No reply on this issue.)

ETHIOPIA

A. 1.	Table II-1*			
	1974/1975	1977/1978	1978/1979	1979/1980
Value added in manufacturing (at current prices in national monetary units)	308.8	360.8	471.9	533.5
Share of manufacturing in GDP (%)	6.05	5.56	6.66	7.00

* The information is only for manufacturing establishments employing ten or more persons

Ethiopia (cont'd)

- A. 2. Reopening of the factories in Eritrea Admin. region in 1978/79;
- . Improvement and renovation in some sectors especially in food, beverages and textiles;
 - . Improvement in local raw materials supply in some sectors like food, leather and shoe and wood;
 - . Better utilization of capacity as a result of improvement efficiency and removal of production bottlenecks;
 - . Improved market conditions, especially exports for some products like meat and leather.
- A. 3. Limited raw material supply (edible oil and wood working factories are working below capacity);
- . Market limitation for some sectors;
 - . Quality and price of export products; an attempt is being made to ensure the increased supply of local raw materials and to improve the quality and price of export products.
- A. 4. Available capacity is being utilized to the full in industrial branches like food (excluding edible oil and meat processing factories), textiles, beverages, metals and non-metallic mineral products.
- . Unutilized capacities exist in edible oil and meat processing industries, wood works, leather and shoes and printing. At present about 50% of the capacity of oil processing factors are being utilized. Specific figures of capacity utilization could not be supplied for other products because of the varied nature of their product mix.

B.

Table II-2*

Attained in 1978/79
(%)

Share in total manufacturing value added	94.5
Share in total employment in manufacturing	88.0

* The information is only for establishment employing ten or more persons. Includes all public manufacturing enterprises administered by various government institutions.

Employment figures indicate permanent employees.

GUATEMALA

Table II-1

A. 1.	1975	1978	1979	1980	1985 ^{a/}	1982 ^{b/}
Value added in manufacturing (at current prices in national monetary units)	515	860	974	1156	2429	1236
Share of manufacturing in GDP (%)	15.0	15.2	15.2	15.1	15.3	15.2

a/ Planned or estimated.

b/ Target year of current national development plan.

A. 2. The Central American Common Market contributed substantially to the increases in manufacturing production, since it permitted diversification of production and increase in manufactured exports, so that Guatemala was converted into an exporting country in the Central American area. The growth in population, and consequently the home demand, also assisted, together with the rise in per capita income which favoured growth in manufactured production.

A. 3. Deterioration of the Central American Common Market, resulting from political and economic problems.

- . An inordinate increase in the price of oil and its derivations.
- . The loss of national capital because of high interest rates abroad, which has led to disinvestment.

- Measures: (in corresponding order)

- . New foreign markets are being sought outside the Central American area.
- . There are possibilities of increasing oil production and installing petrochemical plants which will reduce dependence on these products, whilst at the same time hydro-electric projects (Chulac and Chixoy) are being installed which will in turn reduce importation of energy sources.
- . Exchange controls and other measures of a monetary type have been brought into force.

Guatemala (cont'd)

- A. 4. The industrial sector of the country has between 65 and 70% of its installed capacity in use, but some plants, such as those for glass bottles and cements, are working at full capacity.
- B. (No reply on this issue.)

GUYANA

A. 1.

	Table II-1 (in million G\$)			
	1975	1978	1979	1980
Value added in manufacturing (at current prices in national monetary units)	161.6	137.5	146.0	162.0
Share of manufacturing in GDP (%)	14.7	12.1	12.4	12.1

- A. 2. Import substitution.
- . Export expansion into the Caricom Regional Market.
 - . Availability of raw materials which can be processed.
 - . Development of markets for small manufacturers including in particular handicraft.
- A. 3. 1978 - 1982
- . Shortage of foreign exchange and consequent unavailability of raw materials etc.
 - . Uncertain economic climate for investment.
 - . Unorganized approach of development.
 - . Limited local market.
- Measures taken for improvement:
- . The State Planning Secretariat has been established to work out the developmental patterns and the co-ordination of sectoral growth.
 - . More incentives are given to the private sector for faster growth in the various areas.
 - . EDF has been established to help in importing raw material supply.
 - . Different lines of credit have been organized in order to facilitate the growth of the manufacturing sector (public as well as private sectors).

Guyana (cont'd)

B.	Table II-2	
	1970	Attained in 1980 (%)
Share in total manufacturing value added	14	66

HONDURAS

A. 1.	Table II-1 (Value in millions of lempiras)					
	1975	1978	1979	1980	1981*	1982*
Value added in manufacturing (1966 prices)	218	259	282	294.7	290.9	313.3
Share of manufacturing in GDP (%)	14.9	16.0	16.1	16.6	16.8	17.3

Source: "Evolución del Sector Industrial" and Annual Operational Plans prepared by the Industrial Programming Department of CONSUPLANE.

* Estimated.

- A. 2. Growth of internal and external demand.
- . Creation of new enterprises which have replaced imports.
 - . Enlargement of existing enterprises.
 - . Improvement of prices of certain export products on the international market.
 - . Better utilization of installed capacity.
 - . Increased exports of certain manufactured products.
 - . More financial assistance to the industrial sector from public institutions and private development banks.
 - . Greater tariff protection for national industrial products on the regional market.

Honduras (cont'd)

A. 3. Factors

- . High dependence on imported inputs.
- . Production structure oriented towards production of non-durables.
- . Tendency to over-invest in certain branches.
- . Low level of financing for small-scale and medium-scale industry and handicrafts.
- . Narrowness and lack of integration of the domestic market.
- . Inadequate links between institutions responsible for promoting industrial development and private enterprise.
- . Promulgation decree No. 14/54 of 30 April 1981 establishing a 10 per cent tariff on all imported products.
- . Under-utilization of national raw materials.
- . Shortage of specialized staff and skilled manpower.

- Measures taken

- . Greater fiscal incentives for enterprises producing raw materials and those using a high proportion of national raw materials.
- . Support programmes for branches of industry considered to merit priority.
- . Financial and technical support for industrial projects for the manufacture of intermediate goods or import substitutes.
- . Drafting of legislation for the promotion of exports of non-traditional products.
- . Opening of special credit lines for the development of small-scale and medium-scale industry and handicrafts.
- . Negotiation of bilateral trade agreements with countries within and outside Central America.
- . Extension of the road network to link development and consumer areas.
- . Strengthening of industrial planning and study of administrative reform with a view to improving co-ordination and support for the industrial sector.
- . National institutions have training programmes in certain industrial areas. Other types of training such as fellowships abroad, etc., are not viable because they are scarce or not available for the country.

Honduras (cont'd)

- A. 4. According to estimates by the Technical Department of CONSUPLANE, industrial capacity utilization in 1978 was 77.2 per cent, compared with 66 per cent in 1975.
- In the traditional industries, average industrial capacity utilization in 1978 was 80.6 per cent. The highest percentages in this group were 91.4 per cent for beverages and 92.9 per cent for tobacco.
 - Average industrial capacity utilization in intermediate industries was 72.2 per cent. The highest percentage was 87.0 per cent for chemical products.
 - Metalworking and engineering industries showed a figure of 80.0 per cent. It is estimated that there was a considerable fall in industrial capacity utilization in 1980 and 1981, but this has not yet been confirmed.
- B. (No reply on this issue.)

INDIA

		Table II-1			
A. 1.		1975	1978	1979 ^{a/}	1984-1985 ^{a/}
Value added in manufacturing (at current prices in national monetary units (Rs. in millions))		1035.2	1524.5	1754.0	2336.2 ^{b/}
Share of manufacturing in GDP (%)		15.6	17.5	18.1	19.2

a/ Planned.

b/ At 1970-1980 prices.

Note: Target year of current national development plan is 1984-85.

India (cont'd)

A. 2. The progress of industrialization over the last thirty years has been a striking feature of Indian economic development. Between 1950-51 and 1978-79 the industrial production has grown at a rate of 6.1 per cent. The process of industrialization was launched as a conscious and deliberate policy in the early fifties. In pursuance of this policy large investments have been made in building up the capacity over a wide spectrum of industries. Industrial production has gone up by about five times during this period. Apart from the quantitative increase in output, the industrial structure has been widely diversified covering broadly the entire range of consumer, intermediate, and capital goods. In most of the manufactured products, the country has achieved a large measure of self-sufficiency, providing the capability to sustain the future growth of vital sectors of the economy primarily through domestic effort. The significant strides made by the industrial sector are the result of planned investment over a wide spectrum of basic and capital goods sector in the public sector during the planning period. The major factors which have contributed to the growth of manufacturing production in recent years are broadly:

- . Liberalised licensing and registration for industrial items both by way of new undertakings and substantial expansions;
- . Regularisation of higher capacities of existing undertakings based on their achievements to meet the internal and export demands;
- . Diversification of industrial products into related areas;
- . Tariff and fiscal incentives have been provided in certain special sectors like electronics etc.

A. 3. The five-fold expansion in industrial production over the planning period is very substantial. However, there is a distinct decline in the pace of industrial expansion in the second half of the period. After a steady growth of about 8 per cent during the initial period of fourteen years, there was a fluctuating trend in the industrial growth rate, approaching near stagnancy in 1966-68 climbing to a level of 9.5 per cent in 1976-79 and dipping to -1.4 in 1979-80. There are many reasons for the decline and fluctuations in the pace of industrial expansion during the second half. Explanations point out to the constraints imposed on industrial growth by demand, supply and infrastructural factors. In India the impetus for industrialization has had to come from the domestic market. In the first phase of development there were many relatively easy opportunities for import substitution, and industrial production could grow faster than

India (cont'd)

the growth in demand. As the easier opportunities were exploited, the low rate of expansion of domestic demand increasingly imposed a constraint which was mitigated only to a limited extent by export markets even though there is evidence that we didn't fully exploit the available export potential. Moreover, the pattern of income distribution and the rate of economic growth was such that domestic markets for manufactured consumer goods could not grow very rapidly. Other factors which have affected the growth rate from time to time include the shortage of infrastructural and other vital inputs (such as power, transport, coal, cement), disturbed industrial relations and to an extent management problems.

The demand constraint is likely to be mitigated given the objective of the reduction in inequality of income and wealth and a progressive reduction in the incidence of poverty and unemployment in the Sixth Plan and the massive plan outlay and public sector investment envisaged in particular. Measures to improve the performance of the infrastructure received urgent attention during 1980-81. The Government initiated effective administrative arrangements to oversee performance of this sector in January 1980. A Special Co-ordination Cell was also established to identify problem areas requiring action on a priority basis, and to co-ordinate efforts at overcoming critical bottlenecks. As a result, there was a steady improvement in the performance of the Coal and Power sectors. In 1980-81, coal production recorded an increase of 9.7 per cent, and electricity generation improved by 5.7 per cent. During April-December 1981-82 the production of coal has registered an increase of 11.6 per cent, electricity generation by 11.2 per cent. As for the railways, the increase registered by the revenue earning goods traffic originating during April-August 1981-82 is by as much as 15.7 per cent. The economy as a whole and the industrial sector in particular have benefited a great deal by the continued improvement in the performance of the three infrastructural sectors. Industrial production increased by 4 per cent during 1980-1981. This tempo is maintained in the current year also. During April-September 1981-82 a substantial increase of about 10 per cent has been registered in industrial production.

Also the action points spelt out in the Industrial Policy Statement of July 1980 have had a favourable impact on industrial production during the current year. The policy accords particular emphasis on improving efficiency and productivity in the industrial sector through optimum utilization of existing capacity. To this end, it is proposed to grant recognition to increased capacities arising from technological improvements and labour productivity by endorsing industrial licences selectively on the basis of such capacities and to permit automatic growth in industries in the core sectors or those which have a direct linkage with the core sectors or with long-term exports.

India (cont'd)

The Government has taken various steps to implement the policy statement. The important steps taken in this direction are as follows:

- . With effect from 1 August 1980 the investment limits for small-scale and ancillary industries have been raised to Rs 20 lakhs and to Rs. 25 lakhs, respectively.
- . Automatic growth at the rate of 5% per annum, subject to a maximum of 25% in a five year period ending August 1985 has been allowed to all core and basic industries (19 industries in Appendix I to the press note of 2 February 1973 and 15 engineering industries to which this facility was already available from 1975, totaling 34 industries), provided the item is not reserved for the small-scale sector or public sector and the undertaking is not dominant in the particular line of manufacture within the meaning of the MRTP Act.
- . Recognition of excess capacity over the licensed/registered capacity in the case of 34 industries (i.e. basic and mass consumption industries and those with export potential) subject to the condition that the industry is not reserved for small-scale sectors.
- . Licensing procedures have been streamlined and the time frame for disposal of applications has been reduced from 90 days to 60 days in the case of non-MRTP and non-FERA companies and from 150/120 days to 90 days in the case of composite cases/MRTP* and FERA** companies. Powers have been delegated to the Ministries/Departments concerned with individual industries for approval of foreign collaborations in specified cases and subject to certain conditions. Further, issues of import licences for capital goods has been further liberalized and powers have been delegated to Regional Offices of the Chief Controller of Imports and Exports to clear imports in specified cases without clearance from an indigenous angle and without reference to the Capital Goods Committee.
- . All production Ministries have set up monitoring groups to monitor the progress of implementation of letters of intent/ industrial licences with a view to early implementation.
- . In order to promote exports, production for exports is treated as outside the licensed capacity. Also it will not be computed for the purpose of determining "dominance" under the MRTP Act.

* Monopolies and Restriction Trade Practices

** Foreign Exchange Regulation Act.

India (cont'd)

- . A special scheme for setting up of 100% export oriented units has been introduced, with facilities for duty free exception for import of capital goods/raw materials/components liberal import of raw materials/components without clearance from an indigenous angle, no insistence on dilution of foreign equity etc. A special Board has been constituted to give a single point clearance of the proposals under this scheme. Clearances will be given within 30 days from date of receipt of the application.
- . The policy for location of industries has been streamlined with provision for relaxation on a selective basis in order to provide for natural growth, export generation, etc.
- . In the past, Registration Certificates had been issued without specifying the capacity, pursuant to the amendment of Section 10(5) of the Industries (Development and Regulation) Act, it became necessary to incorporate the capacity of the undertakings on the Registration Certificates. This requirement became equally important, following the reservation of a large number of items for exclusive production in the small-scale sector. Detailed guidelines have been issued for enabling Ministries/ Departments to fix productive capacities, keeping in view installed capacity, production achieved, etc.
- . Detailed guidelines have been issued for enabling Ministries/ Departments to fix the productive capacity in relation to Carrying on Business Licences.
- . Financial institutions are giving financial assistance for modernization to industries like cement, sugar, cotton textile, jute and engineering. This facility has now been extended to all industries with a view to increasing production.
- . Guidelines have been issued for the setting up of mini-cement plants.

A. 4. Estimates of current level of industrial capacity utilization in major branches:

Capacity Utilization in important sectors of industries

<u>S.No.</u>	<u>Name of industries</u>	<u>Capacity utilization</u> <u>(%) 1981</u>
1	Cement	69
2	Paper	69
3	Newsprint	68
4	Caustic soda	73
5	Auto tyres	88
6	Nylon filament yarn	71
7	Ball and roller bearings	97
8	Matches	81
9	Leather and footwear	58

India (cont'd)

<u>S.No.</u>	<u>Name of industry</u>	<u>Capacity utilization (%) 1981</u>
10	Rubber footwear	76
11	Penicillin	77
12	Dry batteries	74
13	Storage batteries	64
14	Fluorescent tubes	100
15	Electric fans	128
16	Refrigerators	85
17	Machine tools	95
18	Power transformers	62
19	Agricultural tractors	92
20	Road rollers	65
21	Earth-moving machinery	51
22	Commercial vehicles	75
23	Scooters	71
24	Mopeds	112
25	3-wheelers	71
26*	Textile machinery	87
27*	Textile machinery (spares and accessories)	54
28*	Cotton textiles-mill sector	
	- Spinning of cotton blended yarn	73
	- Weaving of cotton and blended/ mixed fabrics	82
29**	Thermal (including nuclear) generation	45

(plant load factor)

* Capacity utilization (percentage) figures are for 1980.

** Plant load factor (percentage) figures are for 1980-1981.

- B. Share in total manufacturing value added by the public manufacturing enterprises was 15.7% in 1978.

INDONESIA

A. 1.

Table II-1

	1975	1978	1979	1980
Value added in manu- facturing (at current prices in national monetary units)	1,123	2,420.4	3,310.6	5,287.9
Share of manu- facturing in GDP (%)	8.9	10.6	10.3	11.6

1 US \$ = Rp. 650 at current prices.

Indonesia (cont'd)

- A. 2. Favourable climate for industrial ventures;
- . Incentives of capital investment facilities;
 - . Low labour costs;
 - . Sufficient market;
 - . Availability of many kinds of national resources.

A. 3. Major factors

- . Lack of advanced technologies;
- . Lack of capital;
- . High cost of economy.

- Measures taken

- . To provide incentives for both domestic and foreign investors;
- . To create a healthy and favourable climate for industrial ventures;
- . To further stimulate investment promotion;
- . To provide extension services to industries, especially small-scale industries.

A. 4. 60 - 80%

B. (No reply on this issue.)

IRAQ

A. 1.

	Table II-1	
	1975	1978
Value added in manufacturing (at current prices in national monetary units)	270.6	506.2 (millions of I.D.)
Share of manufacturing in GDP (%)	6.6	7.0

2. The establishment of new plants;
- . The expansion of available capacities;
 - . Modernization of old equipment and machinery;
 - . Development of human resources through training programs to improve efficiencies and promote qualifications;
 - . The use of better technologies.

Iraq (cont'd)

A.3. Scarcity of skilled human power.

- Measures to overcome these limitations are, the expansion of training programs and to obtain foreign technical assistance.

A.4. (No reply on this issue.)

B. (No reply on this issue.)

KENYA

Table II-1

A. 1. GROSS DOMESTIC PRODUCT: MONETARY ECONOMY

CURRENT PRICES

MANUFACTURING SECTOR

	<u>KE Million</u>	<u>% Share in GDP</u>
1975	127.0	12.7
1976	144.2	12.0
1977	179.9	11.6
1978	219.3	13.0
1979	249.8	19.0
1980*	295.1	14.0

* Provisional

Source: Economic Survey

A. 2. The growth in the industrial production over the last few years has not been appreciable.

- A. 3. The major factors which contributed to the low growth were the increasing prices of imported crude oil and the depressed prices of the traditional export commodities, resulting in worsening of the foreign exchange resources required for import of raw materials, intermediate spares, etc. Besides this, drought conditions reduced the supply of agricultural materials to industry and also the water levels in the rivers which affected the power supply to the industry. The more important remedial measures taken recently include imports of food stuff, energy saving drive, devaluation, export promotion drive, etc.

Kenya (cont'd)

- A. 4. Firm estimates about the capacity utilization are not available. On a rough basis, the under-utilization may be between 30-50% in most industries.

B. Table II-2 1979

Share of public manufacturing enterprises in total wage employment in manufacturing: 19%

LESOTHO

A. 1. Table II-1 (in thousands of Rands)

	<u>1975</u>	<u>1978</u>	<u>1979</u>
Value added in manufacturing (at current prices in national monetary units)	6,628	11,906	24,445
Share of manufacturing in GDP (%)	4.1	N/A	4.0

- A. 2. Foreign aid;
- . Customs revenue;
 - . Government contribution.
- A. 3. Lack of skilled labour;
- . Insufficient funds secured for industrial development;
 - . Weakness in management and excessive turnover of experienced personnel in parastatal organizations (LNDC and BEDCO);
 - . Significant improvements in management in both organizations have been achieved to overcome the above.

Lesotho (cont'd)

A. 4.	1975/76	1976/77	1977/78	1978/79	1979/80
Foodstuff	3666574	5146810	5288048	5553300	6023410
Textiles	909143	1369343	4361089	5133970	5616290
Furniture	1046932	1050172	1239529	1901170	2092813
Metallic	120540	175582	453424	510190	611960
Non-metallic	308570	251232	1787930	1910889	1837717
Leather and skin prod.	261142	263623	350348	368580	8605420
Other chemicals	1667286	1454967	3442935	3939544	4292500

Expressed in value terms (Rands).

B. (No reply on this issue.)

MADAGASCAR

A. 1.

Table II-1

Value added in
manufacturing
(at current
prices in
national
monetary units)

The industrial sector represented 18 per cent of gross industrial product (GIP) before the first energy/inflation crisis of 1973.

Share of manu-
facturing in
GDP (%)

By the second crisis of 1979, this sector represented no more than 11 per cent of GIP owing to the shortage of foreign exchange.

A. 2. The Investment Code.

A. 3. The world crisis seems to be the main cause for the drop in production, for it has disrupted the technological and economic environment of the industrial sector: shortage of foreign exchange, inflation and problems of transport, energy, raw materials, consumer goods, spare parts, etc., just at the time of a major restructuring of the Malagasy economy (the Socialist option of 1975). Inadequate infrastructure. Sporadic drops in agricultural production. Existing equipment decrepit, and spare parts a problem.

Madagascar (cont'd)

- A. 4. Before the energy/inflation crisis, most industries were working at more than 50 per cent of their capacity and some of them at full capacity (e.g. the cement industry).
- . Since the world crisis, many industries have fallen short of this level.
- B. (No reply on this issue.)

MALAWI

A. 1.

	Table II-1 (K million at 1973 prices)					
	1975	1978	1979	1980	1985 ^{a/}	1986 ^{b/}
Value added in manufacturing (at current prices in national monetary units)	53.8	63.3	66.5	69.1	99.6	109.9
Share of manufacturing in GDP (%)	12.8	12.4	12.5	12.9	14.7	15.3

a/ Planned or estimated.

b/ Target year of current national development plan.

- A. 2. Unfortunately the growth rate in the manufacturing sector has declined in recent years as seen from Table 1-2 of A.1.
- A. 3. Recession in the world economy, energy crisis, especially in importing developing countries, and wild fluctuations in agricultural incomes in general, can be cited as some of the major constraints to growth in manufacturing production in recent years: various alternative sources of energy are being explored and some measures to stabilize agricultural prices have been taken seriously.
- A. 4. Capacity utilization varies widely at a firm level in manufacturing industries. But a rough estimate of average levels of sub-sectors may indicate that, except for textiles, capacity utilization is below 70%. This is no surprise the world over if the fact that firms deliberately plan, ex ante, that their plants operate at below maximum capacity is taken into account, coupled with sluggish demand for manufactures.
- B. (No reply on this issue.)

MALTA

A. 1.

Table II-1 (€M million)

	1975	1978	1979	1980	1985 ^{a/}
Value added in manu- facturing (at current prices in national monetary units)	39.1	74.3	88.0	101.5	156.5 (at 1980 prices)
Share of manu- facturing in GDP (%)	25.6	29.6	30.0	29.1	32.1

a/ Planned or estimated.

- A. 2. Manufacturing output rose in recent years principally on account of such factors as the attraction to the Island of a number of export-oriented manufacturing firms and increased labour efficiency. The creditable production performance of the sector was sustained, to a large extent, by the fast growth of exports. The fastest rise in gross output was recorded by textiles and clothing which increased their relative share from 28 per cent in 1973 to 33.3 per cent in 1979. Real manufacturing output rose at a faster rate than envisaged in the 1973-80 plan and this was in no small part due to higher rates of productivity.
- A. 3. In recent years a number of manufacturing firms particularly in the textiles and electronics sub-sectors experienced marketing problems mainly because of depressed demand conditions in overseas markets. On account of the international recession some manufacturing industries closed down whilst others had to shed redundant manpower resources. One of the main objectives of Malta's current industrial strategy is to diversify as much as possible the range of products manufactured locally and to move in the direction of higher-technology industry. In recent years this objective has been associated mainly with efforts to branch out from the manufacture of textiles and clothing which activities are increasingly being made subject to import quota restrictions and trade barriers by a number of developed economies as well as competition from low-cost textile and clothing producing countries.
- A. 4. (No reply on this issue.)
- B. (No reply on this issue.)

MAURITIUS

A. 1.

Table II-1

	1975	1978	1979	1980
Value added in manufacturing (at current prices in national monetary units)	564	803	1010	1200
of which: sugar	261	248	349	300
tea	5	16	14	13
Share of manufacturing in GDP (%)	18	16	17	18

A. 2. Relocation of several South-East Asian garment and knitwear companies.

- . Increase of productivity of Mauritian labour.
- . Slow emergence of local managerial class.
- . Various promotional efforts.

A. 3. Economic conditions in the target markets (primarily EEC).

- . Cost of raw materials and transport.
- . Unpredictable currency fluctuations.

The Government makes an all-out effort to negotiate supplementary quotas with the U.S.A.

A.4. 40% of export processing factories work on one shift, 40% on two shifts and 20% on three shifts. Predominance of female labor in the knitwear and garment sectors makes the shift work very difficult.

- . Local building industry is under severe recessionary strain and is definitely under-utilized.

B. (No reply on this issue.)

MEXICO

A. 1. Table II-1 (in billions of pesos)

	1975	1978	1979	1980	1985 ^{a/}	1990 ^{b/}
Value added in manufacturing (at current prices in national monetary units)	96,593 ^{1/}	211,734 ^{1/}	287,364 ^{1/}	379,374 ^{1/}	659,680*	1,103,610.6*
	175,958 ^{2/}	230,578 ^{2/}	309,713 ^{2/}	411,144 ^{2/}		
Share of manufacturing in GDP (%)	23.07 ^{1/} 23.2*	23.46 ^{1/} 23.5 ^{2/}	23.96 ^{1/} 23.3 ^{2/}	23.56 ^{1/} 23.1 ^{2/}	24.0	25.1*

Source: National Industrial Development Plan, pp. 80 and 111, Fifth Government Report, September 1981.

* 1980 constant prices.

** 1985 prices.

^{1/} B. of M. data

a/ Planned or estimated.

^{2/} S.P.P. Data

b/ Target year of current national development plan.

A. 2. The chief factors which contributed to higher manufacturing production in recent years are broadly the following:

- Incentives and support offered by the Federal Government to producers; and
- The surge in domestic demand as a result of increased employment and the higher purchasing power of the public.
- The means of direct action established in the National Industrial Development Plan are of three kinds:
 - Fiscal incentives;
 - Financial assistance;
 - Industrial protection.
- The significant increase in demand is largely due to the creation of over 2.3 million jobs between 1977 and 1980 and the higher living standards of the public, particularly among the less privileged categories.

Mexico (cont'd)

A. 3. Among the major factors we would single out: (a) uneven sectoral growth, which has hampered the prompt and efficient supply of inputs; (b) an inadequate transport system, which impedes effective movement between the production areas and the main centres of consumption and increases production costs; (c) in particular cases and industries, other problems such as excessive import penetration, lack of production capacity, high prices of certain basic inputs, contraction of external markets and insufficient finance, or a combination of various of these factors.

- The National Industrial Development Plan sets forth the measures adopted by the Government to solve these problems and indicates incentives relating to sectoral and regional priorities. It also sets out priorities for branches of industry according to their ability to contribute to general objectives and indicates priority regions with a view to organizing the geographical decentralization of economic activity. Financial incentives have been created in order to direct production towards mass consumption and increase productive capacity.
- Action in the transport sector has been designed to remove constraints, through massive investment both in infrastructure and in increasing the supply of transport vehicles.

A. 4.	<u>Percentage</u>	<u>Year</u>
Pesticides	60.0	1980
Chemical fibres	76.2	1980
Synthetic fibres	74.2	1980
Edible oils	77.9	1981
Packet soups	66.8	1981
Soap	72.6	1981
Iron and steel	69.5	1980
Paper cellulose	78.5	1980
Basic petrochemicals	80.0	average for the ten years: 1970-80.

B. (No reply on this issue.)

NIGER

A. 1. Table II-1 (in millions of CFAF) (Five-Year Plan)

	1975	1978	1979	1980	1983 ^{a/}
Value added in manu- facturing (at current prices in national monetary units)	3,064	4,000	5,735	8,095	15,440
Share of manu- facturing in GDP (%)	-	6.8	-	-	7.3

a/ Target year of current national development plan.

A. 2. Price rises.

- . Increased demand.
- . Creation of new industries: growth of the economy.

A. 3. Obstacles to growth in manufacturing production:

- . Small size of domestic market, and fraudulent imports.
- . Inadequacy of raw materials available and exploited locally.
- . Non-existence of cheap energy sources.
- . High cost of transport and difficulties of dispatch.
- . Lack of funding.
- . Lack of industrial tradition and of suitable staff.

Measures

- . Resumption of speculative effort: e.g. ground nuts, cotton, hides and leather.
- . Staff training by local companies.
- . Nigerization to bring down production costs.
- . Recourse to technical assistance.

A. 4. Allowing for the obstacles listed above, the current level of industrial capacity utilization is estimated to be roughly 50 per cent.

Niger (cont'd)

B.	Table II-2	
	Attained in 1979 (%)	
Share in total manufacturing value added	2,165,886.00	
Share in total employment in manufacturing	1,883	

NIGERIA

A. 1.	Table II-1 (in millions)					
	1975	1978	1979	1980	1985 ^a	1985 ^b
Gross value added in manufacturing (at current prices in national monetary units)	1,170.4		2,227.7		5,344	
		1,555.0		2,657.0		
Share of manufacturing in GDP (%)	5.4	6.4	5.5	8.0	12.2	

a/ Planned or estimated.

b/ Target year of current national development plan.

A. 2. The domestic market is large and expanding in terms of a relatively big market both in terms of population and money income and provides the leverage for competition in the export market.

- . The emerging entrepreneurial group in the country is dynamic and capable of exploiting the potential in both the domestic and world markets.

- . Government's generous incentives and improvements in investment climate.

A. 3. Constraints

- . Infrastructural constraints including power, water, etc.
- . Shortage of industrial manpower and the relative unattractiveness of manufacturing to indigenous businessmen compared with commerce.
- . Slow implementation of public sector manufacturing projects.
- . Smuggling.

Nigeria (cont'd)

Remedies

- . Nation-wide bore hole projects to improve water supply as well as expansion of water works in the States of the Federation.
- . The liberalization of industrial policy to encourage both indigenous and foreign entrepreneurs.
- . Increased use of the Nigerian Bank for Commerce and Industry and the Nigeria Industrial Development Bank and de-emphasizing direct government participation in industry in favour of private entrepreneurship.
- . Checking of containers and patrol of boarders in order to minimize smuggling, equipping customs officers in order to enhance their efficiency.

A. 4.	(1980 Estimate)	(Percentage)
. Automotive batteries		51.0
. Television sets		100.0
. Radio/radio cassette recorders		100.0
. Paper egg and tray boxes		87.5
. Painting inks		27.3
. Refrigerators		41.7
. Galvanised corrugated iron sheets		84.6
. Poultry		60.0
. Pharmaceuticals		100.0

B. (No reply on this issue.)

OMAN

A. 1.	<u>Table II-1 (in million Omani Rials)</u>				
	1975	1978	1979	1980	1985 ^a
Value added in manufacturing (at current prices in national monetary units)	2.1	11.2	14.2	17.5	76.1
Share of manufacturing in GDP (%)	0.3	1.3	1.2	0.9	2.3

Source: Second Five-Year Development Plan Document.

a/ Planned or estimated.

Oman (cont'd)

- A. 2. Availability of infra-structure facilities.
- . Liberal policy of the Government to encourage and support industrial units.
 - . Preparation of techno-economic feasibility studies by the Ministries and the Oman Development Bank.
 - . Increasing desire on the part of entrepreneurs to diversity their economic activities.
- A. 3. Very limited markets for industrial products.
- . Reliance on imported raw materials owing to domestic non-availability.
 - . Reliance on ex-patriate man-power which is expensive.
 - . Comparatively higher returns in the construction and trade sectors
- B. There are hardly any Public manufacturing enterprises in production worth mentioning.

PAKISTAN

A. 1.

Table II-1

	1974-75	1977-78	1978-79	1979-80
Value added in manu- facturing (at current prices)	17479	25201	28133	34796
Gross domestic product (at current factor cost)	104,640	157,171	178,801	212,471
Share of manu- facturing in GDP (%)	16.7	16.0	15.7	16.4

... table cont'd

Pakistan (cont'd)

Table II-1 (cont'd)

	1980-81 (estimated)	1981-82 (estimated)	1982-83 (estimated)	1983-84 (estimated)	1984-85 (estimated)
Value added in manufacturing (at current prices)	42006	50595	61002	74565	88788
Gross domestic product (at current factor cost)	249,038	29 650	339,500	395,857	461,570
Share of manufacturing in GDP (%)	16.9	17.3	18.0	18.8	19.2

A. 2. Private sector

- . Drastic changes in Government policy with regard to the nationalization of industries giving legal protection to the private sector against nationalization.
- . Demarkation of industries between public and private sectors.
- . Sizeable package for fiscal and monetary incentives to ensure adequate return on industrial investment.
- . The Government attached great importance to consultation with employers and workers for the development of industrial capacity and production. As a result of efforts made by the Government during the past 4 years, labour management relations have considerably improved.

Pakistan (cont'd)

This is evident from the following figures of work stoppages and number of workers involved:

<u>Year</u>	<u>No. of stoppages</u>	<u>No. of workers involved</u>	<u>Mondays lost</u>
1978	85	58,565	106,527
1979	65	38,733	247,867
1980	59	27,710	54,730

A. 3. (No reply on this issue.)

A. 4. Utilization of industrial capacity already installed has always received due attention from the Government. However, the problem continues to exist. Each industrial subsector has its own problems and reasons for under-utilization of capacity. These can be generalized as follows:

- . Shortage of raw materials and spares;
 - . Obsolescence of plant and machinery adversely affecting competitiveness of the industry;
 - . Structural changes in demand patterns;
 - . Slackening of demand on account of temporary recession at home or abroad;
 - . Fiscal anomaly;
 - . Poor management or poor labour-management relations or shortage of power etc.
- In the field of capital goods industry, Pakistan has the capability of fabricating about 70% of the components of industrial plants, but the engineering units, both large and small, do not have arrangements to make direct plant sales at the counter. What is needed is a network of private agencies which may receive orders for plants, distribute the sections which can be made at home among local industries, arrange to procure components which have to be imported, dovetail the equipment so obtained, and supply complete plant with necessary performance guarantees.
- Various measures have been taken to deal with the problems of under-utilization of industrial capacity. These included:

Pakistan (cont'd)

- The import policy has been liberalised and an increasing number of industrial raw materials have been placed on the Free List. Raw materials in respect of 366 items were placed on the Free List in January 1981.
- The requirements of bank guarantees in the case of imports of raw materials by capital goods and allied industries have been substituted by insurance guarantees.
- Margin requirements on import of industrial raw material, spares and equipment for use in the manufacture of machinery have been substantially reduced or eliminated.
- For balancing, modernizing and replacement of obsolete machinery, the industrial units have been allowed the facility of cash licensing up to the value of Rs. 10 million. This facility is available to textile industry, tanning cutlery, surgical goods, sports goods, leather garments, gloves and marble industries. Import of looms for BMR of projects in textile industry has also been allowed.
- Where under-utilization is on account of temporary lack of demand on account of recession, as has been the case of the textile industry, cutlery, surgical goods and sports goods, financial incentives in the form of compensatory rebates have been provided. These are in the case of the textile industry from 7 1/2 to 12 1/2 and in the case of cutlery, surgical goods and sports goods, hand knitted carpet and leather goods industries at 12 1/2 per cent.
- Fiscal anomalies whereby the imported raw materials are taxed at a higher rate than the imported manufactured goods with which the local industry has to compete, the procedure for removing them and adjusting tariff structure to give effective protection to local industry has been made simpler and more expeditious. The Secretaries Committee constantly reviews all such cases to remove fiscal anomalies.

As a result of above measures, the capacity utilization in 1980-81 and onwards improved considerably.

Pakistan (cont'd)

B.	Table II-2	
	Attained in 1980-1981 (%)	
Share in total manufacturing value added	18	
Share in total employment in manufacturing	14	

PANAMA

A. 1.	Table II-1				
	1975	1978	1979	1980	1985 ^a
Value added in manufacturing (at current prices in national monetary units)	174.9	162.4	186.6	194.0	268.6
Share of manufacturing in GDP (%)	15.38	12.82	13.81	13.69	14.57

a/ Planned or estimated.

- A. 2. The slight increase in the manufacturing industry has been made possible by tax incentives granted under Statute 413 of 30 December 1970. In addition, the State has made investment contributions and provided financing facilities.
- A. 3. As the economy is based on a limited market, companies will not risk making large investments. This is why tax incentives are given, but some investors do not consider these to be adequate. Domestic products are generally more expensive than imported products, and as the quality is not controlled to any great extent, there is no free competition with other producers. Restrictions on imports and some improvements in quality would help to reduce the seriousness of the problem.

Panama (cont'd)

- A. 4. Nearly all companies are not making full use of their production capacity, due to the fact that there is no rapid process for the recovery of capital, as a result of Statute 413. Sectors with the lowest utilization of capacity are the metal industries, furniture and accessories and ready-made goods.
- . Overall industry in Panama utilizes between 45 and 60% of its available production capacity.

B.

	Attained in 1979 ^a	Planned for 1985 ^b
	(%)	(%)
Share in total manufacturing value added	13.8	21.89
Share in total employment in manufacturing	10.1	12.78

a/ Planned or estimated.

b/ Target year of current national development plan.

PERU

A. 1.

	1975	1978	1979*	1980**	1985 ^a	1986 ^{b**}
Value added in manufacturing (at current prices in national monetary units) <u>1/</u>	156	508	933	1,504	10,323	13,420
Share of manufacturing in GDP (%)	24.5	27.6	27.1	27.1	26.6	26.6

1/ Billions of current soles.

* Tentative

** Estimated according to the Cuentas Nacionales and the Modelo Prospectivo.

Peru (cont'd)

- A. 2. Incentives for the export of products described as "non-traditional", i.e. manufactured products;
 - . Expansion of the local market to include the Andean Group and other countries of the Latin American region.

- A. 3. Contraction of the domestic market as a result of the fall in the purchasing power of the population;
 - . The inflationary process being experienced by the country;
 - . Adverse terms of trade;
 - . The new high interest rates;
 - . The continuing worsening of the exchange rate.

- A. 4. (No reply on this issue.)

B.

Table II-2

	Attained in 1979 ^{1/} (%)
Share in total manufacturing value added	13.0
Share in total employment in manufacturing (Industrial-scale manufacturing only)	2.6 6.6

^{1/} Includes 20 public manufacturing enterprises with more than 50% Government ownership, excluding those public enterprises engaged in the industrial processing of fishery products (fish meal and oil plus tinned fish) and also the public enterprise which builds fishing vessels.

REPUBLIC OF KOREA

A. 1. Table II-1 (Billion won in current prices)

	1975	1978	1979	1980	1985 ^a	1986 ^b
Value added in manufacturing (at current prices in national monetary units)	2,590	6,194	7,823	10,313	28,433	34,021
Share of manufacturing in GDP (%)	26.5	27.0	26.9	29.4	31.1	31.7

a/ Planned or estimated.

b/ Target year of current national development plan.

A. 2. The following factors have contributed to the growth in the manufacturing sector through the realization of export promotion; 1) the exploitation of its comparative advantage, 2) production at full capacity and on an efficient scale, 3) the inducement of technological change and foreign exchange.

A. 3. In an effort to direct more financial resources toward the heavy and chemical industries at low cost, preferential loans have so greatly expanded that the resulting distorted investment allocation and over-supply of liquidity have generated high inflationary pressure, though this policy direction was to a certain degree an inevitable choice in view of the expected change in the international comparative advantage. Such inflationary pressure has weakened the competitiveness of industry by inducing continued increases in wage and other costs of production that depress exports and growth.

Therefore, the highest priority will be given to economic stabilization which is essential to strengthening industrial competitiveness.

Republic of Korea (cont'd)

A. 4.	<u>Sector</u>	<u>Utilization Ratio (%)</u>	<u>Sector</u>	<u>Utilization Ratio (%)</u>
	Beverages	69.6	Non-metal mineral products	61.0
	Textiles	78.4	Basic metals	72.5
	Wood products	52.4	Machinery	55.6
	Paper	75.3	Manufacturing	73.4
	Chemicals	88.1		

(the average ratio of 1980)

B. (No reply on this issue.)

ROMANIA

A. 1.	<u>Table II-1 (in billions lei)</u>				
	<u>1975</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1982</u>
Value added in manufacturing (at current prices in national monetary units)	235.6	288.5	312.8	322.4	351.9
Share of manu- facturing in GDP (%)	53.9	52.3	52.3	52.0	50.9

Note: The tables have been completed with statistics in accordance with current practice in Romanian planning; as a result, the concepts, definitions and classifications used differ from the "International Recommendations for Industrial Statistics" in the same sense that the data contained in the tables above refer to industry as a whole, including coal mining, petroleum and natural gas extraction, the extraction of metal containing ores and other active substances, together with activities connected with the production and distribution of electricity, gas, water and thermal energy.

A. 2. In accordance with the strategy adopted with regard to the economic and social development of the country, there has been a notable boom in Romanian industry in recent years, to the point of having almost tripled.

Romania (cont'd)

- . Amongst the factors which have promoted the rapid development of industry we may list: the increasing demand for equipment and techniques needed for the accelerated development of the national economy as a whole, the increased requirements for the consumption of industrial and food products by the population, as well as greater participation by Romania in foreign trade and international co-operation.

- A. 3. The presence in the world economy of structural and long lasting destabilization factors, the economic crisis, raw materials, and the energy and financial-monetary situation have had, and are continuing to have, adverse effects in Romania on efforts aimed at increasing industrial production. Added to this there has been a marked increase in recent times in interest rates at an international level.

- . However, the options and solutions adopted with regard to development between now and 1985 provide for a transition towards the intensive development of industry and, as a priority, the development of the raw materials and fuel extraction sector, and towards restructuring the manufacturing industry in the sense of limiting or even reducing some types of production which are major consumers of power and mineral raw materials.

- A. 4. Within the context set out in point 3, for 1982, there was some availability in various branches of industry for additional production, located in the primary processing of crude petroleum, in the fields of cement and other building materials production, in the processing of aluminium and in several sectors of the mechanical engineering industry, such as equipment, machine-tools of various types and transport equipment.

B.

Table II-2

	Attained in 1980 (%)	Planned for 1982 (%)
Share of public sector in manufacturing value added	94.0	94.4
Share of public sector in total employment of population in manufacturing	78.7	76.5

Note: The data relate to the State industrial sector, as compared with total industry, including the mining industry.

RWANDA

A. 1. Table II-1 (in millions of current Rwanda francs)

	1975	1978	1979	1980	1986 ^a
Value added in manufacturing (at current prices in national monetary units)	6,479	12,635	12,301	16,482 ^{1/}	21,666 ^{1/}
Share of manufacturing in GDP (%)	12.3	15.6	12.8	15.3.	15.1
<hr/>					
<u>1/ Breakdown:</u>	Exporting agro-industries	999		1,935	
	Agro-food industries		11,226	13,461	
	Manufacturing industries		4,257	6,270	
			<u>16,482</u>	<u>21,666</u>	

a/ Target year of current national development plan.

Note: The industries covered are exporting agro-industries (tea, coffee, pyrethrum, quinine, etc.), agro-food industries and manufacturing industry. Not included for 1980 are the extraction industry (value added of 1,841 million Rwanda francs) and the construction and public works sector (value added of 4,818 million Rwanda francs).

A. 2. (No reply on this issue.)

A. 3. Present low standard of living;

- . Limited internal purchasing power.
- . Scarcity of natural resources with export potential (in Rwanda itself and in the neighbouring countries).

A. 4. (No reply on this issue.)

B. (No reply on this issue.)

SENEGAL

A. 1. Table II-1 (billions of francs CFA)

	1975	1978	1979	1980
Value added in manufacturing (at constant prices in national monetary units)	83.4	71.0	79.6	71
Share of manufacturing in GDP (%)		17%		

A. 2. (No reply on this issue.)

A. 3. The main reason for the decline in manufacturing production is the drought which has been responsible for poor harvests and a resultant loss of rural purchasing power.

- . Deterioration in the terms of trade: soaring oil prices.
- . Measures taken: an energy-saving campaign to cut down wastage of energy.
- . Diversification of crop varieties.

A. 4. Industries Chimiques du Sénégal (ICS): 50%

SINGAPORE

A. 1. Table II-1
Establishments with 10 or more workers

S\$ _m	1975	1978	1979	1980	1990
Value added in manufacturing (at current prices in national monetary units)	3411	5163	6703	8842	-
Share of manufacturing in GDP (%) (at 1968 factor cost)	21.2	22.4	23.6	23.9	31.0

Singapore (cont'd)

- A. 2. Supply factors such as increased investment in new machinery and equipment, and increased labour productivity have contributed to manufacturing growth.
- A. 3. Given the export-oriented nature of the manufacturing sector, the low level of international demand and increased protectionism of developed countries make demand-led growth in traditional sectors like rubber products, textiles and timber products difficult. The policy to restructure the manufacturing sector is an attempt to develop a long-term solution to the problem.
- A. 4. (No reply on this issue.)
- B. (No reply on this issue.)

SRI LANKA

Value-added in industry 1976-1980

A. 1. Table II-1 (Rs million)

<u>Category</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Food, beverages and tobacco.....	701	905	1,366	1,417	1,795
Textiles, wearing apparel and leather products.....	266	269	244	227	342
Wood and wood products (including furniture).....	78	77	63	82	168
Paper and paper products.....	54	119	191	217	341
Chemicals, petroleum, coal, rubber and plastic products	937	770	526	686	1,083
Non-metallic mineral products (except petroleum and coal).....	219	251	390	441	608
Basic metal products.....	38	29	55	84	80
Fabricated metal products, machinery and transport equipment	153	204	292	272	297
Products n.e.s	16	14	12	11	12
	<u>2,462</u>	<u>2,688</u>	<u>3,109</u>	<u>3,437</u>	<u>4,726</u>

Sri Lanka (cont'd)

- A. 2. In November 1977, a policy of an open economy with liberalised imports was inaugurated. A unified exchange rate was established. Incentives such as tax holidays for small and medium scale industries, export-oriented industries and pioneering industries were introduced.
- . An export promotion zone was established. These factors gave a major stimulus to the growth of industry.
- A. 3. Until November 1977 import of plan and machinery, raw material, packing material were subject to a rigid system of import control due to the exigencies of the foreign exchange situation.
- . Since November 1977 all import controls have been dismantled. Hence now as a result production can be geared to market demand.

Capacity utilization 1979-1980

A. 4.	Category	Percentage utilization of capacity	
		1979	1980
	Food, beverages and tobacco	72	70
	Textiles, wearing apparel and leather products.....	67	70
	Wood and wood products (including furniture).....	84	89
	Paper and paper products.....	70	68
	Chemicals, petroleum, coal, rubber plastic products.....	65	79
	Non-metalluc mineral products (except petroleum and coal).....	80	82
	Basic Metal products.....	68	62
	Fabricated metal products, machinery and transport equipment.....	60	58
	Products n.e.s.....	74	70
		72	73

B. (No reply on this issue.)

SUDAN

A. 1.

Table II-1

	1975/76	1978/79	1979/80	1980/81
Share of manufacturing in GDP (%)	8.4	8.2	8.2	7.8

A. 2. Availability of local raw materials for imports substitution industries.

- . Availability of markets.
- . Issuing of total or partial protection for those industries that could satisfy the local demand.
- . Reasonably cheap labour.
- . Tax concessions and holidays.

A. 3. Failures in stable and constant electric power.

- . Shortages in imported raw materials.
- . Labour high turnover.
- . Absolute and inefficient machinery (lack of spare parts).
- . Transportation bottlenecks.
- . Foreign currency non availability quantitatively.

Measures taken:

- . Industrialization are encouraged to have individual power generators for their plants.
- . An asphalt road is completed connecting Port Sudan and most inland production and main consumption areas.
- . A unified exchange rate for the Sudanese Pound against U.S.A. dollars is adopted to attract foreign currency earnings.

A. 4. Sugar industries around 32.8 per cent.

- . Textile industries around 34.2 per cent.
- . Leather industries around 25%.
- . Building materials (cement) around 48.3 per cent.

B.

Table II-2
Attained in 1979/1980

Share in total employment in manufacturing	39%
--	-----

THAILAND

A. 1.	Table II-1 (in million of baht)					
	1975	1978	1979	1980	1985 ^a	1986 ^b
Value added in manufacturing (at 1972 prices in Thai monetary units)	53,910	89,089	109,740	125,830	345,370	411,580
Share of manufacturing in GDP (%)	18.0	19.0	19.7	18.7	-	-

a/ Planned or estimated.

b/ Target year of current national development plan (1982-1986).

A. 2. In the past two decades since Thailand initiated a five-year National Economic and Social Development Plan, the industrial investment has been increased rapidly. Such new industry as electric and electronic parts, petroleum, rubber products, building materials, clothing apparels, pulp and paper, iron rod and bar, automotive parts and motorcycles as well as wood-based industry, furniture, ornaments, jewelries etc. have been introduced into the country. It opened the new era for Thailand to become the so called new semi-industrialized country. It is without doubt that the industrial sector has played an active role in the development of the country's total economy. It is clear from this point of view that the industrial production has been increased from 13.1% of the Gross National Product (GNP) in 1960 to 21% in 1981 comparing to the agricultural production which has been increased to 24.8% in the same year. However, it is expected that at the end of the Fifth Plan industrial production will be slightly near the agricultural production in terms of value.

- . Low cost labour force.
- . Abundant undeveloped natural resources.
- . Firm policy of the Government in the development of import substitution industries as well as export oriented industries.
- . Sufficient skilled labour force are available which is one of the major factors to assist the contribution to the growth in manufacturing production in the recent years.
- . Conflicts between employer and employees can easily be settled.

Thailand (cont'd)

- A. 3. Industrial structure still relies on foreign raw materials in certain volumes.
- . Export oriented industries development could not meet sufficient effectiveness.
 - . Most of the industries flock to Bangkok metropolitan and suburban areas.
 - . Production processes and industrial technology still employ low skilled labour.
 - . Basic industries development have not yet been evolved.
 - . High cost of energy particularly petroleum represents a serious impact on the industrial growth in recent years. In addition, inflation has also affected the industrial manufacturing production.
- In order to overcome the above-mentioned problem the Government set targets to improve the industrialization of the country by means of restructuring with the emphasis on export promotion in order to reduce trade deficit as well as to gain more foreign exchange earnings. The dispersal of industry to the rural areas so as to create more employment all over the country has been brought into action. Furthermore, the Government has set targets to achieve the industrial development in the current Plan by laying down the following objectives:
- . the increase in total industrial production projected not less than 7.6% per annum.
 - . export value is projected to increase not less than 15% per annum. This effort will be made up to 25% per annum by speeding up the promotion of finished product industries such as food processing, jewelries, ornaments, furniture, rubber products and wood based industries. Meanwhile, textile industry as well as building materials, electric parts, automotive parts, clothing apparels and motorcycle industries will receive firm support so as to increase the export volume.
 - . Other important factors will be taken into serious consideration so that by the end of the Fifth Plan Thailand will reach the stage of the so-called "semi-industrialized country".
4. Capacity utilization in the manufacturing factor ranged from 65 to 85%. Industries which encountered production problems and registered notable drops in capacity utilization were mostly agro-industries such as rice and sugar mills.
- Industries with higher levels of production and capacity utilization mostly represented export-oriented production such as integrated circuits, the output of which more than doubled due to favourable market conditions and wide spread capacity expansion. Others included precious stones and ornament apparels, leather products, footwear, rubber

Thailand (cont'd)

products, plastic ware and watch components. A significant rate of expansion was recorded for production of bicycles and motorcycles, television sets and chemical products. Another notable development in the machinery industry was the production of small diesel engines for agricultural use initiated by two manufacturers earlier in the year, and one more project commenced in January 1981.

- In 1980, 8,240 plants were granted permission to commence expanded operation, a drop of 15% from the 9,749 plants was authorized in 1979. This was due to the high cost of energy and inflation, as well as the sluggishness of the world economy. However, the average wholesale price index of industrial goods rose by 20% as against 12.3% in 1979.
- Policy wise, the focus of current industrial development and the targets prescribed in the Fifth National Economic and Social Development Plan is on promotion of export-oriented industries and the dispersal of manufacturing industries to the provincial areas. Industries which employ sizeable amounts of labour or local raw materials and those that promote energy conservation are given top priority.

B. (No reply on this issue.)

TOGO

A. 1. Table II-1 (in millions of CFA francs)
1975 1978 1979 1980

Value added in manufacturing (at current prices in national monetary units)	9,537	12,520	11,312	13,000
Share of manufacturing in GDP (%)	7.4	6.5	5.2	5.6

A. 2. Establishment of new small and medium-sized industrial firms.

A. 3. The world economic crisis, which entailed an increase in the cost of tools and of factors of production.

- . The smallness of the market. A widening of the market within the framework of ECOWAS, of which Togo is a founding member, is planned.

A. 4. (No reply on this issue.)

B. (No reply on this issue.)

TUNISIA

A. 1. Table II-1 (in million dinars)

	1975	1978	1979	1980	
Value added in manufacturing (at current prices in national monetary units)	152.9	250.9	299.5	370.3	(V.A. in MD)
	+5.7*	+11.0	+10.7	+10.0	(increase in V.A.)
Share of manufacturing in GDP (%)	+5.7*	+11.0	+10.7	+10.0	(increase in V.A.)

* in 1977.

A. 2. Continued demand for manufactured goods.

- . Favourable environment at legal, social and administrative levels.
- . Existence of local raw materials for processing purposes (chemical industries: phosphates, building materials industry).

A. 3. Factors

- . Risks arising out of economic conditions which continually disrupt foreign markets, especially in certain countries of the Common Market, which is still the main outlet for our goods.
- . Lack of certain raw materials (milk, vegetables, etc.).
- . Lack of experience and non-existence of technology suited to the country's needs.

Remedies

- . Pooling of purchases in respect of certain food products: cocoa, milk and sugar.
- . Co-operation with the Maghreb countries in regard to selling certain manufactured goods.
- . Encouragement of technological transfer.
- . Increase in the number of vocational training centres and creation of specialized bodies.

Tunisia (cont'd)

- A. 4. Industries producing building materials : 80%
- . Mechanical engineering, metallurgical and electrical industries : 70%
- . Chemical industry : 70-80%
- . Textile industry : 70%

B.

Table II-2		
	Attained in 1979 (%)	Planned in 1980 (%)
Share in total manufacturing value added	40	40

TURKEY

A. 1.

Table II-1 (in billion Turkish Libra. TL)				
	1975	1978	1979	1980 ^a
Value added in manufacturing (at current prices in national monetary units)	79.8	232.1	416.7	877.8
Share of manufacturing in GDP (%)	17.0	19.5	20.7	21.4

Source: 515 and SPO

a/ Estimate.

- A. 2. The major factor which contributed to the growth of manufacturing industries in the years 1975, 1976 and 1977 was short-term borrowings from Euro-dollar market. But later on, this source became one of the main bottlenecks to the growth. After 1978 this source dried out. In the past two years the main economic objective was to use the existing capacities at reasonable levels. Therefore, less interventionist free market policies were put in force to mobilize concerned economic agents in a better way. At the same time support which has been given by international economic organizations, (OECD, IMF, etc.) for restoring economic life should be mentioned.

Turkey (cont'd)

- A. 3. First and second oil price shocks are major factors that have limited growth in manufacturing production in recent years. Unfavourable terms of trade and due increasing balance of payment deficits almost crippled the manufacturing industries. After the first oil price shock, existing common Keynesian interventionist economic policies were put in force; and borrowing from 'Euro-dollar Market' and administrative pressures and regulations to the market forces were seen as an outlet to overcome the economic difficulties. Shortly after, it was seen that it is a dead end. Afterwards, more free market policies were adopted by 'January 1980 Stabilization Programme'. By this programme scope of the administrative measures and price controls were considerably reduced and adverse effects of interventions to economy were eliminated.
- A. 4. There is not any official figure about current industrial capacity utilization. But, due to foreign currency shortages and difficulties in providing regular and sufficient energy, capacity utilization levels are very low.

B. (No reply on this issue.)

UNITED REPUBLIC OF CAMEROON

A. 1.

Table II-1 (in thousand million CFA francs)

	1976	1978	1980
Value added in manufacturing (at current prices in national monetary units)	55.5		96
Share of manufacturing in GDP (%)		18	

- A. 2. Increase in number of production units;
 - . Growth of domestic demand.
- A. 3. Weakness of development of the domestic market;
 - . Competition of foreign products both on national market and on world markets.

United Republic of Cameroon (cont'd)

- A. 4. Consumer goods : 83%
- . Intermediate goods : 68%
- . Capital goods : 67%
- . Industry as a whole : 77%

B. (No reply on this issue.)

UPPER VOLTA

A. 1.

	Table II-1			
	1975	1978	1979	1980
Value added in manu- facturing (at current prices in national monetary units)		9,188.3	14,013.6	10,588.0*
Share of manu- facturing in GDP (%)	12.53	11.61		

* Data not available for all major industries.

- A. 2. Installation of new industrial units.
 - . Extension of existing industrial units.
 - . Increased productivity.
- A. 3. Financial difficulties.
 - . Energy costs.
 - . Delays in the supply of raw materials and spare parts.
 - . Marketing difficulties.
- A. 4. Average utilization of installed capacity is at present 75 per cent in the major industrial branches.

Upper Volta (cont'd)

B.	Table II-2 Attained in 19-- (%)
Share in total manufacturing value added	43.46
Share in total employment in manufacturing	44.54

URUGUAY

A. 1.	Table II-1 (thousand of new pesos)			
	1975	1978	1979	1980
Gross value added in manufacturing (at current prices in national monetary units)	2,481,593 ^{1/}		13,246,240 ^{3/}	
		9,125,101 ^{2/}		19,845,544 ^{4/}
Share of manufacturing in GDP (%)	25.31	25.51	26.07	24.96

^{1/} and ^{2/} By extrapolation of the sample results based on the first National Economic Census of 1968 (with the whole world).

^{3/} and ^{4/} By extrapolation of the sample results based on the National Economic Census of 1978 (with enterprises of five or more employees).

A. 2. Growth of non-traditional exports.

- . Progressive liberalization of trade.
- . Importance of regional markets (Argentina and Brazil).
- . Incentives for exports (credit, tax, refunds, investment), mainly in the period 1974-1979.
- . Large sums of foreign capital which were invested in the country.

Uruguay (cont'd)

- A. 3. The main factor has been the fluctuation in demand and international prices for traditional products. Efforts to overcome these problems have mainly taken the form of carrying out market research and setting up permanent trade missions in various countries.
- A. 4. The level of industrial capacity utilization fluctuates. In 1980, according to the survey of manufacturing industry made by the Central Bank, idle capacity was negligible. Now, in the first nine months of 1981, this idle capacity has increased. According to the Central Bank's survey for this period, only 1.5 per cent of those polled were using their capacity normally.

B.

Table II-2
Attained in 1980
(%)

Share in total manufacturing value added	2.8
Share in total employment in manufacturing	4.2

VENEZUELA

A. 1.

Table II-1 (in millions of bolivars)

	1975	1978	1979	1980	1985 ^a	1985 ^b
Value added in manufacturing (at current prices in national monetary units)	13,709	20,717	24,163	29,176	71,013	71,013
Share of manufacturing in GDP (%)	14.6	14.7	15.3	16.1	14.5	14.5

a. Planned or estimated.

b. Target year of current development plan.

Venezuela (cont'd)

- A. 2. During the period 1970-1973, manufacturing production in Venezuela grew under the stimulus of the expansion of domestic demand and exports and the process of import substitution. During the period 1973-1976, production grew in response to the steep rise in domestic demand which took place in those years, but nevertheless failed to keep pace with it because the installed capacity was overloaded. During the years 1977-1979, manufacturing production continued to gradually slow down as a consequence of a number of factors (discussed in the reply to the next question), and also of the effects produced by the application of a stabilization policy.
- A. 3. During the period 1973-1976, manufacturing production was unable to keep pace with the growth of domestic demand because of the gradual saturation of installed capacity, which was in turn the result of the failure to invest early enough in its expansion in addition to the scarcity and poor use of human resources at all levels and the short-comings in the supply of inputs and in the services infrastructure. The year 1977 saw a continuation of the slowdown in manufacturing production because of the combination of factors mentioned above, and this trend continued in 1978, 1979 and 1980 for the same reasons plus the side-effects of the stabilization policy (such as credit and financial restrictions).
- A. 4. (No reply on this issue.)

B.

Table II-2

Attained in 1980
(%)

Share in total manufacturing value added	9.0
Share in total employment in manufacturing	3.3

YUGOSLAVIA

Table II-1

A. 1.	1975	1978	1979	1980	1985 ^a
Value added in manufacturing (at current prices in national monetary units) (mil. din.)*	89.499	163.937	210.780	308.886	
Share of manufacturing in GDP (%) (1978 prices)	37.0	38.0	38.4	39.0	40.5

*National income reduced by net personal incomes (Statistical Yearbook of Yugoslavia 1981, page 161.)

a/ Planned or estimated.

- A. 2. Construction of new facilities;
- . Modernization and renovation of existing facilities;
 - . Increased labour productivity and more rational use of capacities;
 - . Highly favourable domestic market (demand) conditions;
 - . Relatively good supply of raw materials and intermediaries, etc.
- A. 3. Optimal capacities have not been built in some branches of the industry, which has many adverse consequences (low capacity efficiency, low labour productivity, etc.);
- . Slow adjustment of the production structure to market demand etc.;
 - . Special measures have been taken to redeploy investment resources to those activities in the focus of development, as well as measures to step up exports and rationalize imports.

A. 4.	<u>1979*</u>	<u>In Percentage</u>
	Industry - total 1981	
	Electric power industry 77	Chemical products production 83
	Coal production 87	Final wood products manufacture 79
	Oil and gas production 96	Finished textile production 82
	Ferrous metallurgy 76	Foodstuffs production 76
	Non-ferrous metals processing 79	
	Metal processing industry 82	

*The efficiency level for the capacities has been computed on the basis of the maximum feasible production.

Yugoslavia (cont'd)

B. (No reply on this issue).

ZAIRE

A. 1.	Table II-1		
	1975	1978	1980
Value added in manufacturing (at current prices in national monetary units)	191.6	336.0	
Share of manufacturing in GDP (%)		11.6	7.8

A. 2. Manufacturing production has been continuously declining since 1975.

A. 3. Supplies of raw materials, spare parts and motor fuel, owing to the lack of foreign exchange.

. To remedy the situation, the Government gives industrial undertakings access to foreign exchange, according to its availability, to purchase raw materials and spare parts.

A. 4. Between 30 and 60 per cent of installed capacity.

B. (No reply on this issue).

ZIMBAWE

A. 1.	Table II-1 (million Z\$)					
	1975	1978	1979	1980	1985 ^a at 1981 prices	1984-1985 ^b at 1981 prices
Value added in manufacturing (at current prices in national units)	447	514	679	844	1671	1584
Share of manu- facturing in GDP (%)	23.3	23.3	26.0	25.5	28.5	28.5

a. Planned or estimated.

b. Target year of current national development plan.

Zimbabwe (cont'd)

- A. 2. The war damaged economy of Zimbabwe has recovered during recent years after independence. Up to 1978 there was also a recessionary phase brought about by higher imported fuel costs and lower export earnings. Towards the end of 1978 and throughout 1979 disposable incomes and consumer spending had begun to expand. With the advent of peace and political independence in early 1980, a favourable business and economic atmosphere also led to a fuller utilization of industrial capacity.
- A. 3. The three major constraints to growth in recent years have been lack of skills resulting from migration of certain persons, the lack of foreign exchange needed to import plants and machinery for expansion of capacity and necessary raw materials and transport bottlenecks. Training programmes for local technicians have been organized and some expatriate labour acquired. Exports and foreign capital are being encouraged. Bottlenecks are also being removed through import of railway engines and organizing repairs to old engines.
- A. 4. There are few branches of industry where there is significant under-utilization of capacity, such as steel, transport equipment, electrical industry and certain other metal products industries.
- B. (No reply on this issue).

III. SOCIAL ASPECTS OF INDUSTRIALIZATION

Governments were invited to supply information on the following topics:

- A. Industrial employment.
- B. Measures taken to obtain an equitable distribution of the benefits of industrialization to all segments of the population.
- C. Measures taken to alleviate problems related to urbanization and regional factors.
- D. Measures taken that were specifically designed to secure a greater and more equitable involvement of women in industrial development.
- E. Other relevant topics. *

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE :

ARGENTINA

A.

	Table III-1				
	1975	1978	1979	1980	1981
Number of persons engaged in manufacturing	118.4	108.1	125.1	122.3	102.8
Base: 1970 = 100					

N.B. A detailed table for 1974 appears on the following pages.

- B. (No reply on this issue.)
- C. (No reply on this issue.)
- D. (No reply on this issue.)

* Most countries did not reply on this issue.

A. Industrial employment (cont'd)

PERSONS EMPLOYED IN MANUFACTURING INDUSTRY BY SEX AND BRANCH OF ACTIVITY
(Census taken on 30 September 1974)

Code	Industry	No. of establishments	Persons employed			Owners and partners		Members of owners' families		Paid personnel					
			Total	Men	Women	Men	Women	Men	Women	Producers of goods		Tasks not producing goods			
										Skilled	Unskilled	Men	Women	Men	Women
	Total	126,388	1,525,257	1,246,157	279,100	65,376	14,128	31,174	21,409	541,532	104,035	369,008	99,173	139,067	40,355
311	Food products	18,640	246,209	192,222	53,987	23,570	2,832	6,263	9,327	65,209	11,135	76,849	25,775	20,331	4,918
312	Miscellaneous food preparations and prepared feeds for animals	996	14,473	11,611	2,862	1,249	151	251	183	3,634	659	4,829	1,337	1,648	532
313	Beverages	7,741	50,897	46,066	4,831	9,497	844	2,351	1,144	10,718	574	16,273	1,238	7,227	1,031
314	Tabacco	85	8,791	6,024	2,767	73	23	15	36	2,373	815	2,946	1,722	617	171
321	Textiles	6,125	134,195	80,469	53,726	7,160	1,698	1,082	1,558	37,985	28,552	26,073	17,684	8,169	4,234
322	Manufacture of wearing apparel	7,887	64,130	20,155	43,975	7,947	2,719	942	2,002	5,568	24,442	3,122	12,686	2,576	2,126
323	Leather, leather substitutes and other wearing appapel	1,595	15,258	11,284	3,974	2,021	224	398	325	3,637	1,371	4,350	1,674	878	380
324	Footwear	2,703	32,139	19,801	12,338	3,723	301	762	750	9,472	6,536	4,589	4,160	1,255	583
331	Wood and wood products	11,790	53,958	51,894	2,064	14,805	338	3,004	551	13,030	218	19,617	529	1,438	428
332	Furniture and accessories	7,898	33,667	31,696	1,971	10,594	303	1,546	382	11,048	333	7,817	606	691	347
341	Paper and paper products	1,071	29,446	23,762	5,684	1,454	211	182	191	9,735	1,558	9,576	2,994	2,815	730

A. Industrial employment (cont'd)

Code	Industry	No. of establishments	Persons employed			Owners and partners		Members of owners' families		Paid personnel					
			Total	Men	Women	Men	Women	Men	Women	Producers of goods				Tasks not producing goods	
										Skilled		Unskilled			
										Men	Women	Men	Women	Men	Women
342	Printing, publishing and allied industries	4,373	42,753	36,496	6,257	6,145	584	834	533	17,840	1,977	7,110	1,700	4,567	1,463
351	Industrial chemicals	815	29,206	26,673	2,533	950	82	89	69	15,948	990	5,815	519	3,871	873
352	Other chemicals	2,112	59,307	40,000	19,307	2,452	353	533	358	15,078	5,973	9,116	7,610	5,013	5,013
353	Petroleum refineries	40	10,086	9,834	252	39	3	4	-	5,867	54	875	30	3,049	165
354	Derivatives of petroleum and of coal	127	2,181	2,065	116	186	14	15	6	618	12	1,001	7	77	77
355	Rubber	998	21,646	18,972	2,674	1,390	87	207	80	9,483	832	5,684	917	2,208	758
356	Plastic products	2,125	25,417	18,688	6,729	2,886	332	434	338	5,877	1,180	7,809	3,960	1,682	919
361	Articles of clay, earthenware and porcelain	411	9,980	6,934	3,046	484	86	95	99	3,636	1,724	2,176	902	543	235
362	Glass and glass products	560	16,481	15,390	1,091	967	85	89	65	5,654	249	7,090	378	1,590	314
369	Other non-metallic mineral products	13,245	77,297	74,637	2,660	17,536	546	5,873	1,028	19,991	263	28,234	196	3,003	627

A. Industrial employment (cont'd)

Code	Industry	No. of establishments	Persons employed			Owners and partners		Members of owners' families		Paid personnel					
										Production of goods				Tasks not producing goods	
			Total	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
371	Iron and steel basic industries	731	65,004	63,624	1,380	1,265	47	111	38	34,980	116	18,321	147	8,947	1,032
372	Non-ferrous metal basic industries	767	15,825	14,673	1,152	1,191	75	139	35	6,860	113	4,152	94	2,331	835
381	Metal products	17,854	123,430	113,983	9,447	2,447	762	3,175	893	49,458	2,550	29,209	2,342	7,580	2,900
382	Machinery	4,773	88,865	84,044	4,821	7,492	337	782	240	51,059	1,167	16,329	491	8,383	2,586
383	Electrical machinery, apparatus, appliances and supplies	3,028	59,217	45,441	13,776	4,230	286	502	252	24,041	6,537	10,214	4,382	6,094	2,319
384	Transport equipment	4,367	171,645	162,311	9,334	7,007	348	738	306	96,542	2,279	34,958	2,386	23,066	4,015
385	Professional and scientific equipment, photographic and other apparatus	538	8,442	6,280	2,162	775	68	78	49	2,964	857	1,614	819	849	369
390	Other manufacturing industries	2,993	15,312	11,128	4,184	3,727	389	680	563	2,867	969	3,260	1,888	594	375

Prepared by: The National Directorate of Industrial Co-operation, on the basis of INDEC data. Secretariat of Industry and Mining, 1982.

BAHAMAS

A.

Table III-1

	1975	1979
Number of persons engaged in manufacturing (in thousands)	1.2	4.7
Number of women engaged in manufacturing (in hundreds)	386	-

B. See Chapter I. point A. and Chapter IV. point A.

- C. The Government of the Bahamas has realized that sound economic and industrial management must necessarily be tied to sound social policies and programmes. To this end the Government has designed and is implementing its social revolution programme for the 1980's. This includes:
- . Expansion of health and welfare facilities throughout the nation.
 - . A massive sustained programme to improve and maintain the environment, particularly in heavily populated urban areas.
 - . Government housing programme for lower-middle and low income groups.
 - . Improve educational services including the expansion of vocational and technical training within existing institutions.
 - . Development of modern infrastructure facilities with special emphasis on family island communities.
 - . Encouragement and support of small family-owned hotels and guest houses.
 - . Improved Mailboat Service (cargo) to the family islands.
 - . Establishment in the family islands of packing houses for agricultural and fisheries produce.

D. (No reply on this issue.)

BANGLADESH

A.

Table III-1

	1975	1978	1979	1980
Number of persons engaged in manufacturing (in thousands)	345.95	586.79	586.95	587.48
Number of women engaged in manufacturing (in thousands)		5.98	6.69	8.03

- B. The Government is very eager to extend the benefit of industrialization to the population by selling irrigation plants, irrigation pumps, tube-wells, fertilizer, etc., to the people at a reduced rate. The Government is also trying to make electricity, natural gas and other industrial products available in the foremost corners of the country.
- C. The government is very conscious about construction of industries in urban areas, and the problem of regional dispersal. At present, the Government is discouraging the location of industries in the developed urban areas and encouraging dispersal of industries to these development areas by various incentives.
- D. The Bangladesh Women's Rehabilitation and Welfare Foundation is engaged in training women in different crafts. These are tailoring, embroidery, hand-loom weaving, jute crafts, bamboo crafts, baking, carpet weaving, poultry, etc. Most of this crafts training is helping women in securing their involvement in the industrial development, in the cottage industry level and self-employed entrepreneurship.
- Training of women in garment making is increasing the involvement of women in the garments industry.
 - The Bangladesh Women's Rehabilitation and Welfare Foundation is setting up (under a development project) an industry on food processing and preservation in Sylhet. The industry will employ mostly women.
 - The Government has also taken up schemes for effective utilization of women in the country.
- E. There are as many as 427 women's voluntary social welfare organizations in the country and the number is increasing day by day. These organizations are helping women in the different nature of cottage industries, etc.

BENIN

A.

Table III-1

	1975	1978	1979
Number of persons engaged in manufacturing (in thousands)	5.22	6.3	6.5
Number of women engaged in manufacturing (in thousands)	0.36	0.37	0.39

- B. No special measures have been taken, but in certain large industrial projects the social infrastructure is taken into account with a view to the environment.
- C. To fill the void created by the anarchic town planning system, the Development Plan for 1977-1980 made provision for the establishment of services for the development of building land and town planning (National Real Estate Management Company at the national level and Provincial Companies in the provinces) and a research and monitoring centre for the improvement of housing conditions.
- . Furthermore, to prevent the chaotic growth of towns a number of projects have been designed and implemented in an attempt to keep young people from leaving their home environment (e.g. the 4 D Clubs, financed by the World Bank).
- D. No special measures have been taken in this area, but overall a number of actions have been taken, such as:
- . Adoption of the Basic Law, article 124 of which advocates equal rights for men and women in all fields;
 - . Implementation of the status for permanent employees, which make provision for the democratization of employment and equal status for men and women in the field of employment;
 - . Organization of numerous consciousness-raising seminars to increase women's awareness of their role in society.

BOLIVIA

A.

Table III-1

	1975	1978	1979	1980
Number of persons engaged in manufacturing (in thousands)	126.6	141.5	146.8	152.3
Number of women engaged in manufacturing (in thousands)	35.5	39.6	41.1	42.6

- B. Salary increases in line with increased production for low-income sectors;
- . Creation of incentives for high productivity;
 - . Gradual introduction of a minimum salary sufficient to provide every worker and his family with an adequate standard of nutrition, health and housing;
 - . The establishment in the medium and short-term of a basic economy able to generate productive paid jobs for the entire working population, with redistribution of surpluses for the benefit of the broad masses of the population.
- C. Countering deficiencies in the basic infrastructure through the provision of drinking water, sewerage systems and related municipal services;
- . Remodelling the present layout of settlements to achieve greater integration of housing, employment and associated services;
 - . Reducing infrastructure costs by achieving economies of scale and lower social costs mainly through concentration;
 - . Control over the use and ownership of urban land;
 - . Control of the environment in urban centres.
- D. Introduction of a general training policy for women as one of the factors in the process of social development and economic growth.

BRAZIL

A.

	Table III-1			
	1975	1978	1979	1980
Number of persons engaged in manufacturing (in millions)	3,816.5	4,100.9	4,181.4	4,282.5

The number of persons employed in the manufacturing industry in 1975 includes the total number of persons engaged in manufacturing activities on 31 December 1975. The information was obtained from the 1975 Industrial Census (IBGE). The data for 1978-1980 have been estimated on the basis of the 1975 census, using employment indices for manufacturing industry (IBGE).

Source: IBGE

- B. Maintaining the industrial sector ratio of growth at a maximum level as permitted by the external sector constraint is the general objective of the government strategy aiming at a more equitable distribution of the benefits of industrialization to all segments of the population.
- . There are also specific policies aiming at the same objective, namely:
- a system of fiscal incentives and subsidized credit to promote industrial deconcentration;
 - implementation of basic infrastructure in those regions and areas of relative backwardness;
 - a wage policy based on semestral wage increases, as a form of protection against inflation, and giving different percentual increases according to the level of wage, as a form of narrowing wages differentials.
- C. (No reply on this issue).
- D. There are no specific measures designed to secure a greater participation and a more equitable involvement of women in industrial development. The Brazilian industrial relation legislation, in general terms, does not discriminate between men and women's work. In some specific cases, the legislation protects women's work, such as pregnancy, working conditions concerning salubrity, a shorter time for retirement, etc.
- It should be mentioned that in the 1970s the women's participation in the working force increased substantially. This has been explained by two facts: (a) the high rate of growth during that period, and (b) high education opportunities opened up to women.

Brazil (cont'd)

- It should be mentioned that in the 1970s the women's participation in the working force increased substantially. This has been explained by two facts: (a) the high rate of growth during that period, and (b) high education opportunities opened up to women.

BURUNDI

A.

	Table III-1		
	1979	1980	1985 ^a
Number of persons engaged in manufacturing (in thousands)	9.1	10.5	15.9
Number of women engaged in manufacturing (in thousands)	1.37	1.58	2.39

- B. Creation of industries integrated into the national economy, adapted to the needs of the majority of the people and based on greater use of local resources;
 - . Assignment of priority to industries involving labour-intensive techniques;
 - . Decentralization of enterprises so as to avoid regional imbalance and rural exodus.
- C. Definition and demarcation of industrial zones in Bujumbura (the capital) and other towns;
 - . Availability of basic infrastructure (access roads, water, electricity) for new enterprises;
 - . Adoption of a policy of decentralization of industry, through the creation of poles of development.
- D. Given equal qualifications, women are employed equally with men. In the Bujumbura textile complex, for example, 30 per cent of the staff of 1,300 are women. Women may also be promoters of industrial projects.

CHILE

A.

	Table III-1			
	1975	1978	1979	1980
Number of persons engaged in manufacturing (in thousands)	383.8	486.1	496.1	524.1
Number of women engaged in manufacturing (in thousands)				149.1

Note: For the year 1985 and onwards there are no estimates or planning.

Blank spaces in years 1975 to 1979: there is no information.

Source: National Institute of Statistics.

The concepts, definitions and classifications used in completing table III-1 conform to the description provided in the Recommendations.

- B. One of the targets of the development strategy of this Government is social development concordant with economic development and eliminating extreme inequalities.
- . To that end social development policies are being implemented which tend to:
 - Ensure equality of opportunities to all Chileans;
 - Eradicate poverty;
 - Promote employment, and
 - Improve social security
 - . With the object of ensuring the previously set targets fiscal resources have been orientated towards the financing of social programmes. A progressive tax system has been established. In order to eliminate extreme poverty, specific programmes have been considered, such as the Social Dwellings Programme, the Nutritional Programmes for the Distribution of Enriched Foods, etc.
 - . In order to promote employment, policies are being applied which tend to make the use of capital, rather than labour, more expensive by means of a positive actual rate of interest, by reductions in the insurance contributions contemplated in the reform of social security, etc.

Chile (cont'd)

- C. One of the objectives of the Government is to consolidate regional development. The dynamism of the industrial sector will enable this to be converted into a motor for regional development. Industry, as a converter of primary products, in which the country has comparative disadvantages, will make the development of the regions possible. This development must be based fundamentally on the natural or human resources existing in the different zones. With the object of supporting regional industries the State will promote prospecting for regional resources and potentialities, so that the private sector will have more information available about investment possibilities. Likewise, technical assistance and training, provided by the State, will be directed in accordance with the vocational role of the regions.
- . The major objectives of regional development are as follows:
 - To seek better equilibrium between the exploitation of the potential of natural resources, the geographical distribution of the population and national security.
 - To give the regional population an opportunity to participate in defining its own destiny, contributing towards and becoming involved in the higher objectives of the region and of the country.
 - To contribute towards the objectives of national economic growth, through greater growth and the rational and better utilization of the territory and its resources, a concept which necessarily implies a reassessment of the territory.
 - To give the inhabitants of the country equality of opportunity in attaining the benefits which will be produced by the intended process of development.
 - To supervise, directly and continuously, the whole of the territory as an entity which renews its natural resources and which grants its inhabitants an optimum environment in which to develop fully.
 - . In consideration of all that has been set out the bases were established in 1976 for a regional division, the administration of which is functionally and territorially decentralized and which divides the country into twelve regions, plus the metropolitan region.
 - . The Government, in its policy for regional development, has arranged for the grant of franchises: Free Zones and Warehouses, the Law which sets up the Promotion and Development Fund for the outlying regions, and the Forest Subsidy.

Chile (cont'd)

- . The strategic character which the outlying regions of the country have, from the point of view of the objectives of national security, demand for their integral development a conscious and deliberate effort on the part of the State to bring about their growth, increase their population and generate a stable and dynamic economic base. In accordance with the above Free Zones are established in Iquique (Region I) and in Punta Arenas (Region XII). In addition Bonded Warehouses are established in Arica, Antofagasta, Coquimbo, Santiago, Valparaiso, Talcahuano, Valdivia, Puerto Montt, Castro and Coyhaique. In these Free Zones goods can be warehoused, converted, finished or marketed without any restrictions. Whilst the goods remain in the Free Zones or Warehouses they are looked upon as if they were abroad, and consequently are not subject to the payment of duties, taxes and other charges that are collected through customs houses, including sales tax. Administrative companies and users operating within the Free Zones or Warehouses would be exempt from value added tax (VAT) for the operations they carry out within those precincts and zones. Industrialists operating in the Free Zones are exempt from the first category tax of the Income Tax Law on the profits earned in their financial years.
- . With reference to the Law which set up the Promotion and Development Fund for the outlying regions (Regions I, XI, XII and Provinces of Chiloé and Palena) this has, as its aim, the improvement of productive investments and re-investments which small and medium-sized investors make from them. These will be 15% in 1981 and 10% for the years 1982 to 1985 inclusive.
- . As regards the forest subsidy, this had its origin in the desire to develop and increase forest resources, providing incentives for the creation of new wooded areas. To that end subsidies and tax exemptions are granted, whilst technical standards are laid down to ensure rational exploitation of the resources. The allowances and franchises granted by Law No. 701 for forest development consists in the granting by the State of 75% of the net cost of afforestation, once and for all, to each area afforested. This allowance may be granted provided the ground has been classified as particularly suitable for afforestation. In addition to this allowance tax exemptions are established by way of land tax, inheritance tax, allowances and gifts, supplementary global tax, etc.

Chile (cont'd)

- D. There is no distinction between the measures taken for all women who participate in the labour market and those who participate in the industrial sector.
- . The measures taken to facilitate the participation of women in the labour market refer to maternity protection, from which all women benefit, independently of the service to which they belong.
 - . The arrangements will benefit all workers who depend on any employer including those who work at home. Workers will be entitled to maternity leave of 6 weeks before the confinement and 12 weeks after it, and if during pregnancy an illness should occur which is proved to be a consequence of it the worker will be entitled to a supplementary prenatal leave. Likewise if, as a result of the confinement, a proven illness should occur which prevents a return to work for a period longer than the post-natal leave, the maternity leave will be extended. A women will, during the period of leave as indicated above, receive a subsidy equivalent to the whole of the wages and allowances she earns.
 - . In addition to the above, every working woman will be entitled to leave and the subsidy already mentioned when the health of her child, under one year of age, requires her presence in the home because of serious illness.
 - . Other measures taken with regard to maternity protection, and which facilitate the participation of women in the labour market, are those referring to crèches. The regulations lay down that establishments employing twenty or more workers of any age or status must have rooms attached to, or separate, from the place of work in which women can feed their children under two years of age and leave them whilst they are at work. The employer fulfills this obligation if he pays crèche expenses direct to the establishment where the working woman takes her children of under two years of age. Such a crèche must be amongst those authorized by the National Council of Kindergartens. In addition she will be entitled to make use, in order to feed her children, of two periods of time which together do not exceed one hour per day, which will be regarded as worked for the purpose of the payment of salary. This time will be extended in the event of the crèche not being attached to the place of work, in view of the mother's return journey to feed her children. The employer for his part will pay for the transport which must be used for the child travelling to and from the respective establishment, and for that which the mother must use for the purpose already mentioned.

CHINA

A.

Table III-1

	1975	1978	1979	1980
Number of persons engaged in industries (in thousands)	26,910	30,410	31,090	32,460
Number of women engaged in industries (in thousands)		8,931	9,493	10,355

Note: Industrial sectors of state ownership (end of the year).

B. Proceed from the concept of everything for the people and make overall arrangements for production, construction and the people's livelihood - one of the ten principles for future economic construction in China. Over the past years the Government of China took many steps significantly raising the real income and the level of consumption of the overwhelming majority of the people in town and country. The Government will continue to make appropriate readjustments in the relationship between the economic interests of the State, the collective and the individual, and build more houses for workers and staff and more urban public utilities, schools and hospitals.

C. (No reply on this issue). */

D. (No reply on this issue).

COMOROS

A. (No reply on this issue).

B. Under the federal system, the Government favours broad regionalization of projects so as to avoid creating disparities between the islands. For example, the "salt" project is to be executed at a number of sites which have been prospected at MALE (Grande Comore), on Anjouan and on Mohéli.

*/ With regard to industrial employment (A), some 10 enterprises employ persons in the manufacturing sector; when in full production, each enterprise employs an average of 100 persons, in times of difficulty, the number may be reduced to 30 persons.

Comoros (cont'd)

- C. The Government has undertaken some major works to overcome isolation:
- At the regional level: to facilitate access to rural areas by building roads and bridges;
 - At island level: the "Mitsamuda Port" project (ANJOUAN).
- D. The collective agreements do not include any measures specifically designed to ensure great involvement of women in industrial development. Nevertheless, their low level of involvement is due, not to any social measures or constraints, but rather to the low level of productivity in the sector, resulting in a lack of openings.

COSTA RICA

A.

Table III-1
1980*

Number of persons engaged in manufacturing (in thousands)	121,412
Number of women engaged in manufacturing (in thousands)	24,300

* Household survey, 1980

- B. (No reply on this issue).
- C. The administrative decentralization of the services provided by public institutions in accordance with the proposed urban ranking;
- . The systematic application of integrated rural development policies, including, among other things, measures to curb speculation on, and the buying up of, agricultural land;
 - . The harmonizing of regional with sectoral plans, in the light of the overall planning policies;
 - . The promotion of regional participation in planning, through the development councils;
 - . The taking into account, when developing regional plans, of the infrastructure already in place or planned for the near future for all the institutions of the public sector, in addition to the investments made in the private sector.

Costa Rica (cont'd)

- . The direction of public investment along the lines recommended in terms of regional organization and the master plans for regional development.

D. (No reply on this issue).

CYPRUS

A.

Table III-1

	1978	1979	1980	1985 ^a
Number of persons engaged in manufacturing (in thousands)	36,795	38,330	38,519	38,912
Number of women engaged in manufacturing (in thousands)		17,231	17,954	

- B. The progressive system of taxation, the Social Insurance Contribution Scheme, infrastructure investments etc., are some of the measures taken for an equitable distribution of wealth.
- C. The Government encourages the establishment of industrial production units in areas outside the towns. To achieve this the Government built the industrial estates and at present it plans to build industrial estates in rural areas.
- D. Women are offered special incentives such as training, leave of absence, nurseries for children etc. in order to enable them to participate in industrial development.

Ecuador (cont'd)

A.

	Table III-1				
	1975	1978	1979	1980	1984 ^b
Number of persons engaged in manufacturing (in thousands)	236.3	264.4	274.3	287.6	335.738

B. Policy of price regulation and quality control.

C. Decrees 1247 and 1248 of the Industrial Assistance and Light Industry Law; new incentives are being introduced for industrial companies established outside the Pichincha and Guayas provinces.

. List of Directed Investments (LID). A list is being made of industrial projects by companies established in industrial development regions, and which enjoy additional fiscal benefits, over and above those provided by the Industrial Assistance Law.

- Urban equipment programmes for metropolitan areas, intermediate cities, urban centres of 10,000 - 40,000 inhabitants and urban centres of less than 10,000 inhabitants.

- Establishment of the Urban Development Fund.

- Organization of Institutions for Regional Development.

D. (No reply on this issue).

EL SALVADOR

A.

	Table III-1			
	1975	1978	1979	1980
Number of persons engaged in manufacturing (in thousands)	56.5	85.1	87.3	76.7
Number of women engaged in manufacturing (in thousands)	13.8	25.6	26.3	23.1

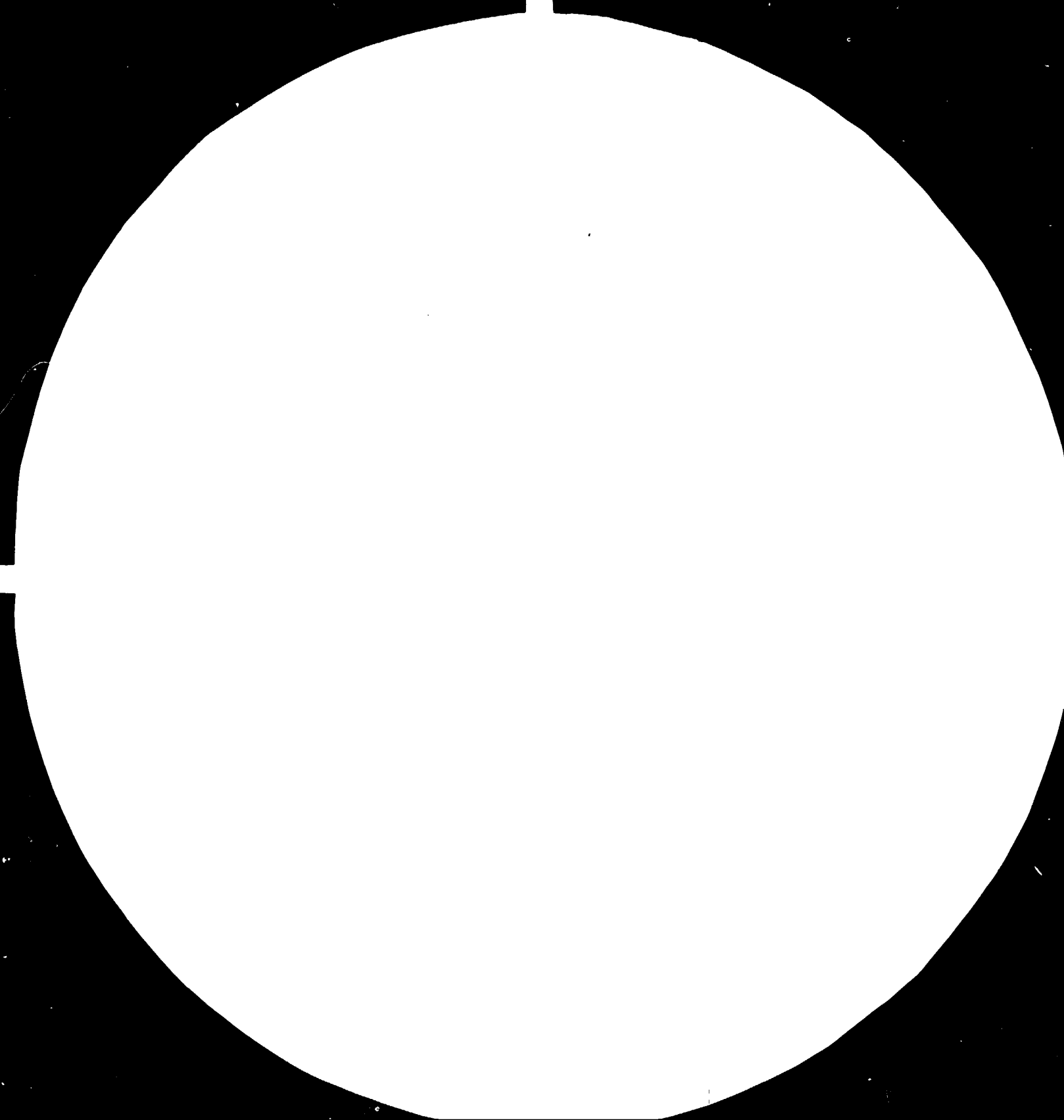
Source: Statistical Bulletin of the Salvadorian Social Security Institute (ISSS).

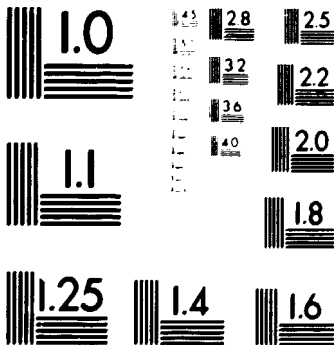
Note: ISSS uses the ISIC code for its classification of enterprise activity. The number of women employed in manufacturing was indirectly calculated.

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MICROCOPY RESOLUTION TEST CHART
 NATIONAL BUREAU OF STANDARDS
 STANDARD REFERENCE MATERIAL 1010a
 (ANSI and ISO TEST CHART No. 2)

El Salvador (cont'd)

B. None have been taken.

C. The Three-Year Plan provides for the following policies:

- Urban renewal policy for the metropolitan area of San Salvador. The aim of this policy is to devise and implement adequate machinery to contribute to orderly economic growth in the metropolitan area of San Salvador and to rational use of the ground. This involves curbing the springing up of illegal settlements and marginal housing in different sections of the capital city whose effect is to complicate the provision of basic services and to generate problems of a city-management, sanitary, social and legal nature.
- Policy of development support for secondary cities. This policy is intended to supplement and back up the more general policies of urban and regional development which deal with the need to develop towns in the interior of the country, a process in which housing is an essential aspect. The aim is to bring about a better physical distribution of housing facilities as part of the comprehensive development projects to be carried out in the cities selected.
- Regional development policy. The aim here is to achieve a better geographic balance in national development. This policy involves the need to organize the national territory on the basis of a system of regions. Through regionalization, national purposes and local aspirations can be brought into harmony at the regional level, greater attention can be paid to collective requirements through the decentralization of Government activities, and finally better conditions can be created for integration and co-ordination in planning and for the implementation of national development plans within the same process.
- This organization of the national territory will be achieved by establishing a ranking of populated centres in accordance with which each such centre will have its own functions. In addition, a detailed study will be made of industrial sites in accordance with the overall policy of regional development as a means of reducing internal migration.

D. None have been taken.

ETHIOPIA

A.

Table III-1*

	1974/75	1977/78	1978/79
Number of persons engaged in manufacturing (in thousands)	60.1	66.1	76.8
Number of women engaged in manufacturing (in thousands)		18.8	20.5

The information is for all manufacturing industries employing 10 or more persons.

- B. Distribution of most of the basic commodities through Government distribution organization thereby ensuring that such commodities reach even the remotest parts of the country;
- . Giving sales priorities to urban and rural mass organizations for basic commodities;
 - . Rationalization (centralization) of distribution activities and exercising close control.
- C. It is the policy of the Government to use industrialization as a means for fostering balanced regional development of the country thereby avoiding massive migration from rural to urban areas.
- D. Women constitute the majority of production workers in food and textile industrial branches. The industrial sector receives a growing number of professional and technical women/engineers, accountants, chemists, etc. and assigns them to key professional posts without regard to their sex. Clerical and secretarial tasks are by and large occupied by women. Since compensation is determined on the basis of prior knowledge of the demands of the job, women are free to compete for and secure posts so long as they have the necessary education and experience.

GUATEMALA

A.

Table III-1 (in thousands of Quetzals)

	1975	1978	1979	1980	1985 ^a	1982 ^b
Number of persons engaged in manufacturing (in thousands)	231	246	254	264	317	284

a/ Planned or estimated.

b/ Target year of current national development plan.

- B. The National Industrial Development Plan, 1979-1982, indicates, in this connection, that the manufacturing plants favoured by CORFINA should be promoted to the level of industrial co-operatives in order to extend the corresponding benefits to other levels of the population. At the same time, the current laws on industrial encouragement induce those who benefit from tax incentives to devote part of their exemptions to improving the conditions of their employees.
- C. The country has a tendency towards industrial concentration (70% of all industrial companies are located within the area of the capital); to counteract this phenomenon work on decentralization has been carried out since 1976, Decree 24-79, Law to Encourage Industrial Decentralization, having been introduced. Apart from this the Secretary for Economic Planning counts on programs for regional development to bring about a reduction in the migratory flow, rational utilization of resources and the generation of employment in other regions of the country (Quezaltenango y Baja Verapaz).
- D. The country has adopted no specific policy in this respect, but there are no restrictions on the participation of women in activities where this is possible.

GUAYANA

A.

Table III-1*

	1978	1979	1980
Number of persons engaged in manufacturing (in thousands)	14	14	15

* Employment in the selected industries only.

Guyana (cont'd)

- B. Development of Regions and equitable basis.
 - . Slum Development Programmes.
 - . Indirect benefits in the form of free education, medical facilities and reduced travelling rates etc. in Public Transport.
- C. Extending water, electricity, banking and shopping facilities in the rural areas.
 - . Active systematic development of regions.
 - . Priority is given for rural industrial development.
- D. Government makes no difference in providing job opportunities for women.
 - . Encouragement is also given to those industries which involve the majority of women employees as such as garment, textile and other sewing units etc.

HONDURAS

A.

Table III-1

	1975	1978	1979	1980	1981*	1982*
Number of persons engaged in manu- facturing (in thousands)	84.6	103.5	106.2	113.9	110.6	112.6

Source: "Evaluación del Sector Industrial 1972-1980" prepared by the Industrial Programming Department of CONSUPLANE.

*/ Estimated.

- B. Credit rules and regulations under the control of the Central Bank will be applied and extended in order to give small-scale and medium-scale industry and handicrafts greater access to credit.
 - . Technical assistance to small-scale and medium-scale industry and handicrafts to improve the operation of these sectors.
 - . A Programme for the Geographical Decentralization of Industry is at present being launched, involving specific tax incentives for enterprises which set up plants in rural areas, thus involving the local population in the production process by creating jobs.
 - . Establishment of the Programme for the Increased Production and Distribution of Popular Consumer Goods.
 - . Implementation of the Rural Technology Programme to support small-scale industry and family production units.

Honduras (cont'd)

- C. Establishment of industrial estates or zones in towns away from the traditional poles of development.
- . Launching of regional development programmes in areas with potential as regards resources which have not yet been exploited.
 - . The Rural Technology Programme designed to strengthen and develop appropriate technologies for small entrepreneurs and rural homes^{1/}.
 - . The Programme for Industry in the Suburbs, the main objective of which is the development of industries in the outer suburbs through collective enterprises^{2/}.
- D. In the past incentives have been given to companies generating employment opportunities for women in urban areas and this is being continued (textiles, clothing, household electrical goods, etc.). Women are being incorporated in the national production process in rural areas through the Rural Technology Programme.
- . A series of special measures concerning the participation of women in national production are being studied at the moment.
- E. The development of two industrial centres (Tegucigalpa and San Pedro Sula) has led to a massive migration of population from the country to urban areas, with the consequent appearance of marginal peripheral zones which have disrupted the spatial balance. This has resulted in a lack of productive employment and inadequate drinking water and sewage systems, and trespassing, delinquency and other minor ills have become more acute with this industrialization process.

INDIA

A.

	Table III-1			
	1975	1978	1979	1980
Number of persons engaged in manufacturing (in thousands)	5127	5676	5849	5838*

* Provisional

The concepts, definitions and classifications used in completing table III-1 conform to the description provided in the Recommendations.

^{1/} Now under way.

^{2/} At the study stage.

India (cont'd)

- B. Indian industrial policy and Five Year Plans have sought to raise the socio-economic levels of all the people. In this context, the Industrial Policy Resolution of 1956 envisaged that in order that industrialization may benefit the economy of the country as a whole, it is important that disparities in levels of development between different regions should be progressively reduced. On similar lines, the Industrial Policy Statement of 1980 states that our Government is committed to rapid and balanced industrialization of the country with a view to benefitting the common man in the shape of increasing availability of goods at fair prices, larger employment and higher per-capita income. The net economic impact of industrialization must travel down ultimately to the maximum number of people. The pattern of distribution of benefits of industrialization should be such as to cover as large a segment of the country's population, both rural and urban, while avoiding concentration in a few hands.

Measures taken so far, in this direction may be summarised under the following headings.

- Industrial development of backward areas.
- Development of village and small industries and greater ancillarisation.
- Beneficiary oriented plans for target group of population like scheduled castes, scheduled tribes, hill areas etc.

Industrial Development of Backward Areas:

- . The Policy approach in regard to industrial development of backward areas up to Third Five Year Plan emphasised on the use of licensing policy, location of public sector projects, provision of infrastructural facilities by way of setting up industrial estates, promotion of village and small industries etc. A fresh approach and strategy for dispersal of industries to backward areas was evolved in the middle of the Fourth Five Year Plan. Accordingly, specific schemes (fiscal and financial) for attracting industries in selected backward districts were introduced. Details discussed in III-B.
- . During Sixth Plan it is felt that new strategies for development of backward regions will need to be devised. The thrust would be to implement a new model of development which would prevent concentration of industry in existing metropolitan areas.

India (cont'd)

Development of Village and Small Industries and Greater Ancillarisation

- . The objectives of the programme for the development of village and small industries in the various plans have been to generate large scale employment opportunities on a decentralised and dispersed based, to upgrade the existing levels of skills of artisans and to step up production both for mass consumption and export. These objectives are sought to be achieved by promotion and development of entrepreneurship backed by a package of consultancy services, improvement in production techniques, institutional support in respect of credit and raw materials, formulation of common production programmes, incentives for organizing industrial co-operative societies, rebate on sales of handloom and khadi etc.
- . Promotion of village and small industries continues to be an important element of Sixth Plan development strategy. In this regard the Industrial Policy Statement of 1980 envisages that handlooms, handicrafts, khadi and other village industries will receive greater attention to achieve a faster rate of growth in villages. Accordingly, policy measures stipulated for development programmes relating to village and small industries during the Sixth Plan lay emphasis on the following:
 - Integration of promotional programmes, in this sector with other area development programmes.
 - Restructuring of the organizational base at the district level.
 - Development of appropriate technologies and skills.
 - Increased availability of raw materials.
 - Accelerated flow in institutional funds especially in favour of artisans, village industries and tiny units.
 - Organization of producer oriented marketing.
 - Selective reservation of items for exclusive production and purchase from cottage and small industries.
 - Effective promotion of ancillaries.
 - Strengthening and extension of co-operative form of organizations.

India (cont'd)

With regard to development of ancillaries, the Industrial Policy Statement of 1980 provides for setting up a few nucleus plants in industrially backward districts to generate as many ancillaries and small and cottage units as possible. Accordingly, Task Forces have been set up by the Government to explore the possibilities of setting up nucleus plants.

Beneficiary Oriented Plans

- . Achieving the national objective of an equitable society requires distribution of the benefits of economic growth as between geographical areas and socio-economic groups. It was in realisation of this phenomenon that certain specific target group oriented programmes such as SFDA*, MFAL** etc. were initiated during the Fourth and Fifth Five Year Plans. Special programmes for drought prone, desert and tribal areas were also initiated. During Sixth Plan ongoing programmes for specified target groups of population would have to be improved and enlarged with regard to content and coverage. Thus during Sixth Plan mechanism of area planning would be adopted to provide an integrated approach to the problems of regional inequalities and the sub-plan, special component plan approach for tribal, hill areas, North Eastern Council, Scheduled Caste and also Integrated Rural Development programme have been evolved.
- . Industrial component of these specific programmes emphasise on promotion of village and small industries essentially by way of providing package of assistance, including setting up of functional industrial estates. For instance, in the development programme for Khadi and village industries emphasis would be placed on the programmes benefitting the weaker sections of society. The share of Scheduled Castes, Scheduled Tribes and inhabitants of hill and border areas in the employment coverage through Khadi and Village Industries Commission is expected to increase from 23 per cent in 1979-80 to 36 per cent in 1984-85 and the share of women from 45 per cent to 47 per cent during the same period.

* / SFDA - Small Farmers Development Agencies.

** / MFAL - Marginal Farmers and Agricultural Labourers.

India (cont'd)

- C. Industrial Policy Resolution 1956 clearly emphasized the need to reduce the disparities in the levels of economic development within the country when it stated "In order that industrialization may benefit the economy of the country as a whole, it is important that disparities in levels of development between different regions should be progressively reduced. The lack of industries in different parts of the country is very often determined by factors such as the availability of the necessary raw materials or other natural resources. A concentration of industries in certain areas has also been due to the ready availability of power, water supply and transport facilities which have been developed there. It is one of the aims of national planning to ensure that these facilities are steadily made available to areas which are at present lagging behind industrially or where there is greater need for providing opportunities for employment, provided the location is otherwise suitable. Only by securing a balance and co-ordinated development of the industrial and the agricultural economy in each region, can the entire country attain higher standards of living".
- . In line with the Industrial Policy Resolution 1956 the Industrial Policy Statement 1980 has emphasized the need for "Correction of regional imbalances through a preferential development of industrially backward areas". To this end, the statement has stressed the need to promote Economic Federalism and Nucleus Plants. The statement emphasizes that "while making all efforts towards integrated industrial development, it is proposed to promote the concept of economic federalism with the setting up of a few nucleus plants in each district, identified as industrially backward, to generate as many ancillaries and small and cottage units as possible".
 - . Urbanization in India has grown at a relatively slow rate, through out this century as well as in the last 30 years. Despite this slow rate of growth, the country exhibits all the urban problems. Unlike many other countries where their capital cities are excessively dominant, India exhibits a very balanced size distribution of settlements.
 - . Public resources for urban development are necessarily limited and high priority areas for public investment have to be selected for particular attention. The thrust of the urbanization policy during the next decade would be to give greater emphasis to the provision of adequate infrastructural and other facilities in the small, medium and intermediate towns. The aim would be to strengthen these market

India (cont'd)

centre to equip them to serve as growth and service centres for the rural hinterland. For this purpose, increased investments are proposed in these towns in housing, water supply and communication facilities. Likewise, facilities for education, medical care and recreation will need to be augmented. Given the economic importance of large cities, care must be taken to improve the conditions of the urban poor and raise civic services, such that large capital investments of all kinds that exist in these cities are utilised better. Besides, the new Industrial Policy Statement has also stressed the need for pollution control and preserving ecological balance with a view to improve the environment.

- In order to wean away industries from the existing urban centres towards backward areas in particular the Government is providing the necessary infrastructure in the backward areas and fiscal and financial incentives to the industries being set up in the backward areas. Some of the fiscal incentives and financial concessions being given for attracting industries in selected backward areas are:

Concessional finance

- Under the scheme financial assistance is provided by all-India term-lending institutions on liberal terms to industrial units located in selected 246 backward districts.

Central scheme of investment subsidy

- An investment subsidy at the rate of 15% of fixed capital investment subject to a maximum of Rs. 15 lakhs is provided to industrial units in selected 101 backward districts/areas.

Central scheme of transport subsidy

- A subsidy equivalent to 50% of the transport cost of industrial raw materials and finished products is provided in selected hill and remote areas of the country.

Fiscal incentives

- Under the scheme, 20% of the profits and gains derived from newly established industrial undertakings and hotel business in identified backward areas are exempted from Income Tax for a period of 10 years.

India (cont'd)

- Other incentives are provided in the form of liberal import facilities, supply of machinery on hire purchase on liberal terms etc.
- Recently, a National Committee on Development of backward areas was constituted to review the policies and programmes for development of backward areas and recommend suitable strategies for tackling the problem effectively. Recommendations of this Committee are under examination.
- The other important measures being undertaken to alleviate the problem of urbanization in particular are as follows:
 - . To develop ring towns at the periphery of large cities to absorb the influx of population to urban areas to contain haphazard growth of metropolitan cities.
 - . Operation of integrated Urban Development Plans to ensure balanced urban growth of cities with populations over 3 lakhs covered under this scheme in the Five Year Plan.
 - . The development of small and medium towns by providing requisite infrastructural facilities for laying down requisite base to develop them as 'urban growth centres' to subserve rural hinterland and to reduce the rate of migration to metropolitan cities.
 - . Programme of relocation and shifting of harmful industrial units to check pollution in urban areas.
 - . Industrial zoning to regulate the growth of industrial units and provision of requisite space for this purpose.
 - . Planned provision of residential plots/houses to avoid congestion in the cities and meet the shelter needs of the weaker sections.
 - . To set up data bank on urbanization and develop urban information system to prepare perspective plans.
 - . Setting up of planned townships for public sector projects.
 - . Upgrading of slum localities and plans for provision of infrastructure, both physical and social.
 - . Preparation of regional plans to lay down foundation for integrated areas development (Western Ghats Scheme currently in progress).
 - . To promote more efficient and equitable functioning of the urban land market to check unwarranted increases in land values.
 - . Training and research in various aspects of urbanization and industrial development.

India (cont'd)

- D. Since women form an important component of the work force, the Government has taken various measures to promote their welfare and equitable involvement in industrial development. Measures which were taken relate to prohibition of their employment during night hours and also their employment in underground coal mines as well as in other hazardous occupations; provision of certain welfare facilities like creches, maternity benefits and ensuring equal wages for equal work for both male and female labour.
- . Also in this regard the Sixth Five-Year Plan has been envisaged as follows. One of the most important means of achieving improvement in the status of women would be to secure for them a fair share of employment opportunities. Areas and sectors where women's employment is either low or on the decline would be identified and corrective measures initiated to promote additional avenues for employment. Efforts would be made to offer larger employment for them in the schemes for public distribution system, rural godowns, Operation Flood II, dairy development and social forestry and in armed forces. Modernization of traditional occupations of women such as spinning and weaving, match-making, coir, chashew, rural marketing, agriculture, animal husbandry and fishery etc., would be selective and would include simultaneous development of skills for alternative employment for them. Mechanization will be encouraged in such areas where the processing or manufacturing involves extremely strenuous and debilitating hard work which is injurious to health. The impact of new projects on women's employment will be monitored.
- . Besides, family aid services would be supported so as to enable women to remain in employment. Enforcement of statutory obligations for setting up creches would be pursued vigorously. In rural areas this would be linked up with the scheme of NREP*. The implementation of the Equal Remuneration Act would be reviewed and appropriate measures introduced for their effective functioning. Measures would be taken for the payment of wages/salaries earned by women directly to them. Also, the specific needs and problems of self-employed women will be identified and steps taken to extend appropriate support to self-employed women like street vendors, petty shop-keepers, weavers, etc. A major step to be taken to promote female employment would be to expand and diversify the education and training opportunities available to women. (For details see IV-C of the questionnaire).

* / NREP - National Rural Employment Programme.

INDONESIA

A.

Table III-1

	1975	1978	1979	1980
Number of persons engaged in manufacturing (in thousands)	698,244	821,384	875,126	976,579

Note: Based on enterprises employing more than 20 persons.

- B. The attainment of the growth objective subject to the equity constraint that will be accomplished through policies in two major areas, viz the stepped up development of small-scale industries and the provision maximum employment in the manufacturing sector. Policies and measures in support of the stepped up development of small-scale industries include:
- . the required use of goods and services produced by small-scale industries for Government procurement up to certain amounts;
 - . the development of more extensive pattern of sub-contracting;
 - . the drawing up of a list of products which can only be produced exclusively by the small-scale industries;
 - . the development of industrial estates, production centres for the small-scale industries.
- C. Dispersion of industries into the regions.
- . Through the development of the concept of industrial growth centres based on the potential availability in each region.
 - . Identification of five industrial growth centres, i.e.: Northern Sumatera, Southern Sumatera (including Banten), Java, Southern Sulawesi and Eastern Kalimantan respectively.
- D. Development of home industries.
- . Development of medium-scale industries, such as textiles, electronics, cigarettes, and plywoods industries in which the jobs performed need less muscles but require greater accuracy and precision than generally possessed by female workers.

IRAQ

A.

Table III-1
1975 1978

Number of persons engaged in manufacturing (in thousands)	207	216.8
Number of women engaged in manufacturing (in thousands)	19.4	22.8

- B. Geographical distribution of industries to all regions, and prohibiting the establishment of new industries in a number of overpopulated cities.
- . The law was legislated to include all Iraqi citizens eligible for social securities to earn minimum continuous income.
 - . The minimum labor wages was fixed in all industrial establishments with reasonable increases whenever there is a change in the cost of living.
- C. The Industrial Development Law provide considerable privileges for industries established in the less developed regions.
- . The Government intends to provide high increase of privileges for industries to be established in less developed areas.
- D. All legislations in the country were issued to provide equal opportunities and pays for men and women.
- . The Iraqi Government encourages activities of women movement in cultural, social and all economic sectors including industries.
 - . Ratio of women working in the industrial sector is continuously increasing.

KENYA

A.

Table III-1

	1975	1976	1977	1978	1979
Wage employment in manufacturing (in thousands)	100.7	108.8	117.9	130.0	138.4

Source: Statistical Abstract.

B. Spatial dispersal of industries is one of the major objectives of the current Development Plan. More important measures are taken to ensure equitable distribution of the benefits of industrialization to all segments of the population and all areas include:

- . Progressive expansion of the infrastructure facilities and essential services to different parts of the country.
- . Provision of differential rates of investment allowances to industries to be set up in areas other than the cities of Nairobi and Mombasa.
- . Equity and loan participation by the Government in selected medium and large-scale industrial establishments outside the cities of Nairobi and Mombasa.
- . Establishment of Industrial Promotion Areas and Rural Industrial Development Centres in selected semi-urban and rural areas by the Kenya Industrial Estates Ltd.
- . Promotion of footloose, small-scale, rural, informal and handicraft industries in semi-urban and rural areas.

C. In addition to the measures referred to above, more important measures were taken to alleviate problems related to urbanization and regional factors are briefly outlined below:

- . With a view to ensure balanced development throughout the country, guidelines have been laid down for location of certain infrastructure facilities in the Designated Service Centres. These Centres are classified under the following 4 categories depending on the services performed, the economic potential of the area served, the population served and the spatial distribution required to promote development throughout the nation:

Designated Services Centres

<u>Category</u>	<u>Number</u>
Local	1,015
Market	420
Rural	150
Urban*	96
	<u>1,681</u>

*Defined as those having a population of 2,000 people or more.

Source: Development Plan 1979-1983

Kenya (cont'd)

All the Centres serve the surrounding rural areas. It is the Government policy to spread urbanization around the country rather than to permit excessive concentration in the major cities of Nairobi and Mombasa. Accordingly, of the 96 Urban Centres, 11 were selected in the preceding Plan as Centres for rapid development and 9 more such Centres have been selected for the same purpose during the current Plan period.

- Development plans for all the districts have been prepared, based on district-level analysis of local opportunities and taking into account the provisions made under the current national Development Plan.
 - Separate organizational and executive machinery has been set up for the development of a few specific regions and areas (viz., Authorities for the development of the Lake Basin and Kericho Valley areas).
 - A few districts have recently been visited by a small team of the technical officers of the Ministry of Industry with a view to assess the industrial potential and to formulate programmes for industrial development.
- D. Measures are being evolved to secure a greater and more equitable involvement of women in industrial development.

LESOTHO

A.

	Table III-1		
	1975	1978	1979
Number of persons engaged in manufacturing (in thousands)	1930	3062*	3496*
Number of women** engaged in manufacturing (in thousands)	1351	2143	2447

*Estimations, subject to modifications.

** Estimated at 70% of persons engaged in manufacturing.

- B. Studies on the infrastructural requirements for the siting of industries in the districts have been made.
- Plan to establish new industrial areas and estates in different districts.

Lesotho (cont'd)

- . Small production units combining on-the-job training with income generating production are being established to produce farm implements, leather goods, pottery, spun mohair and wool yarn.
- C. Building up the primary and secondary infrastructure necessary to expand the industrial base.
 - . Improve the internal road communications, water and sewerage schemes and telecommunications.
- D. Inexpensive spinning wheels simply modelled on a bicycle wheel are sold cheaply to village women to spin mohair into yarn. This yarn is supplied to co-operatives for the production of woven articles.
 - . Women have been taught skills such as hand and machine knitting and tie-dyeing to foster home crafts.

MADAGASCAR

- A. (No reply on this issue).
- B. Decentralization of the industrial sector in order to encourage harmonious and balanced development of the regions;
 - . Equitable distribution of the factors of production;
 - . Equitable distribution of income;
 - . Worker's participation in industrial management (Socialist enterprise);
 - . Approval and control of the prices of industrial products;
 - . State subsidy to bring the purchase price of certain products (e.g. ploughs) below cost price.
- C. Industrial zones established, but integrated into the master plan for urban development.
 - . Formation of several commissions responsible for environmental pollution control, the ecosystem, etc.
 - . Efforts to solve the various problems of infrastructure (roads, energy and water supply) in the rural areas where the raw materials are to be found and where consequently the factory ought to be.
- D. (No reply on this issue.)

MALAWI

A.

Table III-1

	1975	1978	1979	1980	1985 ^a	1990 ^b
Number of persons engaged in manufacturing (in thousands)	31.4	36.2	38.4	39.1	60.2	92.7

a/ Planned or estimated on the basis of an average 10.8% p.a. increase.

b/ Target of current national development plan.

B. The establishment of the Small-Scale Enterprise Development Organization of Malawi (SEDOM) which will render business extension services to small-scale Malawian entrepreneurs so that they too share in the fruits of industrialization.

. The controlled prices of domestically manufactured goods especially essentials, to enable the general populace to afford such consumer goods.

C. (No reply on this issue.)

D. (NO reply on this issue.)

MALTA

A.

Table III-1

	1975	1978	1979	1980	1985 ^a
Number of persons engaged in manufacturing (in thousands)*	26	33	34	34	40
Number of women engaged in manufacturing (in thousands)	11	14	15	14	18

a/ Planned or estimated.

*/ Excluding shiprepairing/shipbuilding

Malta (cont'd)

- B. Improvements in Social Services: e.g. two-thirds pension scheme, children's allowance, maternity benefits. These benefits are enjoyed not only by persons engaged in industry but by persons pertaining to other segments of the population including persons who have retired from work.
- . Automatic cost of living increases which raise the floor of wages set up by national standard order and by Wage Regulation Orders and bring about higher monies for all segments. Cost of living increases are also applied to national insurance benefits.
- C. Malta is a small densely populated country and the social problem of urbanization (urban unemployment, etc.) does not exist. Regional differences are not significant.
- D. The introduction of legislation in 1981 to protect women against termination of employment on grounds of marriage or maternity. The introduction of maternity leave and maternity benefits. These measures are meant to safeguard the interests of women workers. Women employees in the public sector are no longer required to resign on marriage and any condition requiring a women employee so to resign has been rendered null and of no effect. These measures are seen as important steps in improving the status of women and giving them greater security in employment.

MAURITIUS

A.

	Table III-1			
	1975	1978	1979	1980
Number of persons engaged in manufacturing (in thousands) excluding sugar and tea manufacturing)	22.5	33.1	35.6	35.8
Number of women engaged in manufacturing (in thousands)	11.0	18.2	20.0	19.9

Mauritius (cont'd)

- B. Strict control on expatriates: Mauritius employs less than 200 expatriates for 25,000 workers in the industrial zones.
 - . Foreign promoters are actively encouraged to take Mauritian partners in the ventures.
 - . Companies are further encouraged to "go public".
 - . Government promulgated a series of social and labor laws.

- C. This is not exactly a Mauritian problem. Mauritius is a densely populated island of approximately 720 square miles, with relatively efficient road network and transport facilities and several small-scale urban centres. In addition, the Export Processing Zone is a legal and not a geographical reality: there are several industrial zones scattered throughout the island.

- D. Mauritius faces a reverse problem: since most of the local industry is knitwear and garment oriented, the Industrial Zones employ an excessively high percentage of females.

MEXICO

A.

	Table III-1				
	1975	1978	1979	1980	1985 ^a
Number of persons engaged in manufacturing (in thousands)	2,002 ^{1/}	2,132 ^{1/}	2,294 ^{2/}	2,447 ^{2/}	3,009

a/ Planned or estimated.

^{1/} Source: National Accounts, S.P.P. 1980.

^{2/} Data calculated on the basis of the percentage increases in the reports.

- B. The strategy for industrialization set forth in the National Industrial Development Plan calls for higher growth rates in order to overcome unemployment and underemployment by the end of the century^{*/}. In other words, priority is given to the aim of providing work for the population and also assuring them a certain minimum welfare, especially as regards food, education, health and housing. It is hoped that the industrial sector will absorb the 30 per cent annual increase in employment under the targets set forth in the Plan. Further measures have been taken to reduce prices of basic products in the light of official minimum wages.

^{*/} National Industrial Development Plan.

Mexico (cont'd)

- C. The National Urban Development Plan, drawn up in 1978, and the National Urban Development Planning Scheme, set up in 1980, provide the territorial framework at the national, State and municipal levels of the population and harmonious economic development.
- In order to promote balanced growth in population and the economy, efforts have been made to shift activities and resources from densely populated areas and at the same time to build up medium-sized towns in order to attract migratory flows. In addition to deconcentration of resources, there has been encouragement for relocating industries. To this end, fiscal provisions exist for geographical areas in which there are particular incentives, State priorities and regulations.
- D. The laws of the country lay down equal rights and duties for men and women in all spheres of family and social life, so that their participation in industrial development is governed by sociological and cultural factors.
- The social security system provides the necessary protection and support for both working mothers and their children; their activities are helped by means of a range of benefits and services from public and private institutions responsible for providing them.

NIGER

A.

Table III-1
Five-Year Plan

	1978	1979	1980	1983*
Number of persons engaged in manufacturing (in thousands)	3,347	3,932	4,751	6,714

* / Target year of current national development plan.

- B. (No reply on this issue).
- C. (No reply on this issue).
- D. Establishment of Department for the Advancement of Women: a body designed to heighten the awareness of women in all spheres.

NIGERIA

A.

	Table III-1		
	1975	1980	1985 ^a
Number of persons engaged in manufacturing (in thousands)	4,690.0	5,236.0	6,287.0

a/ Planned or estimated.

- B. The dispersal of industries is a primary objective of Government within the limits imposed by economic feasibility, industries are encouraged to disperse to every part of the country so as to ensure even development.
- . Government will continue to provide necessary infrastructure facilities and incentives which will enable investors to operate in rural areas.
 - . Granting of credit for small-scale industries.
 - . Establishment of industrial development centres to render extension services to small-scale industries.
- C. It is the objective of the Government to promote balanced regional development and ensure that no State lags seriously behind others in the process of development.
- . There is an integrated urban-rural development strategy. In the urban areas, efforts are being made to provide more infrastructures such as roads, housing, water supply, waste disposal and other social or communal facilities in the face of continuing rapid population growth and physical expansion.
 - . The main objectives of rural development are to increase rural productivity and income.
 - . Improvement in water supply and sewerage.
 - . Gigantic housing programme of both Federal and State Governments.
 - . Construction and improvement of road networks. Especially the concept of bye-pass and ring roads.
- D. There is no discrimination against women in investment or employment in industry.

OMAN

A.

Table III-1

	1980	1985 ^a
Number of persons engaged in manufacturing (in thousands)	5,300	12,600

a/ Planned or estimated.

- B. To give a strong and stimulating push to the private sector engaged in productive activities, the Five Year Development Plan allocated O.R. 16 million to extend grants to small enterprises, and R.O. 119 million, to extend interest-free loans to joint-stock companies engaged in manufacturing, mining and quarrying.
- C. Interest free loans to industry gives a preferential treatment to industries outside the capital area.
- . Grants to small scale industries are given only to industries outside the capital area.
 - . One of the targets of the Five Year Plan is to distribute national investment among geographical regions with a view to spreading prosperity and progress to all regions of the Sultanate.
- D. (No reply on this issue).

PAKISTAN

A.

Table III-1

	1974-75	1977-78	1978-79	1979-80	1980-81
Number of persons engaged in manufacturing including mining (in 000)	2736	2920	3020	3130	3240
	1981-82 (Planned)	1982-83 (Estimated)	1983-84 (Estimated)	1984-85 (Estimated)	
ditto	3550	3819	4158	4432	

Pakistan (cont'd)

- B. Obtaining an equitable distribution of the benefits of industrialization to all segments of the population is a major consideration of industrial policy. The Government has provided a number of incentives for promotion of industrial development in the less developed areas, some of which are listed below:
- . Custom duty exemption on machinery imported for installation in under-developed areas.
 - . Five years tax holiday up to June, 1983 for setting up industries in under-developed areas.
 - . A tax credit equal to 15 to 30% of the amount invested in under-developed areas.
 - . A tax exemption on income from projects in under-developed areas to the extent of 5 to 10% of the capital employed in industrial under-taking which commenced production up to June, 1983.
- C. Development in its urban and rural dimensions constitutes an integrated whole covering the elements of resources endowment, agricultural production, rural uplift industrialization, industrial location policy, urban development and linkage between urban and rural areas and the inter acting socio-cultural factors. For this purpose, comprehensive regional plans should be prepared with the objective of achieving a better rural urban balance, slow down unnecessary and wasteful migration, distribute urbanization more uniformly and accelerate the growth of small towns and intermediate cities. The elements of overall strategy would be as follows:
- . Regional planning should be a continuous activity and fully integrated with the normal process of planning and development.
 - . The preparation of elaborate plans, like the Karachi Master Plan, should be restricted to a few major metropolitan areas only. There is not enough talent or resources for this type of activity to be taken up fruitfully on a wider scale.
 - . Relatively greater attention should be paid to the up-grading of urban infrastructure and facilities within the existing urban centres rather than creating new urban centres.
- The strategy with regard to development of towns would include the following elements:
- . Primarily, attention must be given to housing and extension of utilities, such as water supply and sewerage.
 - . The gradual improvement of Katchi Abadis and prevention of new ones must be an important objective of urban policy.

Pakistan (cont'd)

- . In large cities like Karachi and Lahore, attention must also be given to the question of transportation. This should not be regarded mainly as a matter of providing more transport facilities but also an attempt to minimize travel requirements, by better planning.
- . The municipalities and development authorities will not be able to meet their minimum obligations without drastic improvement in their financial position. Improvement in finances of local bodies will have to be effected through more effective taxation, and revision of service charges. However, in the short term, resources would also have to be made available by the Federal and Provincial Governments and from the market sources.

D. In Pakistan there is no discrimination on the basis of sex. Equal employment and training facilities are available to all persons including women. Pakistan has ratified and is fully implementing ILO convention No. 111 concerning discrimination which requires the ratifying state to promote equality of opportunity and treatment in respect of employment and occupation. Although Pakistan is not a signatory to ILO convention No. 100 concerning equal remuneration yet the principal of equal remuneration for work of equal value set forth in this instrument is adhered to in the country. Same rates of minimum wages are payable to male and female workers in industries and undertaking both under public and private control. Similarly, no discriminatory provisions of any nature are permitted through collective bargaining agreements. National Pay Scale in state service are also the same for men and women.

E. Definition of employed persons

Includes all persons who were working during the reference week, including unpaid family helpers (who had worked at least 15 hours during the reference week) or had a job but did not work.

PANAMA

A.

Table III-1

	1975	1978	1979	1980	1985 ^a
Number of persons engaged in manufacturing (in thousands)	42,860	49,132	53,429	56,469	75,239
Number of women engaged in manufacturing (in thousands)	29.6	33.5	34.2	34.5	37.3

a/ Planned or estimated.

Panama (cont'd)

- B. Creation of development zones for the industrial sector in order to reduce the wide gap between town and country.
 - . Setting up of industrial firms such as sugar factories, Bayano cement works, Chiriqui lemon plantations. (By the Government).
 - . Financing of companies through the National Finance Corporation, with a view to extending ownership in Panama which was formerly in the hands of a minority group of society, so that returns may be used to benefit a larger number of Panamanians.
 - . Efforts by the Government to promote small and medium-sized companies and provide financial means.

- C. Control of areas by town-planning;
 - . Determination of density of population (number of inhabitants per dwelling);
 - . Building regulations;
 - . Regulations in respect of streets and roads;
 - . Footpaths and access routes in general;
 - . Establishment of green belts;
 - . Definition of the limits of metropolitan zones;
 - . Determination of industrial, commercial and residential sectors and, as regards regional factors: drawing up of specifications by the I.R.H.E., I.D.A.A.N., and I.N.T.E.L. applicable to installations in residential urban areas or industrial sectors.

- D. Opening-up access to the National University.
 - . Setting up of the Technological University; elimination of various sex discrimination barriers to permit entry by women into several technical professions formerly limited to the male sex. This ensures greater involvement of women in the industrialization process.
 - . Establishment of factories engaged in light assembly work which employ a high proportion of female labour.
 - . Establishment of infant and child care centres, to enable mothers to work in factories, offices, etc.
 - . There is no sex discrimination under Panamanian Law in regard to the payment of wages.

PERU

A.

Table III-1

	1975	1978	1979*	1980**	1985a***	1986b**
Number of persons engaged in manufacturing (in thousands) <u>1/</u>	612.9	675.0	697.6	717.3	840.0	867.0

* Tentative a/ Planned or estimated.

** Estimated b/ Target year of current national development plan.

1/ Expressed as the economically active population employed in manufacturing (industry and crafts)

Note: The item "women employed in industry" is reflected in industrial statistics declarations.

Source: Cuentas Nacionales del Perú 1950-1980. Estimación 1985 y 1986. MITI.

B. (No reply on this issue).

C. Development of small-scale labour-intensive industries as a complement to large-scale capital-intensive industry;

- . Development of technology and production to meet national requirements through the Institute of Industrial Technological Research and Technical Standards (ININTEC), which receives 2 per cent of the net income of the country's industrial firms;
- . Setting in train of a process of expanded production through the GEAR Project (Generation of Employment in Rural Areas) in micro-regions identified as depressed zones to which migration might be encouraged;
- . Establishment of the Special Industrial Park Project for the purpose of making available industrial grounds and negotiating loans for potential businessmen from different parts of the country;
- . Re-establishment of the economically and administratively autonomous Development Corporation and Departmental Boards to promote and implement the balanced social and economic development of each department (Province), taking into account their strategic sectors.

Peru (cont'd)

- D. Women's participation in the industrial development of Peru may be considered at two levels:
- . The public sector;
 - . The private sector.
- . Most women are employed in the public sector, where they may be found technical and administrative positions and enjoy unlimited opportunities for professional training in all areas.
- . In the private sector, the participation of women is more limited, principally because of the legal provisions enacted by the Government to safeguard their health and welfare at work.

REPUBLIC OF KOREA

A.

Table III-1

	1975	1978	1979	1980	1985 ^a	1986 ^b
Number of persons engaged in manufacturing (in thousands)	2,205	3,016	3,126	2,972	3,756	3,964
Number of women engaged in manufacturing (in thousands)	755	1,192	1,238	1,168		

a/ Planned or estimated.

b/ Target year of current national development plan.

- B. In view of the fact that the improvement of the general level of education is a source of sustained economic growth and at the same time a major factor determining the level of individual earnings, the Government has made every effort to provide more equal educational opportunities, with better quality, especially for the low-income segments of the population.
- C. Two measures have been taken for this purpose:
- . In coping with the ever increasing congestion problems caused by concentration of population and industries into the Seoul Metropolitan Area, the Plan for Population Distribution in the Capital Region was formulated in 1977 in order to relocate the urban-unfit industries into other areas.

Republic of Korea (cont'd)

- . On the other hand, the Comprehensive National Land Development Plan (1972-80) includes regional development plan aiming at reducing the disparities among regions through establishing efficient relocation of industrial facilities.

- D. More opportunities for higher education and job training have been open to women with the positive assistance of the Government, and the Government has been pursuing the policies related to the maintenance of women workers or the improved working conditions by means of the laws including the Labor Standard Act, the Civil Law, and the Government has also encouraged the private as well as public enterprises to get rid of discriminatory treatment against women workers in wage or employment examination.

ROMANIA

A.

Table III-1

	1975	1978	1979	1980	1985	1982 ^a
Number of persons engaged in manufacturing (in thousands)	3109.7	3446.6	3582.0	3678.7	4337	3840
Number of women engaged in manufacturing (in thousands) ^b	1043.8	1261.7	1340.4	1398.6	1748	1548

a/ Planned.

b/ At the end of the year.

- B. The harmonious development of all branches of the economy, under the conditions of the intense process of industrialization in the country, has permitted a continual increase in the standard of living and the quality of life for all the population.

- . In accordance with the territorial development programme for the country plans have also been made for the harmonious development of all the regions and the acceleration of economic and social progress for those departments and areas lagging behind. At the end of the 1976-1980 Five-Year Plan facilities had been created for each department to achieve industrial production equivalent to at least 10 billion Lei. During the present five-year period the policy being followed is one of rational installation of production forces

Romania (cont'd)

throughout the country, to ensure the balanced long-term development of all areas, with greater parity amongst the departments as regards the level of overall production per inhabitant and the use of labour resources, the development and modernization of the network of urban and rural centres and an increase in the general degree of civilization of all the regions of the country. It is proposed to produce, in each department, an adequate balance between the development of the most important sectors - industry, agriculture, building, transport and services. At the same time the guiding programme for town and country planning lays down that between now and 1985 each department will be able to achieve a minimum overall production of 70,000 Lei per inhabitant and a level of employment of at least 400 persons per thousand inhabitants.

- . During the period 1976-1980 the total actual income per inhabitant increased by 28%. There have been marked increases in the nominal incomes from the payment of labour (69.8%), social funds (37.9%) and the real incomes of the farming population per active worker (29.4%).
- . Measures are planned to reduce gradually the length of the working week to 44 hours in all sectors of activity between now and 1985. It is also planned to increase the production of consumer articles and industrial products, especially those with long useful lives and to develop the infrastructure of education, culture, health and housing by providing some 50,000 places in kindergartens, 6,000 classrooms, 49,000 places in boarding schools, new places in higher education, 35,000 cinema seats, 73 dispensaries-polyclinics, 33,000 hospital beds and 9000,000 units of housing.
- C. As a result of the intense industrial development, the level of urbanization has continued to rise. Thus during 1980 the urban population represented 49.6% of the country's total population. This process of urbanization will continue during the present five-year period, when the number of urban centres will increase by 140 by 1985 as a result of expanding rural centres where conditions are favourable for conversion into industrial-agricultural and agricultural-industrial centres.
- . There will be further development of villages and towns, particularly in those areas with available labour resources whilst, at the same time, the growth of very large villages located in regions which lack local raw material resources will be limited.
- . Small and medium sized towns will be developed, in order to improve the living and working conditions of their inhabitants to that existing in the cities.

Romania (cont'd)

- . In order to accelerate the ongoing process of increasing the level of development of rural centres, to bring them up to the level achieved in the urban centres, to increase the contribution of specialists in the achievement of better production and to improve continuously the quality of production, measures have been taken for all entrepreneurs in the socialist units and all specialists in agriculture and other fields of activity to live in the centres where they are employed. Conditions have also been created so that they may benefit from certain facilities linked to the guarantee of jobs for both husband and wife, the construction of housing and the granting of farming land for the family's needs. These measures will lead to the complete integration of specialists into the economic and social life of the rural centres in which they are working, and to the most sensible development of the fully human potential which these centres have at their disposal.

- D. In 1973 a National Programme was adopted with the aim of securing the integration of women into economic production. Throughout the country, especially in those areas where there was a large female population, food and light industrial units, as well as handicraft units, were set up. At the same time a new system of assistance for mother and child was introduced (paid maternity leave before and after the birth, reduced working hours for mothers of young children, and extensive network of crèches, kindergartens and boarding schools) and the production of household articles and services were developed.

- . The programme in question provides special measures for the protection of women's jobs (special protective equipment, lifting devices for objects weighing more than 5 kg and devices to protect women operating certain machines, and thermal overalls).

RWANDA

A.	(+ crafts)	Table III-1	
		1978 ^{I/}	1986*
	Number of persons engaged in manufacturing (in thousands)	35.4	77.2
	Number of women engaged in manufacturing (in thousands)	8.06	12.5

^{I/} Figures based on the survey of August 1978.

^{*} Target year of current national development plan: 1986.

Note: Industry does not include either the extraction industry (11,873 jobs) or the construction and public works sector (24,992 jobs).

Rwanda (cont'd)

- B. The Third Plan, 1982-1986, recommends a policy of regionalization;
- . There are plans to create 21,300 industrial jobs and 20,500 jobs in the handicrafts sector;
 - . Measures are planned to promote the development of handicraft production on a regional basis;
 - . Further provisions of the Third Plan:
 - 21.3 per cent of the industrial investment envisaged will go to the agro-food industries in order to improve the diet of the population;
 - 22.9 per cent of the investment will be devoted to the manufacture of popular consumer goods.
- C. Decentralization of industry, first to the prefecture level and later to the commune level;
- . Opening up of agricultural regions through the development of infrastructure (particularly roads) and of administrative and financial services;
 - . Formulation of master plans for urbanization;
 - . Programmes for the improvement of shanty towns and for the development of new residential districts in and around the towns.
- D. For the purpose of promoting the development of the women of Rwanda, a programme of research, public information and training will be carried out under the Third Plan, 1982-1986. A population policy will be gradually introduced, in particular through the adoption of measures in the area of family planning and through efforts to raise the age of marriage.
- E. The programme for rehabilitation of the disabled and the creation of jobs specifically designed for them, which has already been in effect for several years, will be continued during the Third Plan.

SENEGAL

A.	Table III-1			
	1977	1978	1979	1985 ^a
Number of persons engaged in manufacturing (in thousands)	31.2	31.8	33.1	38.6
Number of women engaged in manufacturing (in thousands)	1.4	2.3	2.2	

a/ Planned or estimated.

- B. Beginning of industrial decentralization.
- . Promotion of small and medium-sized industries in rural areas.
 - . Promotion of agro-industries in rural areas.
- C. Industrial decentralization - i.e., the establishment of industrial estates throughout the country.
- . Promotion of small and medium-sized enterprises in rural areas.
 - . Abatement of all forms of pollution through an Environment Code for scheduled establishments.
- D. Guidance for girls into the technical branches: opening of the Thiès Polytechnical School for girls in order to train female engineers who will contribute to industrial development.

SINGAPORE

A.	Table III-1			
	1975	1978	1979	1980
Number of persons engaged in manufacturing (in thousands)	218.1	270.6	293.3	312.6
Number of women engaged in manufacturing (in thousands)	86.2	123.9	131.5	143.9

Singapore (cont'd)

B. No specific measures.

C. Singapore has had a long history of trade and commercial activity. The process of industrialization which was started in the 1960s did not create major social problems as the population had already been exposed to a certain degree of urbanization. The Housing Development Board (HDB) was made responsible for the provision of low cost housing to meet the increased demand. Poor families who are resettled in HDB flats as a result of clearance for land development are given financial assistance by the Social Welfare Department.

D. Separate tax assessment on earned and unearned income of married women is available. This will reduce the combined tax burden of husbands and wives and should encourage married women to remain in the workforce, particularly those with tertiary/professional qualifications. The Ministry of Social Affairs has established childcare facilities for working women with children. A part-time employment scheme for married women will be implemented by the Civil Service.

SRI LANKA

A.

Table III-1

Number of employees (wages in brackets - Rs Mn)

Category	1976	1977	1978	1979	1980
1. Food, beverages and tobacco	24,547 (152)	28,429 (182)	31,024 (186)	31,645 (193)	32,365 (197)
2. Textiles, wearing apparel and leather products	30,170 (115)	33,180 (158)	38,832 (186)	44,657 (254)	48,973 (287)
3. Wood and wood products (including furniture)	6,510 (40)	6,476 (39)	6,608 (44)	7,731 (52)	8,728 (59)
4. Paper and paper products	6,335 (35)	7,650 (37)	8,903 (52)	8,454 (55)	8,202 (57)
5. Chemicals, petroleum, coal, rubber and plastic products	13,099 (142)	14,446 (126)	16,035 (141)	16,355 (148)	17,196 (162)
6. Non-metallic mineral products (except petroleum and coal)	10,350 (56)	9,963 (61)	14,930 (103)	18,535 (148)	19,923 (168)
7. Basic metal products	1,429 (12)	1,790 (15)	2,111 (21)	2,140 (22)	2,243 (32)
8. Fabricated metal products, machinery and transport equipment	18,470 (100)	15,513 (85)	16,176 (89)	15,272 (91)	15,076 (93)
9. Products n.e.s.	1,378 (4)	1,129 (4)	1,542 (5)	1,471 (6)	1,797 (8)

Sri Lanka (cont'd)

- B. A number of wages boards have been established in the major sectors of industry.
 - . A National Pricing Commission has been created to monitor the pricing aspects of the industry.
 - . A Consumer Protection Law and Bureau of Standards are functioning to ensure the quality of local products.
- C. An Urban Development Authority has been set up under an Act of Parliament for the purpose of regulating planned progress of regional development. Specific areas have been set out to set up different types of industries.
- D. Equal opportunities have been provided for both men and women to be involved in industrial development.

SUDAN

A.

Table III-1
1976/77

Number of persons engaged in manufacturing (in thousands)	185
Number of women engaged in manufacturing (in thousands)	29.8

- B. Large agro-industrial projects are distributed all over the country insuring regular and constant rural jobs, higher incomes, and better life.
 - . Craftmanship and small industries and workshops are encouraged all over the country.
 - . Licencing of small consumer goods industries are given to local authorities.
 - . The Industrial Bank is encouraged to finance rural industries.
- C. Enhancing the production capacity of the existing factories through vertical rather than horizontal integration.
 - . An adjustment of the production relations in irrigated schemes and tightening of credit policies.
 - . Rationalization of skilled and semi-skilled labour migration.

Sudan (cont'd)

- D. Equal academic and technical education for both men and women.
 - . Equal pay, status and pensions.
 - . All rules and regulations that apply to men are by law applied to women.
 - . Exemption from night shifts.

THAILAND

A.

Table III-1

	1975	1978	1979	1980	1985 ^a	1986 ^b
Number of persons engaged in manufacturing (in thousands)	1,388	1,475	1,723	1,650	2,240	2,397

a/ Planned or estimated.

b/ Target year of current national development plan (1982-1983).

- B. The changes in economic structure have reflected the rapid expansion of industrialization within the urban areas especially in Bangkok. In the meantime, the agricultural production system in rural areas has changed significantly from the production for personal needs to increased production for commercial purposes and revenue which has resulted in the creation of new occupations. This has brought about changes in social relationships followed by extreme imbalances in economic and social welfare. There are no adequate means of solving these problems. However, in the Fifth Five Year Plan the Government will make every effort to narrow this gap by concentrating on the development of Thai society to achieve equitability and stability in terms of both life and property as well as a happy way of life. In so doing, the Government, to the utmost extent, will help the people in the country to achieve well-being and the best possible health together with social development in order to cope with the economic, political and administrative changes.
- C. It is indicated clearly in the current Fifth Plan that the Government will encourage through favourable incentives the establishment of industries in the industrial promotion zones and industrial estates which are situated outside urban areas. In addition, high priority has been given to the relocation of industries to rural areas where richest natural resources and raw materials can easily be found. It is firm objective of the

Thailand (cont'd)

Government to promote social justice in terms of income earning and social services. Problems related to urbanization and all regional factors will, it is trusted, be alleviated by means of better education, health care, sufficient infrastructural facilities and other social services comparable with those for urban dwellers.

- D. Since Thailand has not had any policies or any practices that are sexually discriminatory, it is obvious that women in this country enjoy the same rights and privileges as the Thai men in entering into employment. Many industrial manufacturing plants prefer to employ women in their day-to-day production and the benefits they receive are at the same level as those of the male employees.

TOGO

- A.

	<u>Table III-1</u> <u>1975</u>
Number of persons engaged in manufacturing (in thousands)	2,500
- B. Uniform prices for certain staple goods throughout the country.
- . Construction of major connecting roads.
 - . Establishment of electricity and water supplies in all district capitals.
- C. (No reply on this issue).
- D. (No reply on this issue).

TUNISIA

A.

Table III-1

		1978	1979	1980	1985 ^a
Number of persons engaged in manufacturing (in thousands)	created	17050	19720	20900	20600
	workers	310230	327230	347000	367600

a/ Planned or estimated.

B. Full employment of the population.

- . Establishment of minimum industrial and agricultural wages.
- . Indexing of minimum incomes to price indices.
- . Drawing up collective agreements.
- . Provision of general schooling.
- . Creating of public services.
- . Establishment of the General Compensation Fund.

C. Establishment of measures to encourage industrial decentralization (exemption from licences, investment subsidies, acceptance of infrastructure costs, etc.)

- . Incentives aimed at relieving congestion of urban zones, etc.
- . Promotion and development of rural areas.

D. Promulgation of the status of women.

- . Compulsory schooling for girls.
- . Creation of vocational training centres.
- . The selection system at technical institutes makes no distinction between boys and girls.

TURKEY

A.

Table III-1

	1975	1978	1979	1980	1983 ^a
Number of persons engaged in manufacturing (in thousands)	1618	1685	1572	1585	2031

a/ Planned or estimated.

Source: SPO.

- B. There is not any intervention in labour market, i.e. market forces are in operation to distribute the returns of production. Hence, factors of production are receiving the return of industrialization according to their marginal productivities.
- C. Incentives within the market framework are used to distribute benefits of industrialization among regions. These incentives are tax rebate, credit facilities and custom duty exemptions to investment and production in less developed regions. Certainly, these are measures for more equitable distribution of benefits of industrialization among regions, hence measures to alleviate problems related to urbanization and regional inequalities.
- D. Men and women have equal rights, so there is not any specific policy favouring one to the other. Equal pay for equal job is accepted in Turkey. In the course of industrialization women get more and more involved in industrial development. That's why, there is no need to take any specific measures for involvement of women in industrial development process. Supply and demand conditions in the labour market are determining the women participation in industrialization and will do.

UNITED REPUBLIC OF CAMEROON

A.	Table III-1	
	1975	1978
Number of persons engaged in manufacturing (in thousands)	24,500	30,700
B. Price policy;		
. Specifications included in contracts awarded to certain industrial units;		
. Tax policy.		
C. Industrial decentralization by encouragement of industrial plant in localities other than main urban centres and coastal regions.		
D. No specific measures.		

UPPER VOLTA

A.	Table III-		
	1975	1978	1979
Number of persons engaged in manufacturing (in thousands)	-	5,897	7,638
Number of women engaged in manufacturing (in thousands)	157		
B. Project for the establishment of village industries.			
. Supply of industrial goods to all parts of the country.			
. Increase in purchasing power.			
C. Establishment of industrial zones.			
D. None.			

URUGUAY

A.

Table III-1

	1975	1978	1979	1980
Number of persons engaged in manufacturing (in thousands)	216,500 ^{1/}	268,400 ^{2/}	161,373 ^{3/}	161,058 ^{4/}

1/ and 2/ By extrapolation of the sample results based on the first National Economic Census of 1968 (with the whole world).

3/ and 4/ By extrapolation of the sample results based on the National Economic Census of 1978 (with enterprises of five or more employees, bearing in mind the fact that enterprises with one to four employees are estimated to employ approximately 50,000 persons).

B. Support for small and medium-sized enterprises.

- . Tax incentives for locating industry in the interior of the country.
- . A gradual programme of tariff reductions.

C. As a result of Uruguay's small territorial extent, population is concentrated in the capital (Montevideo); this is natural owing to the small domestic market and the concentration of population (50 per cent). Nevertheless, as has been mentioned, specific tax incentives have been offered to promote the location of industry outside the capital.

D. Education and training.

- . Equality of opportunity.

VENEZUELA

A.

Table III-1

	1975	1978	1979	1980	1985 ^a	1985 ^b
Number of persons engaged in manufacturing (in thousands)	536.4	665.4	662.3	661.3	918.7	918.7
Number of women engaged in manufacturing (in thousands)	166.1	195.0	189.7	-	-	-

a. Planned or estimated.

b. Target year of current national development plan.

- B. During the period covered by the Sixth National Plan the Government will devote a major portion of its outlays to improvements in the people's housing, nutrition, health and transport.
- . Together with the private sector, the Government will improve the programmes for the training of human resources, both qualitatively and quantitatively.
 - . The gradual reduction of exemptions and the introduction of more effective tax and duty collection systems will help to increase the revenue available for financing the increased social expenditure.
 - . Efforts will be made to stimulate the industrial production of consumer goods which contribute to social development.
 - . Industry will create new stable and well-paid jobs and there will be improvements in working conditions, industrial safety, and other social services for workers.
 - . Measures will be introduced to compensate for the decline in the purchasing power of wages and salaries through the pay policy and through direct transfers to the non-organized sections of the population.
 - . The democratization of industrial ownership will be promoted through the encouragement of broader-based forms of association.

Venezuela (cont'd)

- C. For the purpose of developing those areas of the country with less industry and curbing the growth of those where the concentration of industry is already high, in 1976 the Government formulated a policy of industrial dispersal. Under this policy the country was divided into five areas according to the degree of industrial concentration. In three of these areas 30 urban centres were located, five of them as regional centres, for priority fiscal, financial, and infrastructural promotion by the public sector.
- . With respect to urbanization and industrial development, a national policy has been in effect since 1975 which, operating through urban development planning as a policy instrument, regulates the location of industrial enterprises in urban centres.
- D. Among the measures taken for the specific purpose of bringing about greater and more equitable involvement of women in industrial development and their extensive participation in all functions, the Ministry for the Participation of Women in Development has been established, which will be responsible for co-ordinating all activities designed to minimize contradictions in the actual process of development. Among the tasks carried out by this Ministry in the industrial field is that of developing an awareness of this issue at State enterprises for the purpose of achieving equality of opportunity in access to jobs and in the working environment. In addition, a special fund has been established to encourage the establishment of day-care centres for the children of working women near their places of work, and consideration is being given to the preparation of a study on the revision of the Labour Act.

YUGOSLAVIA

A.

	Table III-1				
	1975	1978	1979	1980	1985 ^a
Number of persons engaged in manufacturing (in hundreds)	1,819	2,022	2,102	2,162	2,460
Number of women engaged in manufacturing (in hundreds)	603	690	720	748	-

a/ Planned or estimated.

Yugoslavia (cont'd)

- B. No special measures have been necessary in the SFRY in this field.
- C. (No reply on this issue).
- D. In the Socialist Federal Republic of Yugoslavia, as a socialist self-management community, on the basis of the Constitution and certain laws governing certain rights of the citizens, women are fully equal to men and appropriate social welfare policy measures facilitate the integration of women in industrial development (maternity leave, night work, etc.).

ZAIRE

- A. Not available.
- B. In the light of the present economic situation the Executive Council (the Government) is endeavouring to revive the national economy by means of a very large public investment programme (1981-1983).
- C. Not available.
- D. There is no restriction to the employment of women in industry. Women and men have equal rights.

ZIMBAWE

A.

Table III-1

	1975	1978	1979	1980	1985 ^a	1984-1985 ^b
Number of persons engaged in manufacturing (in thousands)	156,0	139,3	144,7	159,4	234,0	222,1

a/ Planned or estimated.

b/ Target year of current national development plan.

Zimbabwe (cont'd)

- B. Industries are being encouraged to grow in rural areas and small-scale industries are being encouraged. Wages are increasing and minimum wage is being enforced. Public sector participation in industry is being increased. Linkages of manufacturing sector with other sectors is being strengthened. Also, labour intensity in the manufacturing sector is being increased.

- C. Growth points are being established in rural areas. Concentration of industries in the two cities at present is being reduced. At the same time, housing facilities in the existing cities are being upgraded. Housing and related services are also being linked to production and employment, recreation and housing of labour near the place of work is being encouraged.

- D. The Government has declared its policy to ensure equality for women in employment and equal wages. Special measures are taken for this purpose and even legislation for this is contemplated. Handicraft industries which employ women to a greater degree than men are being encouraged.

IV. DEVELOPMENT OF HUMAN RESOURCES

Governments were invited to supply information on the following topics:

- A. Current and projected requirements to train and upgrade human resources for industrial development, including technical, managerial and entrepreneurial personnel.
- B. Measures taken to fulfil those requirements.
- C. Particular measures taken to train women and upgrade their skills for the purpose of industrial development.
- D. Other relevant topics.*

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE :

ARGENTINA

- A. to D. (No data available on these issues.)

BAHAMAS

- A. Urgent attention has been given to technical and industrial training in order to provide the human skills necessary for achieving rapid economic progress and in diversifying the economy. Accordingly, an industrial training school has been established to provide training in areas such as carpentry, masonry, plumbing, electrical installation and repairs, motor mechanics, air conditioning and refrigeration, and welding.
 - The school works closely with the private sector to ensure the relevancy of the courses of instructions and to ensure that the programme and its form of certification will meet the manpower requirements of that sector.
 - Department of Fisheries and UNDP Programme for training for fishermen.
- B. See A. above.
- C. See A. above.

* Most countries did not reply on this issue.

BANGLADESH

- A. (No reply on this issue.)
- B. Bangladesh has at present four general Universities, one University of Engineering and Technology and one Agricultural University which provides various courses and awards degrees in humanities, science, commerce, business administration, engineering, medical, agricultural, etc. There are also large numbers of technical institutions providing diploma/certificates in various subjects.
- . Bangladesh Management Development Centre is engaged in training managers of different industry to upgrade their skill. Bangladesh Industrial Technical Advisory Centre arranges various courses for training of personnel in various trades.
 - . Legislative infrastructure in the form of National Council for Skill Development and Training (NCSDT) has already been created. The main purpose of the establishment of NCSDT is to standardise vocational training programmes, impart training to skilled workers and formulate uniform policy for ensuring implementation of training programmes and all institutions both private and public and for co-ordination of activities of such institutions with a view to developing proper skills to meet the needs of skilled workers at home and abroad.
 - . The training development of the Bureau of Manpower, Employment and Technical Training, provides training to upgrade semi-skilled persons and is involved in several development projects during the second Five Year Plan. Three of them namely: (1) IDA Vocational Training Project, (2) the establishment of 10 Technical Training Centres and (3) the creation of the Apprenticeship and In-plant Training Infrastructure, need special mention.
- C. There are as many as 21 trade courses in different technical training centres under the Bureau of Manpower. Employment and Training courses are open to women also. They can take the opportunity and be trained in any trade available at the Technical Training Centre. At present a large number of women are receiving training in Radio Electronics and Civil Draftsmen Trades. In Technical Training Centres, Draftsmen and Radio Electronics courses are regularly found to be filled by women women who are trained in a separate group.
- D. For the purpose of developing a co-ordinated vocational training system and formulating a training policy on a national basis, the Government has established the National Council for Skill Development and Training (NCSDT).

BENIN

A.	Senior management	Middle management	Skilled and specialised manpower
Industry and artisanry (salaried jobs) <u>1/</u>	153	60	314

1/ Requirements for the period of the three-year plan for 1977-1980.

- B. Establishment of vocational training institutes;
- . Establishment of INFOSEC for the organization of training, refresher training and further training seminars for management and the heads of enterprises;
 - . Establishment of CEFAP for the administrative training and further training of senior management staff;
 - . Establishment of CPPE for the further training of the personnel of enterprises;
 - . Establishment of CPU (university polytechnic complex);
 - . Establishment of polytechnic complexes levels I and II;
 - . Allocation of fellowships for study and training courses in various fields.
- C. (No reply on this issue).

BOLIVIA

- A. Training of skilled workers and middle and higher-grade technicians to meet the needs of the national economy.
- . Widespread basic training for manpower at the national level.
 - . Strengthening of FOMO (the national manpower training service).
- B. Selection of labour-intensive projects in sectors where the technology permits replacement of capital by labour.
- . In major projects, the elimination of tax incentives for relatively capital-intensive technology and a bias towards relatively labour-intensive technology.

Bolivia (cont'd)

- . The introduction of working methods based on modern production techniques.
 - . Reduction of the level of open unemployment by giving priority to the use of manpower in sectors where the technology permits replacement of capital by labour.
- C. Expanding the female labour force, thus increasing its participation in the production process.
- . Encouraging the training of skilled female labour and medium-level technicians through FOM (the national manpower training service).

BRAZIL

- A. There isn't anything like a "manpower approach" in the industrial policy conducted by the Brazilian Government. Training and upgrading human resources has been historically left to the private sector. For this purpose there is the National Service of Industrial Apprenticeship (Serviço Nacional de Aprendizagem Industrial - SENAI), which is subordinated to the Industrial Confederation (Confederação dos Industriais). SENAI has a great deal of financial and operational autonomy, and has been having since 1942 a good performance.
- B. (No reply on this issue).
- C. Particular measures to train women and upgrade their skills do not exist, since they have equal access opportunity to SENAI training programmes.

BURUNDI

- A. It is estimated that 10,636 staff will be required for industrial development in the period 1980-1985:
- | | |
|--|-------|
| Technical labour force: | 9,654 |
| Middle-level technical management staff: | 982 |

Burundi (cont'd)

- B. 100 polytechnic training centres, covering carpentry, sawing, masonry, dressmaking, etc., are in process of completion;
 - . Strengthening of existing technical schools, and establishment of a polytechnic institute;
 - . In-service on-the-job training;
 - . Educational reform.

- C. Women have the same right as men to training - through courses, seminars, lectures or by any other means.

CHILE

- A. The improvement of human capital is one of the factors contributing to the growth of a country. It is because of this that the development plan will give special emphasis to the policies of expansion and modernization of the educational and health systems.
 - . Likewise training will be further continued and encouraged for all workers in order that they may improve their contribution to the productive process and, with their wages, share fully in the material, social and spiritual advantages of development. With this objective there will be a check on the strict fulfilment of the standards laid down by the Statute of Training and Employment, the purpose of which is to encourage training of the country's workers by permitting concerns which have recourse to it to deduct the direct expenses which they incur on behalf of their workers, up to 1% of the taxable wages paid to the latter, from first category tax.
 - . The occupational training carried out by the State is directed fundamentally to those areas of greatest interest for the country, where it is not carried out by the concerns. It gives special attention to the unemployed and those looking for work for the first time, and may benefit independent workers. It also comprises actions of cultural and integral training, and is executed through a programme of scholarships regulated by the National Department of Training and Employment (SENCE).
 - . The policies tending to improve human capital do not distinguish by sexes, both being on equal terms in relations to them.

- B. The training scholarships granted by the State, regulated by and the National Department of Training and Employment (SENCE), are
- C. directed and allocated in the following order: unemployed, workers who are looking for work for the first time, independent workers and those in employment: they cover the cost of the complete instruction. In some courses meals and travel are

Chile (cont'd)

included, and in special cases a boarding system. Those interested must apply to the technical organizations recognized by SENCE which provides courses in accordance with an agreement signed between SENCE and the organization, and receive instruction in courses which are of interest to them. Selection is done by allocation points to the unemployed for duration of unemployment, number of family dependents and number of persons in the home who have an income. The only requirement imposed is that they are registered at their local employment exchange, which was created to facilitate communication between those offering employment and those seeking it.

- . The operating mechanism of the training which is carried out through the Statute of Training and Employment, to which reference was made in the preceding reply, is the following: firms have three alternatives for carrying out their training work.
 - To develop training programmes directly, in which case they must advise SENCE of the beginning of these actions in advance and in fulfilment of the requirements laid down.
 - To entrust the execution of occupational training programmes directly to the technical organizations recognised or authorised by SENCE (INACAP, DUOC, ICARE, etc.), with which they can work in two ways:
 - . By contracting for complete courses, that is to say for a course attended only by their employees, or
 - . By sending their workers to regular courses run by the specialized technical organizations.
 - To associate themselves with an intermediate technical organization, recognized by SENCE, through which they contract for the execution of programmes of occupational training.

The following tables give information on variables relative to training.

TABLE No. 1

NUMBER OF FIRMS WHICH HAD RECOURSE TO THE STATUTORY SYSTEM, AND NUMBER OF
FIRMS WHICH SETTLED THEIR TRAINING EXPENSES BY REGIONS

1979

REGION	CONCERNS ACCEPTED 1979	CONCERNS WHICH SETTLED			
		WITH SENCE	WITH OTIR	TOTAL	%
I TARAPACA	3	3		3	100
II ANTOFAGASTA	13	13		13	100
III ATACAMA	6	5		5	83
IV COQUIMBO	6	6		6	100
V VALPARAISO	208	128		128	62
R. METROPOLITAN	714	316	199	515	72
VI L.B. O'HIGGINS	5	2		2	40
VII MAULE	28	16		16	57
VIII BIO-BIO	50	16	8	24	48
IX ARAUCANIA	29	29		29	100
X LOS LAGOS	23	9		9	39
XII MAGALLANES	1	1		1	100
TOTAL	1,086	544	207	751	69.2

OTIR = Intermediate Technical Organizations, recognised by SENCE at 31.12.79.

- 1) Training and Cultural Corporation of the Chilean Chamber of Construction.
- 2) SOFOFA Training Corporation.
- 3) ASIMET Occupational Training and Technical Development Corporation (CORCAPLAN).

Source: National Department of Training and Employment.

PARALLEL BETWEEN ACTIVITIES IN THE YEARS 1977 - 1978 - 1979

Cuile (cont'd)

VARIABLES	1977	1978	1979	% VARIATION 1978 - 1979
Concerns which settled (*)	198	609	751	+ 23.3%
No. participants	22,640	59,546	68,795	+ 15.5%
1 Per cent taxable remuneration	\$ 153,108,744	\$ 270,320,615	\$ 409,457,727	+ 51.4%
Total paid out for training	\$ 70,875,471	\$ 198,145,399	\$ 325,579,275	+ 64.3%
Per cent utilization	46.3%	73.2%	79.5%	
 <u>TRAINING CARRIED OUT BY TECHNICAL ORGANIZATIONS IN THE FIRMS WHICH PARTICIPATED DIRECTLY WITH SENCE</u> 				
No. persons trained	7,570	21,146	23,123	+ 9.3%
AMOUNT	21,203,924	102,297,633	169,403,148	+65.6%

Note: Amounts in pesos at 31.12.79.

(*) : Refers to concerns which settled their training expenses.

Source: National Department of Training and Employment.

CHINA

- A. In its commitment to the modernization programme, China needs a great number of specialized personnel of all levels and a large number of skilled workers.
- B. (No reply on this issue).
- C. (No reply on this issue).

COMOROS

- A. The Comorian State suffers from a shortage of top-level and medium-level personnel in every sector, and particularly in the technical, industrial and capital development areas. Personnel to be sent to technical centres. Co-operation with industrialized countries.
- B. Under the technical and economic co-operation agreements, regular and advanced training courses are held every year to meet the needs of the nation's development. Furthermore, the State includes an item on training in all development projects (fishing, education, agriculture) and grants vocational training fellowships.
- C. Inasmuch as most of the women who might be employed in the industrial sector are at a somewhat low level of intellectual development, it is desirable that the vocational training system now under study should include measures to give women a thorough training.

COSTA RICA

- A. The training of human resources on the managerial, technical and intermediate levels is regarded as a high-priority task and a responsibility both of the State and of the country's business organizations.
- B. Measures taken relate to: the promotion of the development of new forms of industrial ownership by the concept of human advancement and popular participation; fiscal incentives for community enterprises, associations, co-operatives and other forms of collective ownership of the means of production, to the degree that they are consistent with the general provisions of the National Development Plan.

Costa Rica (cont'd)

- C. The measures taken in the area of training and instruction of human resources apply equally to both sexes and emphasize the following areas: agricultural sciences, sea sciences, national resources, industry, agro-industry, physical sciences, housing, energy, health and the teaching of the National Apprenticeship Institute (INA), which offers courses in sewing, garment-making, etc. Credit is also provided to rural industry by the Central Bank, but very little has so far been done in this area.

CYPRUS

- A. At present there is in Cyprus a need to increase the number of skilled labour.
- B. The existence of the Higher Technical Institute and the Cyprus Productivity Centre contribute enormously to the improvement of managerial and technical skills. In addition the Government has set up another Institution, namely the Industrial Training Authority for the same purpose.
- C. The existence of the Higher Technical Institute and the Cyprus Productivity Centre contribute enormously to the improvement of managerial and technical skills. In addition the Government has set up another Institution, namely the Industrial Training Authority for the same purpose.

ECUADOR

A.	<u>Year</u>	<u>Participants</u> ^{1/}
	1980	6,900
	1981	24,400
	1982	39,700
	1983	44,000
	1984	45,800

^{1/} The total number of persons to register in this period corresponds to participants at middle and primary levels, and excludes the necessities for technical training to be covered with technical middle education.

Ecuador (cont'd)

- B. To extend qualifying courses at national level and the training of adults and apprentices, particularly in the fields of: automobile manufacture, engineering, electricity and electronics, etc.
 - . To give attention to the training of technicians and instructors and to introduce new teaching plans.
 - . To complete the physical infrastructure required to carry out these.
 - . To procure co-ordination of all bodies which carry out education and/or industrial training through the organization of the Education and Professional Training Subsystem.

- C. To carry out the training of women in the manufacture of garments (designing, cutting, dressmaking, ironing) in Quito, Sto. Domingo de los Colorados and Guayaquil.
 - . To provide industrial dressmaking machines in a complete state to form a production line.

- D. To stimulate industrial investment in projects which lead to the creation of new occupations and to the better use of national resources, and which generate added value for the economy.
 - . To encourage a policy of development regions which will allow industrial activities to be decentralized.
 - . To encourage the construction of a road network which will facilitate access to the regions, with consequent effects on occupations.

EL SALVADOR

- A. It is estimated that current vocational training requirements for industrial development amount to 23,330 persons ^{1/} - 12,907 in basic training and 10,423 in further training. It is safe to say that these requirements will continue over the medium term since they are being satisfied only minimally through current raining activities.

^{1/} "Survey on Wages, Labour Demand and Vocational Training", October 1978. Ministry of Labour and Social Security, Department of Planning (in Spanish).

El Salvador (cont'd)

- B. Co-ordination of Government programmes in the area of vocational training (National Vocational Training System) for the purpose of joining efforts and maximizing the use of available resources (financial, human, technical and others). This objective is being pursued by the Technical Committee on Vocational Training as the technical agency and the National Council on Vocational Training is the decision-making body.
- For industrial training, these are currently under construction, using funds from a \$9 million World Bank loan, three permanent vocational training centres, in San Salvador, Santa Ana and San Miguel, in addition to which ten mobile units will be acquired. The agricultural training component consists in the construction of eight rural training centres, which will result in an expansion of vocational training coverage.
- C. The Government's development plans do not discriminate on the basis of sex with respect to education and vocational training. Accordingly, the programme offered under the National Vocational Training System have traditionally included courses for women (industrial garment-making, home economics, secretarial skills, etc.), but with no firm purpose as to their actual integration in the industrial development process.
- D. The National Productivity Centre (CENAP) also operates a school for middle-level managers and executives, its main purpose being to improve skills in the management of small and medium-sized businesses.
- Participants are trained, through a "module system", in general management, marketing, finance, production and personnel techniques (owner-managers), and in personnel management, production administration and sales administration (supervisory staff). The teaching process is based on the case method plus the use of audio-visual aids, with the result that adult participants can be trained in an almost entirely practical context.

ETHIOPIA

- | <u>A.</u> | <u>Training</u> | <u>Field</u> |
|-----------|----------------------------|--|
| | Professionals | Management training; |
| | Semi-professionals | General mechanics, electricity, auto-mechanics, industrial chemistry, secretarial science, accounting, supervisory management; |
| | Skilled professionals | General mechanics, electricity, auto-mechanics, machine, archives, bookkeeping; |
| | Semi-skilled professionals | On-the-job training or in plant training to operators and leaders with assistance from the National Productivity Center. |
- B. The National Productivity Centre trains semi-professional and skilled workers for short duration (2-4 weeks) in both managerial and technical fields.
- . Individual corporations are setting up their own training centres to up-grade the skills of their own employees. The Ministry of Industry sends employees abroad for training through bilateral and multi-lateral assistances. Such training is usually project tied, i.e. the foreign government undertakes to train technical and managerial personnel for projects under construction.
- C. No special measures taken in favour of training women.

GUATEMALA

- A. One of the problems detected is the lack of training of personnel at various levels of management and operation, as a result of which the National Industrial Development Plan 1979-1982 has taken this into account and encouraged activities in conjunction with the Training and Productivity Technical Institute (INTECAP). Current training needs have not been quantified.
- B. At INTECAP level there are training and educational courses, especially for middle management and worker levels in those branches which are given priority in planning. Different courses are thus programmed on a quarterly basis, either at the office or training sub-centres or even in industries' own plants.

Guatemala (cont'd)

- . In the case of the public sector courses have been given on planning of the industrial sector, on production and evaluation of projects and, final on the analysis and location of markets.

- C. INTECAP has recently started giving courses for the garment manufacturing field.

GUYANA

- A. Production management.
 - . Accounts at different levels in public as well as private sectors.
 - . Marketing and quality control.
 - . Technical training in leathercraft, light engineering and electrical industries repair and maintenance, textile design, woods and related products, diamond cutting and polishing, processing fish etc.

- B. Various training courses are organized by the factories itself.
 - . Guyana Management Training Centre provides in-plant and outside training at the requested enterprises and offices.
 - . Government Technical Institute provides training courses.
 - . Government is still trying to get training assistance under different credit facilities, bilateral and international agencies, programmes, etc.

- C. WPSM is presently involved in the following programmes for women's participation in industrial development:
 - Workers' canteen;
 - Textile design unit;
 - Garment factory;
 - Recycling paper plant;
 - Ceramic table-ware factory (initial stage).

HONDURAS

- A. The National Industrial Development Plan for 1979-1983 provides more than 30,000 additional jobs, which will mean that 6,000 people of both sexes have to be trained for various occupations every year.

Jobs created in the manufacturing sector
1979-1982

	<u>1979</u>	<u>1980</u>	<u>1981*</u>	<u>1982*</u>
A. Traditional industries	90,102	97,633	95,952	97,353
B. Intermediate industries	10,989	10,917	9,963	10,257
C. Metalworking and engineering industries	5,086	5,330	4,795	4,990
OVER-ALL TOTAL	<u>106,177</u>	<u>113,880</u>	<u>110,610</u>	<u>112,600</u>

Source: Annual Operational Plans.

*Estimate by the Industrial Department of CONSUPLANE.

- B. The study and use of labour-intensive intermediate technologies in priority sectors will be encouraged.
- Regarding requirements in terms of specialization of the work force, if production objectives are to be attained there will have to be increased training of technical cadres, particularly as regards administration and management of the production areas, middle management and specialists in direct production in all areas of the industrial sector.
 - Industrial engineering and chemical courses and courses for laboratory technicians and industrial technicians at the intermediate level will also be strengthened and extended nationally through the National Autonomous University of Honduras. The Private José Cecilio del Valle University has likewise included some of these technical courses in its curricula.

INDIA

- A. In the field of training there exist ample opportunities for women in the sphere of education, vocational training and up-grading and advancement in order to widen areas and avenues for their employment. Brief details of the schemes in operation are:

India (cont'd)

- Craftsman Training Scheme:

Craftsman training is at present being imparted in 32 engineering trades and 24 non-engineering trades. Out of 970 institutes set up by the Government and voluntary agencies to impart training in various trades, 130 are exclusively for women. Besides there are seats for women in co-educational institutes.

- Apprenticeship Training Scheme:

Under the Apprentices Act, it is obligatory on all employers in the specified industries to engage apprentices in the prescribed extent in designing trades. In the case of trade opportunities the training consists of basic training followed by on-the-job or shop floor training with related instructions. There are 136 engineering and non-engineering trades designated under this scheme which are open to both men and women. Sixty-five trades, some of them particularly with a view to drawing women under the scheme have been introduced during the last 3-4 years which has resulted in an increase in women's participation in the Apprenticeship Training Scheme.

- Vocational Training in women's occupation:

- . The project envisages provision of training facilities in basic skill advanced skills and instructor training courses in a few selected trades with high employment potential like dress making, embroidery, needle crafts, garment knitting and hosiery and also some other vocations like electronics, secretariat practice etc. Short-term specialised courses are also proposed to be organised for upgrading skills and retraining in selected fields.
- . To this end, the Government has set up a National Vocational Training Institute, New Delhi and two regional Vocational Training Institutes at Bombay and Bangalore. The regular courses being offered at these institutes broadly cover dress making, embroidery and needle crafts, secretarial practice, electronics and instructor (gen.) courses. During the second phase of the project commencing 1982 four more regional institutes are likely to be opened at Calcutta, Chandigarh, Lucknow and Trivandrum.

- Rural Vocational Training:

Presently feasibility studies/surveys are being conducted in 17 States to assess training needs of rural women.

INDONESIA

- A. (No reply on this issue).
- B. Through the establishment among other apprentice schools attached to selected large industries, e.g.:
 - Fertilizer industry
 - Cement industry
 - Pulp and paper industry, etc.
- C. To organize vocational training courses and to provide extension services through the Development and Guidance Project for Small-Scale Industry.

IRAQ

- A. Per cent of human requirements during economic plan 1981-1985 is as follows:
 - 1. Administration 45.38
 - 2. Technical (college graduates) 10.00
 - 3. Technicians 84.51
 - 4. Skilled workers 91.2
 - 5. Other workers 70.00
- B. Vocational Training Centres.
 - . Accounting Training Courses.
 - . Management Training Courses.
 - . Technical Training at Foreign Institutes.
- C. All above mentioned training facilities are opened to women as well as men.

KENYA

- A. The public sector manpower projections for the period 1979-1983 are shown below:

Public sector manpower projections
1979-1983

	<u>Currently Employed</u>	<u>Additional Requirements</u>	<u>Additional Supply</u>	<u>Surplus (+) or deficit(-)</u>
Engineers	421	999	325	(-) 674
Eng. Technicians	1,761	3,365	3,600	(+) 235
Printing Technicians	183	325	200	(-) 125
Scientific Technicians	429	677	540	(-) 137
Other Technicians and artisans	523	1,225	900	(-) 325

Source: Development Plan 1979-83, page 463.

There are also shortages of skilled manpower in the private sector, but detailed information is not available.

- B. The additional requirements in the public as well as private sectors are being met mainly through full utilization of the educational and training facilities, including multiple shifts wherever feasible and considered necessary. Foreign training is not taken into account in the above projections and, therefore, it offers relief in some areas. However, manpower needs are being surveyed.
- C. The matter is being considered.

LESOTHO

- A. Management training facilities exist but need to be expanded.
- . Fellowships for management training overseas.
 - . Experience gained in counterpart relationships.
 - . Proposed Industrial Management Institute would provide consulting assistance to industry and offer management training and development.

Lesotho (cont'd)

- . Facilities at training schools are being improved and diversified with special attention to training for specific needs of industry.
 - . Establishment of centres for the supply of tools, machines and equipment is underway.
- B. Plan to establish a demonstration and experimental centre in the capital city.
- . To formalize Lesotho Handicrafts Association to bring together all crafts, persons and crafts workshops.
 - . It is planned to establish an Industrial Management Institute and an Industrial Development Centre.
- C. CARE is looking forward to providing training programmes for 2,000 women in 1981/82 in mohair spinning.
- . Materials and tools have been purchased for the establishment of training workshops, and for the establishment of weaving and knitting co-operatives.

MADAGASCAR

- A. The extension of existing industries and implementation of the industrial projects mentioned make it necessary to train at least 500 managers during the next five years.
- B. Strengthening technical education (up to and including university level);
- . Grant of training fellowships;
 - . Strengthening training establishments rather than secondment of an expert under international assistance arrangements.
- C. (No reply on this issue).

MALAWI

- A. There is unquestionable need to strengthen the Industrial Division of the Ministry of Trade and Industry by training and upgrading human resources for industrial development at all levels both for current responsibilities and for future tasks.

Malawi (cont'd)

- B. Personnel in the Industrial Division have been recommended for the 1982/83 overseas training programmes in these areas: Industrial Project Course of the World Bank Economic Development Institute; Project Identification and Investment Promotion (IDA) in Ireland; Industrial Management in the Netherlands and India; Industrial Extension Officers training in the Netherlands; industrial Promotion and Project Appraisal in Ireland.

- C. (No reply on this issue).

MALTA

- A. The system of education has been reviewed and a student worker scheme was introduced at the University. This scheme was complemented with the pupil worker scheme for students at pre-University level. An extended Skill Training scheme has also been introduced for students of technical schools with the help of ILO. These schemes are meant to ensure that the skills required for development are available and that there is no waste of human resources through mismatch of supply and demand for labour.

- B. (No reply on this issue).

- C. The measures adopted apply equally to men and women. Women have the same opportunities as men for taking up careers in industry.

MAURITIUS

- A. Current and projected requirements are now under review.

- B. The University of Mauritius takes an active part in developing human resources through its Faculty of Technology and the school of Business Administration.
 - Several international organizations participate in the endeavour through short term missions. UNIDO has an extensive training program underway within the terms of reference of its two current projects.

Mauritius (cont'd)

- C. No particular measures are necessary since in Mauritius there is no real sex or racial discrimination. First in line management is almost exclusively female. Administrative positions in factories are filled to a large extent by women. Three factories are managed by females.
- D. The biggest training drawback resides in the fact that Mauritius has no funds available for comprehensive overseas training for incumbents of Mauritius.

MEXICO

- A. One of the five programme objectives in the National Education Plan for 1979-1982 is to link the final stages of education with the production system for social and national requirements of goods and services. However, no accurate calculation has yet been made of existing and future requirements for training human resources for industrial development.
- B. Among the pertinent measures taken by the Mexican Government, the training of workers has been made a requirement under the Constitution and training is now a right and a duty for workers. Several institutions have been established to provide vocational and in-service training. Vocational training is covered by the following schools of the Department of Public Education: industrial vocational training centres; industrial technology schools (lower secondary); scientific and technological education centres (upper secondary); regional technological institutes (upper secondary and university); the National Polytechnic Institute (university); and the National College of Technical Training (for training middle-grade technicians with assistance from enterprises). In-service training is the responsibility of the Employment, Training and Instruction Co-ordination Unit, which is the regulatory and supervisory body for enterprises under the relevant legislation, and by the CENAPRO-ARMO system (National Centre for Rapid Manpower Training and Productivity).

NIGER

A.	<u>1979 - 1983</u>
- Professional staff	165
- Higher technical staff	166
- Foremen and technicians	732
- Skilled operatives	2,467
- Labourers and unskilled staff	6,551
	<hr/>
	10,081
	<hr/>
B.	- Establishment of vocational technical schools; - On-the-job training; - Training abroad in all fields; - University.
C.	(No reply on this issue).

NIGERIA

- A. Estimates of the requirements for various categories of high or middle level manpower indicate that for most of the selected manpower categories, the estimated additional requirements during the plan period 1981-85 are greater than the existing stock.
- B. Seven additional universities of technology and a number of colleges of technology are expected to be established by the Federal Government during the current plan period 1981-85, while some State Governments are also making arrangements to set-up their own universities. Thus total studies enrolments in the university system is expected to rise from 57,800 in 1979-80 to about 109,000 in 1984-85. The industrial training fund actively promotes on-the-job training and courses for employees.
- C. There are no discriminatory laws against education and training of women.

OMAN

A.	<u>Requirements of labour</u>	<u>Nationals</u>	<u>Expatriates</u>	<u>Total</u>
	Current 1980	1900	3400	5300
	Projected 1985	3900	6700	12600

Current facilities

- 5 Vocational Training Centres
- 1 Public Administration Centre

B. Projected facilities during the Second Five Year Plan (1981-1985)

- . Establishment of (8) Vocational Training Centres in different parts of the country;
- . Establishment of a University;
- . Scholarships to different countries for education and training;
- . On-the-job training within the country.

C. Not applicable.

PAKISTAN

A. It is estimated that 215,381 tradesmen left the country for overseas employment during the year period January 1974 to December 1979, and 54,000 over the last 3 years. Within the country 4.95 million workers are presently employed in the manufacturing, electricity, gas and water sectors. On the basis of a 3 to 3.5% rate of growth of labour force as envisaged in the 5th semi-skilled workers constitute 30% of the total labour force above mentioned sectors, it is estimated that 44,500 additional tradesmen will be needed annually to meet the labour force growth targets for the plan period. It is hence estimated that a total of about 100,000 tradesmen will be annually needed to meet both the requirements of the national economy as also the requirements of the overseas labour market.

B. A project entitled "National Vocational Project" has been launched since 1 July 1981 at the estimated cost of about 425,000 million rupees including foreign exchange component, (IDA loan) of Rs. 250,000 million. In this project 6 new training centres are to be established and 37 existing institutions are to be upgraded by provision of equipment,

Pakistan (cont'd)

building, instructors and operating expenses. It is expected that about 10,800 trainees would be trained per year. Moreover the instructors of the Technical Training Centres will be provided with skill upgrading and instructional techniques training and about 2,000 junior and senior supervisors of industry will also be upgraded. In addition to the above about 3000 trainees are being trained at the existing T.T.Cs in their regular programme and the capacity is further being expanded by about 2500 trainees.

- . About 1000 trainees are trained annually under the apprenticeship programme (this programme is also being revised in order to increase participation of industry in training of tradesmen). Vocational institutions are also imparting skill level training as also the non formal sector contributing to a reasonable extent.

- C. No such measures appear to have been taken exclusively for women only. Measures found good for men are also applied equally to women, who are not lagging behind men in any respect except that women workers are not forthcoming in sufficient numbers due to very many causes like conventional constraints.

- D. An important obligation of the Government is to provide human conditions of work in factories, workshops and other similar establishments. Considerable emphasis is therefore being given to the matter of providing healthy and safe conditions in such establishments. In this connection help was sought from ILO/UNDP for strengthening the Provincial Factory Inspectorate to enable them to expand their activities in the field of occupational hygiene and to further improve the industrial hygiene in the country.

- . In consequence of the above collaboration with the UNDP/ILO, Industrial Hygiene Cells have been set up in the provinces. These Cells have been equipped with modern equipment for monitoring health hazards with trained staff.

PANAMA

- A. The determination of careers at a higher level must be considered a national requirement. Knowledge of the development of human resources in this respect over the past decade makes it possible to modify, continue or reverse, certain trends established within institutions.

Panama (cont'd)

- . In order to co-ordinate efforts in this direction in the next few years, the Government has begun an inter-institutional campaign involving the Ministries of Planning and Political Economy, Education, Labour and Social Welfare, the Institute for Training and Utilization of Human Resources, the General Comptroller's Office for the Republic and the University of Panama .
 - . At the present time there is insufficient data available on attitudes and levels of technical staff currently employed in the various scientific and technological sectors.
- B. Loans and educational assistance.
- . Studies centres are being set up inland and in the City of Panama.
 - . Special programmes are being carried out, such as:
 - The Villa del Indio;
 - Centre for the Promotion and Improvement of the Status of Women;
 - School of Languages;
 - Youth programmes;
 - Information and Research Centre of the Institute for the Training and Utilization of Human Resources.
 - . Special training for civil servants by the Ministry of Planning and Political Economy (courses, etc).
- C. Measures have been taken to train women in the production of articles at technical artisan level and to integrate them in the labour market, enabling them to collect wages and eventually improve their living, social, economic and cultural conditions.
- . No measures are currently being taken at professional level. Panamanian women account for 44.6% (9,609) of professionals registered in the Republic, which reflects the equality of status between the sexes.

PERU

- A. Promotion and financing of small-scale industry;
- . Training for managerial personnel in small-scale industry;
 - . Organization of agro-industry enterprises;
 - . The woodworking and furniture industries;
 - . The pharmaceutical industry and environmental control in the pharmaceutical and chemical industries.

Peru (cont'd)

- B. More streamlined procedures for the negotiation of international technical co-operation projects, involving more extensive training of national personnel, mainly by developed countries and international organizations - in some cases through national participation on a cost-sharing basis.
- C. Compliance with United Nations General Assembly resolution 3342 (XXXIX).

REPUBLIC OF KOREA

- A. For the 7-8 percent annual economic growth planned in the Fifth Five-Year Plan (1982-86), employment is expected to be increased about three percent annually during the Plan period.
 - . Considering the manpower supply capacity of the educational institutions, no serious problem is envisaged except some shortages in higher grade manpower and highly skilled workers.
- B. For high quality manpower, such as scientists, engineers and managerial personnel, the function of the higher educational institutions has been expanded and studies abroad will be encouraged.
 - . For skilled workers, vocational high school and vocational training centers have been expanded and emphasis has been put on intensifying the on-the-job training for which incentives such as tax-exemption and financial support have been provided.
- C. Not only the opportunities for receiving higher education and vocational training are open equally for women, but also special vocational training centers for women are operated under the auspices of the local governments and Women's Association.
 - . In order to utilize female labor force, the Government will make endeavours to create job opportunities for women. The employment security system to be established in the next Five-Year Plan period will work much for this purpose.

ROMANIA

- A. The planned development of the national economy requires an increase, over the five years 1981-1985, in the number of workers of 580,000 persons, with 446,000 being in industry. The vocational training of some 2.4 million persons will be provided, both to take new jobs created and to replace workers retiring. During the current five-year period around 900,000 skilled workers and 290,000 foremen, engineers, economists and other specialists will be trained.
- B. Qualified managers are recruited both from the ranks of the younger generations and from women at home. The qualified workers needed by industry (around 1,000,000 persons during the five-year period) will be trained in vocational schools, grammar schools, on special training courses and in the higher education institutions.
- . The development of production forces, the increased complexity of the economic processes, and the problems linked with management make it necessary to upgrade the vocational training of workers, foremen, technicians, engineers and managerial personnel. During the five years (1981-1985) vocational upgrading programmes will be started up and each worker will, over this period, participate at least once in a form of upgrading.
 - . A priority direction for instruction and education at all levels and in all forms of the education system has been, and continues to be, the integration of education for life and for practical purposes; in other words the integration of the school in research and production, in order to stress the practical and applied character of all levels of education. Measures have been taken along these lines, aimed at developing practical work in the general schools; school workshops have been set up, and new ways developed for giving the pupils a practical training. The main characteristic of the upgrading policy in education lies in the harmonization of the instruction process with practical work and of production with research work so that schools, and in particular the higher education units, are becoming important centres of education, research and production, making an active and effective contribution to the general advance of the Romanian economy.
- C. The national programme relating to the integration of women into economic activity includes measures aimed at the participation of women in the forms of training organized for work specific to them and in the specialization and functions intended for women; economic units will be required to establish their structure for each sex of personnel according to the difficulty of the job, health and hygiene standards and the protection of labour.

Romania (cont'd)

- . The nomenclature is not restrictive; it is changed periodically, depending on the requirements of social and economic development, on the assumption that new sectors of activity will appear where jobs can be given to a greater extent to women (electronics, electrical engineering, fine synthesis chemistry, the pharmaceutical and cosmetics industries, etc.); it also takes into account facilities created during the exercise of various jobs as a result of the application of technical progress, the extension of mechanization and the automation of production processes.
- . The nomenclature lists some 740 trades at present, compared with 500 when it was first adopted. Following the measures taken at the end of 1980 women represent 37.2% of the total number of the workforce (40.3% in industry), as compared with 34.5% (35.8% in industry) in 1975.

RWANDA

A. Expected training requirements during the Third Plan, 1982-1986, will be as follows:

- Directors and supervisory personnel	852
- High-level technical personnel	852
- Middle level technical personnel, foremen	2,769
- Highly skilled labour	2,556
- Skilled labour	4,899
- Total persons receiving some sort of training	<u>11,928</u>
- Unskilled labour	<u>9,372</u>
- Total number of jobs to be created in industry.	<u>21,300</u>

B. Strengthening of the two technical colleges that already exist, and building of new technical colleges in all the prefectures;

- . Establishment of a centre for basic and advanced vocational training;
- . Support for enterprises in developing on-the-job training and retraining programmes;
- . Introduction of the apprenticeship idea in enterprises, accompanied by theoretical training and the awarding of a vocational qualification.

C. There is no provision for measures in this area under the forthcoming plan.

SRI LANKA

- A. A number of institutions have been established for training of manpower requirements; seven Universities, National Apprentice Board, National Institute of Business Management, Academy of Development Administration, Vocational Training Centres.
- B. The institutions specified above have different programmes to cater for the various aspects of the manpower training.
- C. (No reply on this issue).

SUDAN

- A. Financial and technical support to existing technical institutions and centres.
 - . Help in establishing new specialized centres catering for all sectors for industrial development.
 - . Exchange for technical experts and new made industrial technology and improving the growth of indigenous industrial technology.
- B. Technical workshops, seminars are carried out via international co-operation and specialized United Nations Organizations.
 - . On-the-job training for Sudanese technicians abroad.
 - . Seminars and workshops carried out by local institutions.
 - . Help from U.N specialized organizations for endorsement of existing technical bodies.
- C. Women are given equal opportunities for desk and on-the-job technical courses and seminars.
 - . Enrollment of women in technical institutions and centres.

SENEGAL

- A. (No reply on this issue).
- B. Establishment of a Higher School of Management.
- . Establishment of a Higher Technical and Vocational Teachers Training School.
 - . Application of the advantages provided by the Investment Code to projects using substantial amounts of skilled labour.
- C. (No reply on this issue).

SINGAPORE

A.	<u>In demand for:</u>	<u>1979/1980</u>
	Engineers	620
	Technicians	2,850
	Other graduates	2,780
	Skilled workers	8,160

- B. The capacities of the university, polytechnic and technical colleges are being expanded. The Vocational and Industrial Training Board runs industrial training courses. The Economic Development Board operates training centres and technological institutes jointly with multinational companies and foreign governments. In addition, Singapore-based employers are eligible to apply for grants from the Skills Development Fund for training programmes relevant to skill development.
- C. There are increased opportunities for higher education, technical and professional training so that the younger generation of women will have the necessary skills to participate in the process of industrial development. Plans are being set to establish retraining centres for married women who wish to return to work.

THAILAND

- A. Since the Kingdom of Thailand introduced her first five-year National Economic and Social Development Plan as a guideline for national development, up to the current one (Fifth Plan), human resources in all sectors have received an immediate and high priority in the development process. It is our belief that goods and able human resources will play the greatest roles in the country's development both in public and private sectors.
- Educational institutions have been established in various branches and this development has been made to improve the correlations in the development of the country. Fortunately, just recently natural gas was found in the Gulf of Thailand to be used as a substitution for electricity generation at the initial stage. Later on, when the gas separation plant has been constructed, such up and downstream petrochemical industries will be erected at the eastern seaboard situated in the Rayong Province in the eastern part of the Gulf of Thailand. Also recently, Thailand struck a large deposit of oil onshore which has an output of 4,600 barrels per day, together with a satisfactory amount of natural gas in the Kampaengpetch Province, an area in the northern part of Thailand. This good news opens a new era in industrialization in this part of the country. A fertilizer project, including an up and downstream petrochemical project and other related industrial projects, are expected to boom in this area and adjacent places. The discovery of natural gas offshore and the crude oil and gas onshore, with the commercial volume, makes the Government realize the needs for skilled personnel training in the relevant industrial fields. Some institutions introduced new petro-technology curriculum in line with the needs of the country's industrialization. An example of this is the technical college in the Sattahip district, Chonburi Province, in the eastern part of Thailand where a gas pipeline was constructed with the assistance of finance and expertise from the Austrian government, which is now introducing a new curricula in training the students to obtain skills and a broad knowledge in the petrochemical field.
- B. Institutional arrangements and improvements have steadily been carried out. The Ministry of Education together with the Bureau of State Universities have reformed institutional curricula so as to conform to the need of the country's social and economic development. Many governments in the past, including the present administration, have realized that a human being is the best resource for a country's development. In order to achieve the highest level of development in a country, education parallel with the teaching of ethics, must be supplied to the population. The development of human resources must be improved both in urban and rural areas so as to serve the needs of the country in different occupations. The governmental agencies

Thailand (cont'd)

concerned have been trying to pursue their activities to achieve the best results by giving ethics and education to the people in the country. Many institutions under private and public management have been established in recent years. Mass media has been utilized to serve these goals. In remote areas, volunteers have played their role in supplying know-how to the people in their routine careers, as well as health care.

- . Aside from utilizing mass media to play a broader role in supplying information and knowledge to the people, existing institutions, both governmental and private sectors, will be encouraged to a certain extent to supply some knowledge and useful ideas to the people. Moreover, research, analysis, and follow-up action also receive firm encouragement for the development of the population's education. In addition, the development of curricula, teaching media and facilities procurement will also be given realistic support by the Government.

- C. The explanation mentioned above clearly indicates that Thailand has no policies practicing sexual discrimination, hence women have also received the same treatment in education and training as men. Special attention has been given to some training and teaching sectors in order to prepare women in the secretarial, banking and other fields that need more experience, such as in the industrial production sectors. Furthermore, the Government has tried to encourage Thai women to play a greater role in social participation, not only in the Government sector, but also in the private sector. With this policy guideline, many women now occupy higher posts and gain more recognition from present society than they did decades ago. These efforts, however, still cannot reach their targets, but the Government believes that these will be met in the near future.

TOGA

- A. The number of school leavers (without vocational training) entering the job market between 1980 and 1985 is projected at 247,065

- B. Establishment of technical schools.
 - . Short courses: Schools at Pya-Dapaong, Kanté and Sokodé;
 - . Long courses: Lamé high school;
 - . School of Industrial Mechanical Engineering, School of Economic Management, School of Agronomy; business management, industrial technology and administration schools.

Togo (cont'd)

C. (No reply on this issue).

TUNISIA

A. Percentage of technical training personnel

<u>Heading</u>	<u>MEEI, CI, BMI*</u>		<u>FI, TI, MI*</u>	
	1977	1986	1977	1986
Engineers	1.67	4.0	0.79	1.2
Senior technicians	1.06	4.5	0.81	1.4
Supervisory staff	2.55	4.5	3.3	3.4
Total technical training personnel	5.28	13.0	4.9	6.0

* MEEI: Mechanical engineering and electrical industries
 CI : Chemical industries
 BMI : Building materials industry
 FI : Food industry
 TI : Textiles industry
 MI : Miscellaneous industries

Requirements for technical personnel (1981/86) in the manufacturing industries

	<u>MEEI, CI, BMI</u>	<u>FI, TI, MI</u>
Engineers	+ 3,745	+ 2,504
Senior technicians	+ 4,725	+ 3,173
Supervisory staff	+ 3,794	+ 4,705

TURKEY

A. In the Fourth Five Year Development Plan it is foreseen that in order to fulfill the plan targets, it is necessary to train about 150 thousand highly qualified technical personnel. Namely: architects, civil engineers, mechanical engineers, electrical and electronic engineers, metallurgical engineers, will be needed. Also, it is forecast that at the end of the plan period approximately 265 thousand technicians (construction technicians, mechanics, electricians, electronic technicians, metallurgical technicians, agricultural experts, etc.) will be required. Needs for qualified workers should also be mentioned.

Turkey (cont'd)

- B. In the strategy of the Fourth Five Year Development Plan, it is said that "Priorities will be given to the occupational and technical training in conformity with the qualified manpower targets of plan". Hence, more resources were allocated to the technical education institutions both at the secondary and higher education levels. Also, training on-the-job and vocational training were encouraged by medium-term plan and annual programmes to increase the quality of the existing manpower. But it is hard to meet the requirements of a dynamic economic with existing more or less rigid educational set-up. Therefore, it is seen that there will be shortages of manpower in some areas, while there will be unemployment in some areas.
- C. There is no particular measure.

UNITED REPUBLIC OF CAMEROON

- A. Considerable and urgent requirements, but not yet quantified.
- B. Increased efforts to promote technical and vocational training;
- . Promotion of constant on-the-job training;
 - . Setting up of training schools in certain industrial units.
- C. No discriminatory measures in this field.

UPPER VOLTA

- A. Upper Volta has training requirements in the food and agricultural industries (processing of cereals, fruits and vegetables, brewing) and in the textile and chemical industries. It also needs to train agricultural economists, economists and financial managers. Upgrading of managerial personnel is needed in industrial planning, the study of industrial projects and measures for stimulating and assisting industrialization.

Upper Volta (cont'd)

- B. Several private and public technical training establishments have been set up to train technical personnel.
 - . Upper Volta sends students abroad for managerial training. An information and guidance office helps to inform future managers about the country's requirements.
 - . The Office for the Promotion of Industry in Upper Volta (OPEV) organizes upgrading courses every year, particularly in management. The country also benefits from courses organized by international organizations such as UNIDO and the Agency for Cultural and Technical Co-operation (AOCT).

- C. Women's centres have been set up for the training of managerial personnel but their main concern is with the handicraft sector. A ministry for the status of women is studying the possibility of raising the qualifications of women and increasing their participation in the economic development of the development of the country in general, while endeavouring to improve their working conditions.
 - . It should be noted that there is no discrimination with regard to the entry of women into particular sectors of the economy, including the industrial sector where they play a minor role.

URUGUAY

- A. Modern business management techniques.
 - . Specific technologies for export-oriented sectors.
 - . Training of top and middle-range management personnel, having regard to the operation of a market economy.

- B. Training courses by bodies responsible to the Ministry of Industry and Energy.
 - . Incentives for private consultancy and training.

- C. There is no discrimination by sex in Uruguay.

VENEZUELA

- A. The main need is in the area of training for middle-level technical personnel and skilled workers, primarily for such basic industries as iron and steel and aluminium and for the manufacture of machinery and equipment.
- B. (No reply on this issue).
- C. As part of the effort to achieve technical diversification in the basic and vocational training of women, it has been made possible for them to attend all technical courses organized by the State agency with special responsibility in this area (INCE). Until now, many of these courses were open to male students only.

YUGOSLAVIA

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).

ZAIRE

- A. Generally speaking the Executive Council has not so far prepared any programme for the basic and further training of managerial staff in State undertakings. Private firms arrange their own individual programmes. However, the really urgent need is to train trainers.
- B. To meet the ever-increasing need for training, the Government has set up INNP (National Institute for Vocational Training) for training personnel, IZAM (Zairian Institute of Management), providing basic and further training for managerial and supervisory staff and OPEZ (Office for Promoting Small and Medium-scale Zairian Enterprises), which gives technical assistance to entrepreneurs and has a department for training personnel working in small and medium-scale enterprises.

Zaire (cont'd)

- C. The General Secretariat for the Status of Women is responsible for the integration of women in the process of national economic development, with special emphasis on dyeing, confectionery, soapmaking and co-operative market gardening projects. The Secretariat also organized two seminars in 1981, one on traditional techniques of textile printing and the other on training in the techniques of project elaboration and implementation. In June 1981 ten women attended a seminar organized by USAID in Togo, with a view to introducing the women of Zaire into business.

ZIMBABWE

- A. The country has suffered much due to immigration of technical personnel from the country. Current and projected requirements to train and upgrade human resources for industrial development including technical, managerial and entrepreneurial personnel are being worked out. For this purpose an extensive manpower survey was undertaken. The result of this survey is awaited.
- B. The training positions for technical personnel have been increased and new technical institutions are being opened. Technical aspects in the curriculum of education are encouraged in schools. Upgrading of technical skills was undertaken on a large scale after independence. Since there is drain of skills due to continuing immigration restrictions are being imposed on apprentices in the country to discourage immigration of skilled persons from the country.
- C. (No reply on this issue).

V. UTILIZATION OF NATURAL RESOURCES

Governments were invited to supply information on the following topics:

- A. Policies and programmes for utilization and domestic processing of local raw materials including measures to increase the domestic processing component of export products.
- B. National programmes for the development and utilization of energy resources for industry.
- C. Other relevant topics. *

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE:

ARGENTINA

- A. (No data available).
- B. (No data available).
- C. (No data available).

BAHAMAS

- A. The Bahamas recognizes that the single most important element in the industrialization process is the availability and cost of energy. It may be of interest to note that The Bahamas has recently launched a Petroleum Exploration Programme and is now granting permits and licences to conduct seismic surveys and exploratory drilling.
- B. See A above.

* / Most countries did not reply on this issue.

BANGLADESH

- A. Government attaches much importance to utilization of local raw materials for export oriented and import substitution industries. In the industrial policy, establishment of industries based on local materials is given special encouragement due to foreign exchange constraint. Export oriented industries based on domestic raw materials are also encouraged.

- B. Government attaches high priority for the development and utilization of energy resources for industries. The Government has kept atomic energy and generation and distribution of electricity in the reserved list for public sector. Besides these, heavy electrical industries, minerals, oil and gas have been kept in the concurrent list i.e. private entrepreneurs are welcome to make investments in collaboration with the public sector. Bangladesh has a substantial reserve of natural gas.

- C. Exploitation of gas and development of gas based industries like fertilizer and petro-chemicals enjoy high priority. Vigorous efforts are also being made to extend the supply of gas especially for industrial use to various areas of the country to reduce dependence on imported oil.

BENIN

- A. The aim behind the development of a powerful industrial sector is gradually to reduce the country's dependence on imported capital goods and to give it a share in the international division of labour at the subregional level and, later on, in a wider context.

To achieve this objective, the Plan has set itself as priorities:

- The exploitation of local resources;
- The achievement of import substitution.

These priorities have found expression in the following projects:

- SONICOG: the processing of local agricultural products (palm nuts, groundnuts, cotton, shea nuts) into butter, oils and soaps;
- IBETEX: processing of local cotton into manufactured goods (clothing articles, sheets, towels, etc.);
- SOPAB: processing of cotton waste into bandages;
- CIB: manufacturing of ceramic products from partly local raw materials (clay and feldspar);
- Onigbolo cement works: manufacture of cement from largely local raw materials.

Benin (cont'd)

B. Short-term:

- Increase in the capacity of the existing thermal power stations;
- Installation of new thermal power stations (Parakou);
- Project feasibility studies with a view to developing new forms of energy (solar, hydraulic, biomass energy);
- Research and experimentation with renewable sources of energy.

Medium-term and long-term:

- Construction of multipurpose dams (exploitation of the hydraulic resources of the Zou and Mono rivers).

BOLIVIA

- A. The Law on Promotion of Non-Traditional Exports, which is concerned with the utilization and domestic processing of raw materials derived from present and potential natural resources.
- Encouragement through the Investment Law of exports of manufactures, with emphasis on activities using agricultural, metallurgical and hydrocarbon inputs.
 - Encouragement of industrial activities which, after an initial period, can provide competitive substitutes for manufactured imports and subsequently devote a substantial proportion of output to exports.
- B. Needs will be systematized and growth harmonized with the real requirements of the productive sectors, in order not to immobilize financial resources.
- A suitable scale of charges will be worked out for the supply of energy to the industrial sector.
 - Electricity prices will be related to the prices of other energy sources in order to facilitate energy substitution of supplements.

BRAZIL

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).

BURUNDI

- A. Systematic studies on availability, possibility of exploitation, means of finance and project profitability with a view to finding raw materials suitable for exploitation or processing. Improvement of industrial equipment and its adaptation to international standards, so as to enhance production yields through better prices on the world market.
- B. An intensive programme for urban and rural electrification, using hydroelectric dams, has been under way since 1977, and will be reinforced by individual programmes, with a view to achieving self-sufficiency in energy by 1988. The programme provides for hydro-electric dams to be built near the poles of development which are being developed in the interior of the country. Alternative sources of energy, such as biogas and solar or wind power, will be developed to cover 15 per cent of electricity needs by the year 2000.
- . REGIDESO is planning, in the medium-term plan to build eight hydroelectric power stations with a total power of 45,000 kW. In the rural areas it is planned to install micro-power stations to electrify small centres and to replace thermal stations.

CHILE

- A. As regards A there are no specific programmes.
- . On this point we must refer to the overall aspects of the Economic Policy; in it it is laid down that the activities be directed towards those sectors which show comparative advantages. In accordance with this in each region of the country those sectors and activities which have comparative advantages, and which correspond to the natural possibilities of each region, must be developed.

Chile (cont'd)

- . The above shows that the country will tend to export those goods which it can produce relatively more cheaply than other countries, and will import those which the other countries produce at costs which are relatively lower than its own costs; consequently the country will concentrate on those activities which make the most intensive use of the abundant factors which it possesses, namely labour and certain natural factors.
- . The Policy of Overseas Trade, through its basic mechanisms, the exchange policy and the tariff policy, plays a decisive part in the normalization of the use of resources and therefore of the productive structure.
- . A flexible and changing policy, which has been the fundamental cause of the boom experienced by non-traditional exports, has been associated with a tariff policy which, by means of a progressive reduction of duties on imports, will guarantee the efficiency of industrial activity by subjecting it to external competition.

TOTAL SHIPMENT OF EXPORTS
(Figures in millions of US\$)

SPECIFICATION	1978	1979	1980	VARIATION 1980/1979	
				VALUE	%
Traditional	1,635.1	2,544.4	3,189.3	644.9	25.3
- Copper	(1,201.5)	(1,799.6)	(2,200.4)	(400.8)	22.3
- Other traditional	(433.6)	(744.8)	(988.9)	(244.1)	32.8
Non-traditional	772.7	1,219.0	1,628.8	409.8	33.6
TOTAL	2,407.8	3,763.4	4,818.1	1,054.7	28.0

(1) Including: Iron, nitrate, iodine, molybdenum, cellulose, paper, pasteboard and fish-meal.

Source: Annual Report 1980, Banco Central de Chile.

Chile (cont'd)

PRINCIPAL SHIPMENTS OF
NON-TRADITIONAL EXPORTS
(Figures in Millions of US\$)

SPECIFICATION	1979	1980	VARIATION	
			Amount	%
<u>Mining</u>	92.0	243.2	151.2	164.3
By-products of copper mining	16.9	41.2	24.3	143.8
Gold and silver ore	13.8	45.0	31.2	226.1
Metallic silver	48.6	120.0	71.4	146.9
Barytes	6.7	8.1	1.4	20.9
Other mining products	6.0	28.9	22.9	381.7
<u>Farming and fishing</u>	264.5	339.9	75.4	28.5
Fresh fruit	123.3	168.7	45.4	36.8
Beans	21.1	32.0	10.9	51.7
Lentils	12.3	14.8	2.5	20.3
Onions	3.2	4.6	1.4	43.8
Garlic	2.0	1.3	-0.7	-35.0
Sheep's wool	22.8	23.5	0.7	3.1
Fresh fish	28.3	41.1	12.8	45.2
Seaweed	11.3	15.6	4.3	38.1
Other farming and sea products	40.2	38.3	-1.9	-4.7
<u>Industrial</u>	862.5	1045.7	183.2	21.2
Frozen shellfish	40.8	24.6	-16.2	-39.7
Tinned fish, shellfish and molluscs	14.0	24.0	10.0	71.4
Tinned fruit and vegetables	13.5	10.5	-3.0	-22.2
Dried fruit	8.6	9.1	0.5	5.8
Bran	7.1	11.1	4.0	56.3
Malted barley	15.3	18.9	3.6	23.5
Refined sugar	6.4	27.5	21.1	329.7
Bottled wines	17.3	18.5	1.2	6.9
Wood	164.7	286.2	212.5	73.8
Plywood	3.6	6.3	2.7	75.0
Corrugated cardboard packing cases	0.1	3.8	3.7	3700.0
Oils and fats	25.3	35.5	10.2	40.3
Petroleum and derivatives	51.1	68.1	17.0	33.3
Polyethylene	19.2	21.2	2.0	10.4
Agar-agar	3.3	4.3	1.0	30.3
Sodium sulphate	2.5	3.4	0.9	36.0
Pentaerythritol	7.3	9.0	1.7	23.3
Steel and wrought iron	25.4	12.4	-13.0	-51.2
Semi-wrought copper	54.2	63.1	8.9	16.4
Molybdenum oxide	189.6	131.6	-58.0	-30.6
Ferrromolybdenum	20.2	13.3	-6.9	-34.2
Raw and semi-worked gold	14.7	45.7	3.1	210.9
Appliances and machinery	19.1	19.4	0.3	1.6
Copper cables	9.6	6.0	-3.6	-37.5
Coins	1.1	7.5	6.4	581.8
Copper blanks for coins	22.7	13.5	-9.2	-40.5
Transport equipment	26.0	42.9	16.9	65.0

cont'd

Chile (cont'd)

PRINCIPAL SHIPMENT OF
NON-TRADITIONAL EXPORTS
(Figures in millions of US\$)

SPECIFICATION	1979	1980	VARIATION	
			Amount	%
Vulcanized rubber tyres	5.6	8.1	2.5	44.6
Tanned and/or semi-tanned cow hides	3.0	2.2	- 0.8	-26.7
Other industrial products	71.2	98.0	26.8	37.6
GENERAL TOTAL	1,219.0	1,628.8	409.8	33.6

Source: Annual Report 1980, Banco Central de Chile.

CHINA

- A. (No reply on this issue).
- B. Great efforts are made to tap and make rational use of various types of energy. Emphasis is laid on both energy saving and energy exploitation. While developing coal, oil and natural gas, China is actively developing hydro-power generation. Attention is also paid to the utilization of coal slurry, lignite, oil shale, energy waste of all descriptions and bio-gas. Exploration and research on new energy are conducted in a planned way, and the exploitation and utilization of energy shall be streamlined to suit the distribution of industries.

COMOROS

- A. To develop the agricultural sector.
- . To forge close links between industry and agricultural production. Structures for rural development are in place. The Government's present policy is directed towards import substitution.
- The availability of pozzolana would, for instance, allow us to import clinker for the purpose of establishing a local cement works.
- Similarly the development of hydro-electricity on Anjouan would benefit the non-alcoholic beverages industry of PATSY (ANJOUAN).

Comoros (cont'd)

- B. For the short and medium term, a large-scale hydro-electrical power station project is being implemented on Anjouan.
 - . The completion of this project will make it possible to save one-third of the fuel imported for electric power and water supply and at the same time to reduce our imports of liquid fuel. For the long term, a geothermal study is in progress under the interim plan (1982-1984). Research is being done in the fields of volcanology, geology and geophysics. If these studies prove conclusive, a project will be launched to exploit geothermal energy.

COSTA RICA

- A. These cover: review of the stimuli to industrial investment, national and Central American production incentives and commercial contracts and agreements with the countries of the Central American region and the rest of the world, for the purpose of improving industrial productivity and contributing to the promotion of exports, with emphasis on the diversification of industrial intermediate products and capital goods, and on the study and penetration of new export markets. Because of the rise in the exchange rate, the raw material sector is being promoted.
- B. Incentives will be granted to industries based on the use of electric energy and other national inputs. A study will be made to determine which industries make intensive use of these inputs, with a view to encouraging the establishment of such industries in the country as new hydroelectric projects come into service.
- C. The use of new energy forms, such as alcohol, biomass energy, wind energy and thermal energy, will be promoted in order to make maximum use of the country's energy resources.
 - . Encouragement will be given to research projects relating to the priority programmes of the National Development Plan.
 - . Techniques suitable for use with the available resources will be developed and selected; in other words, encouragement is to be given to the greater use of local manpower and inputs and to the adaptation of the techniques currently employed.
 - . The development of intermediate technologies for industry (through the improvement of existing processes or the use of local raw materials) is being promoted, particularly in rural areas and in zones located at a great distance from the central region of the country. There are to be fundamental changes in certain technologies now used in public administration, and also in the case of certain sectors where the current technological development model is seriously limiting the development of the country.

CYPRUS

- A. The government encourages the establishment of industries which use local raw materials.
- B. The government studies the various alternatives for energy conservation in particular the better utilization of solar energy.

ECUADOR

- A. One of the criteria which the National Government employ to determine the priority of industrial projects is the use of raw materials of national origin.
 - . One of the criteria used in evaluating requests for the granting of credit from the Export Promotion Fund is the utilization of indigenous raw material.
 - . In addition to the foregoing, some state organizations, such as CENDES, are carrying out studies into the possibility of prefabrication in which they foresee the use, in some cases, of indigenous raw material.
- B. The National Government, in its energy policy, considered in the Development Plan, have various programs for the development and use of energy resources, such as the hydrocarbon program and that for electrification, which benefit all producing sectors of the country.

EL SALVADOR

- A. The industrial policy set forth in the Three-Year Plan aims at achieving greater integration with the agricultural sector, promoting greater use of the country's installed capacity, and rebuilding the industrial enterprises that have been destroyed so as to attain the highest production levels possible with the country's installed plant. In this way, it will be possible, in addition to giving a fresh impetus to industrial growth, to absorb increasing numbers of workers and develop new export products.

El Salvador (cont'd)

- B. The energy sector is an important factor within the country's development process, since it contributes to the growth of the other sectors of the national economy. Accordingly, the thrust of the policies in this area will be towards:
- The development of a permanent energy-planning system to include methods for the integrated planning of this sector;
 - The establishment of an agency to be responsible for overall planning in the energy sector;
 - The rational and intensive use of such local natural energy resources as hydroelectric power, geothermal power, fire-wood and non-conventional sources of energy;
 - The expansion of the installed electricity-generating capacity through the use of the country's natural resources;
 - Research into, and use of, such non-conventional sources of energy as biomass, solar and wind energy, and others, plus the implementation of energy-related reforestation programmes;
 - Greater emphasis on work to determine the country's fossil fuel reserves (hydrocarbons and coal).

ETHIOPIA

- A. Presently the leading industrial branches, textiles, food and beverages are mainly based on local raw materials. The ten year investment programme envisages that most manufacturing projects would be based on locally available agricultural or mineral products both for domestic and export oriented industries. Exploration results for some minerals such as potash, copper, and platinum indicates their availability in sufficient quantity.
- B. A policy is being formulated by the Ethiopian National Energy Committee for the development of the energy resources of the country, and in this context the ascertaining of supplies of energy for industry occupies a special place. In line with this the Government is encouraging the utilization and development of the country's water resources and has embarked on a campaign for the exploration and development of the country's geothermal and hydrocarbon resources.

GUATEMALA

- A. The policy being followed in this matter is to find opportunities for investment in the various departments of the Republic (in the current year, 45 industrial profiles were prepared), with the object of using, preferentially, local raw materials from the area in which the plants are located. Apart from this, GUATEXPRO has found new markets for non-traditional products which could be produced with indigenous raw materials, in parallel with which it has encouraged a major advance in industries which operate under the Draw Back System.
- B. Currently there is a small amount of oil production which is already being used in the furnaces of a cement factory and in thermoelectric generating plant. Subsequent oil finds have led to planning for the creation of at least one petrochemical plant, as well as to refining in the plant which already operates in the country, to obtain petrol.

GUYANA

- A. The Government is working on a programme for the maximum value added to the local raw materials such as bauxite, timber, sand, fish and other non-traditional items.

Programmes in practice:

- Ceramic insulators (Pilot project finished);
- Guyana Fisheries Ltd. (integrated project);
- Other wood and wood related products.

- B. Hydropower project;

- . Wood waste utilization for energy;
- . Solar energy utilization programme;
- . Energy programmes related to the development of renewable sources of energy:
 - Biogas conversion;
 - Fuelwood;
 - Charcoal;
 - Peat;
 - Wind energy (WRSM Ceramic Programme).

HONDURAS

- A. According to the policy of tax incentives for industrial development, those industries which use over 50 per cent domestic raw materials shall be eligible for maximum tax incentives.
- . For Government-allocated financing and technical assistance, priority is given to those projects which use domestic raw materials to a large extent.
 - . Steps are now being taken to secure international technical and financial assistance for the development of projects giving preference to the use of domestic raw materials for industry, consumption and export.
- B. At the moment there is no integrated Government-established energy policy. Energy policy is reflected in the Petroleum Law, the National Development Plan, ministerial decisions, concessions to enterprises and decisions of the executive board of the National Electricity Company.
- . A number of tax measures aim at increasing energy production and fostering research into the use of both conventional and alternative sources of energy.
 - . Measures to ration energy consumption.
- C. If fuel prices on the world market continue to rise, the production costs of manufactured goods will go on increasing and the markets for them will worsen as a consequence (reduced demand), with domestic inflation becoming more acute every day.

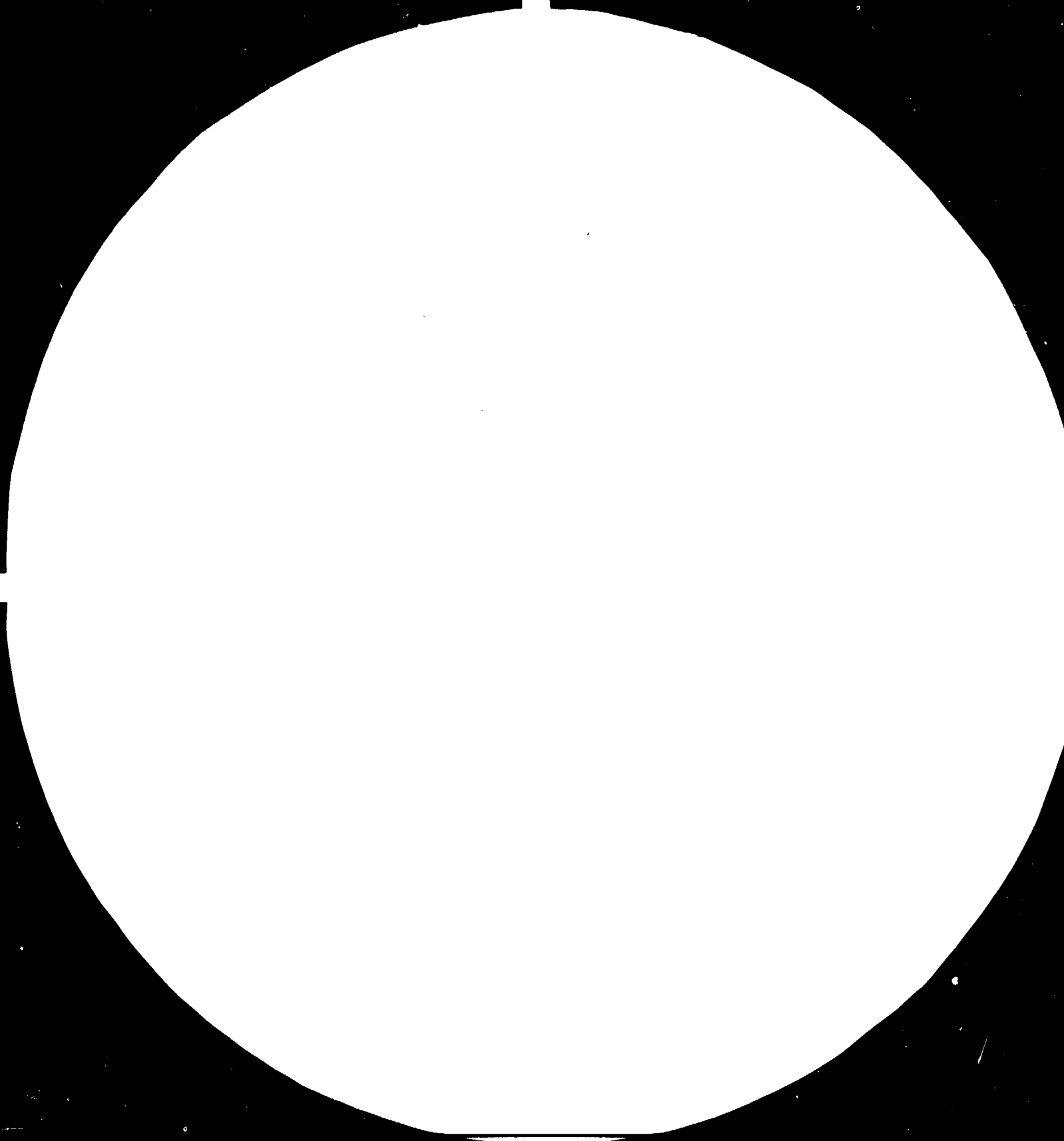
INDIA

- A. With a view to achieving the national objective of self-reliance, high priority has been accorded to the utilization and domestic processing of local raw materials in our industrial plans and policies. In this context, the Industrial Policy Statement of July 1980 envisaged that overcoming the problems of poverty and backwardness need a multi-pronged approach. An integral part of this approach would be to create new focal points of industrial growth which have the maximum affect on quality of life. This would have to be based essentially on the utilization of local materials and locally available manpower. It also provides for a preferential treatment to agro based industries. Agro industries provide basic inputs for agriculture and use agricultural produce as basic raw materials like cotton textile, food processing, sugar, jute industry etc.

India (cont'd)

- . Village and small industries are the major avenues for utilization and processing local raw materials. Promotion of this sector continues to be an important element of national development strategy in the successive five year plans.
- . The policy support for the development programmes relating to village and small industries during the Sixth Five Year Plan, inter alia, provides for restructuring of the organizational base at the district level, increased availability of raw materials, accelerated flow of institutional credit, effective reservation of items for exclusive production and purchase from cottage and small industries etc. In addition, the Sixth Plan recognizes the need for appropriate technology to achieve better utilization of locally abundant resources and substitution of raw materials available in plentiful supply in place of scarce and imported ones. The research and development efforts in this direction are being carried out by the various all-India Boards and organizations engaged in the field of village and small industries. Besides, other organizations like the Council for Scientific and Industrial Research, Indian Council of Agricultural Research, Institute of Handloom Technology etc. are also involved in research activities.
- . The Sixth Plan development strategy for development of rural, hill and tribal areas envisages that processing and manufacturing activities based on local resources would be identified and fully exploited.
- . A similar approach for encouraging the use of domestic raw materials to the extent possible, is followed in the case of large and medium industries as well. In this context, selected industries have been granted exemption from industrial undertaking not requiring imported capital goods or raw materials or foreign collaborations, or items not being reserved for exclusive development in small scale sectors. In the case of certain specified industries, full freedom for diversification of the production has been allowed subject to certain conditions, one of such conditions is that no additional import of plant and machinery and raw materials is required. In granting industrial licences, due consideration is given to the fact as to what extent continued dependence on imports is sought to be reduced through a phased programme for progressive indigenous manufacture of components and raw materials.
- . This approach is further reflected in the guidelines for licences for new sugar factories during the Sixth Plan. It lays emphasis on establishment of new sugar factories in areas where there is abundant supply of sugarcane or where there is a good potential for the development of sugarcane in compact areas around the site of the proposed factory.

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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

India (cont'd)

- . With a view to utilizing the small and scattered limestone deposits, establishment of mini-cement plants is being promoted by way of providing special incentives. Proposals for locating clinker grinding capacity near the centres of demand on the basis of movement of clinker from location which have advantages of raw materials would also be duly considered.
 - . Forest based industries cater for the needs of village small-scale and large-scale industries. Some of the important forest based industries are (a) pulp and paper industry, (b) plywood and panel industry, (c) match industry, (d) sports goods industry, (e) constructional timber (including railway sleepers) and (f) packing cases. In order to meet the requirements of commercial forestry and ensure scientific management of forests the Government has set up forest development corporations in different states/union territories. Apart from ensuring scientific management of forests these corporations will also raise industrial plantations for utilization by the industries under commercial forestry.
 - . Sixth plan development strategy for industry and the mineral sector provides for a judicious balance between the use of imported and indigenous raw materials. For instance, greater attention is proposed to be given to the creation of indigenous capacities for both nitrogenous and phosphatic fertilizers maximising to the extent possible, the utilization of indigenous raw material resources like gas, pyrites, rock-phosphate. The maximization of production of edible oils from newer sources like soyabean, rice bran, would receive priority. In case of paper and newsprint industry steps for encouraging maximum use of non-conventional indigenous raw material have been initiated and policy measures for greater use of bagasse have been announced. In order to encourage greater use of indigenous technology and material suitable provision has been made for Research and Development in the Sixth Plan.
 - . The investment allocations in the Sixth Plan assume a considerable degree of growth in a number of industries of critical significance namely, steel, cement, fertilizers, crude oil and capital equipment of all kinds. More than half of the projected growth in exports of manufactured products is expected to be in items which are relatively labour intensive, utilizing domestic raw materials and have a higher value added like textile products, silk, wool, chemicals, engineering products etc.
- B. Energy is an essential input into all productive economic activity and the process of economic development inevitably demands increasingly higher levels of energy consumption. India consumes energy in a variety of forms ranging from electricity obtained from nuclear fuels to agricultural waste and animal dung, the pattern of commercial energy consumption is characterized by a high degree of oil dependency, the share of oil products (measured in coal replacement terms) being close to fifty per cent. Given the situation of rising oil prices and its

India (cont'd)

consequences for the country's balance of payments position, reduced dependence on imported oil has to be a key element in our development strategy. The main elements of such a strategy in the context of the country's Sixth Five Year Plan:

- accelerated exploitation of domestic conventional energy resource-oil, coal, hydro and nuclear power;
- management of oil demand;
- energy conservation;
- exploitation of renewable sources of energy; energy forestry and biogas, specially to meet the energy requirements of rural communities; and
- intensification of research and development in emerging energy technologies.

- . The energy sector of the plan is geared to implement this basic strategy. The programmes for development and utilization of energy resources are tailored to the needs of all consuming sectors such as industry, transport, e.g. agricultural, domestic, commercial etc. The development perspective has, therefore, been drawn up on the basis of the sectoral demands and not exclusively for any user sector like industry. The growth in consumption of petroleum products, coal and electricity are contemplated as follows in the planning process:

(Per cent per annum compound)

Form of energy	Growth in consumption	
	1984-85 1979-80	1994-95 1984-85
(C)	(1)	(2)
Petroleum products	9.1	5.8
Coal	9.8	7.0
Electricity	11.3	7.5

- . Consistent with the growth in the consuming sectors (steel, power, cement and various other industries) the Sixth Plan has aimed at production level of 165 m.t. of coal and 8 m.t. of lignite in 1984-85 as against the actual production of 114 m.t. of coal in 1980-81. The Plan also postulates production of 325 m.t. of coal and 20 m.t. of lignite by 1994-95.
- . The domestic crude petroleum production is expected to go up to 21.6 m.t. in 1984-85 as compared to 11.8 m.t. in 1979-80. In locating oil sources ONGC and OIL are intensifying their programmes for exploration and development in order that the country's dependence on oil import may be gradually weaned away.

India (cont'd)

- . Electricity generation will be raised from 112 billion units in 1979-80 to 191 billion units in 1984-85. The generation level will be raised to 395 billion units in 1994-95 to meet the energy requirements for the projected levels of industrial production and the requirements of the other sectors.

INDONESIA

- A. Such policies and programmes, formulated in Indonesia's Third Five Year Development Plan (FYDP), call for the phased and stepwise increase of processing natural resources into raw materials, intermediate goods and up to final consumer goods.
- . Programmes for the establishment of industrial growth centres (IGCs) are prepared for 5-6 economic regions of the country, besides programmes for export processing zones.
 - . The IGCs are planned to utilize to an optimum extent the available local materials and energy resources provided by the primary sectors of the economy (agriculture and mining) within the regions concerned. Plans call also for a reversal in our national export picture so that non-oil based commodities will be substituted by processed export products.
- B. Programmes of this sort fall in two main categories:
- . Programmes to intensify the optimal use of oil and gas. These consist of: R and D and training programmes, explorations, construction of plants, transmissions and distributions network, construction of hydrocrackers, expansion of refineries, and LNG facilities, construction of new refineries, natural gas utilization project i.e. petrochemical industries.
 - . Programmes to rationalize the utilization of energy resources which will decrease our dependency on oil. These consists of: R and D on preparation of substitute fuels, solar energy, bio-energy conversion, coal gasification, liquid briquetting. Development of coalmines and their infrastructure, hydropower, and geothermal energy.
- C. Exports of natural resources.

National and regional efforts and approaches aiming at increasing our bargaining position vis-a-vis the advanced countries are under way. Through regional and international channels the endeavours are aimed at establishing a new economic world order.

IRAQ

- A. All raw materials with agricultural origin are domestically processed at present.
 - . Steps have been taken to increase the utilizations of carbohydrate materials.

- B. Although Iraq is an oil-rich country, steps have been taken to utilize waterfalls to generate electric power.
 - . Iraq has established research centres for the utilization of solar energy.

KENYA

- A. As stated earlier under Part I, high priority is being given to industries which make the maximum use of local resources. This is because these industries have backward linkage effects to the development of agricultural and mineral resources, these industries create widely dispersed employment and income-earning opportunities and the products of these industries are also competitive in export markets. For this purpose, the main measures being taken are:
 - To intensify extension services and disseminate knowledge from local and foreign research institutions regarding the potential for processing of local resources including waste materials.
 - To develop the necessary infra-structure facilities.
 - To provide institutional finance and other facilities for the development of these industries for meeting local and export needs.

- B. The main objectives of the energy development programme are:
 - . To increase the supply of energy to meet the national requirements;
 - . To rationalise the use of imported petroleum;
 - . To develop indigenous energy resources, and
 - . To reduce dependence on imported fuels.

The following table shows the recent and projected consumption of power:

Kenya (cont'd)

CONSUMPTION OF ENERGY IN TERMS OF PRIMARY RESOURCES

	Oil equivalent ('000 tonnes)		% Annual rate of increase	% of total energy consumed		Projections 1983 Oil Equivalent Share ('000 tonnes)	
	1973	1977		1973-77	1973	1977	
Coke and coal	50.0	43.8	(-)2.9	3.2	2.3	36.3	1.5
Oil	1,359.9	1,605.9	4.2	86.0	85.0	2,085.3	84.7
Electricity	170.4	232.6	8.1	10.8	12.4	339.0	13.8
	1,580.3	1,806.5	4.5	100.0	100.0	2,460.6	100.0

Source: Development Plan 1979-83.

- . It will be observed from the above that the consumption of coal and coke which is used mainly in industry, had declined by about 3 per cent over the period 1973-77. However, afforestation programmes are under implementation.
- . The consumption of petroleum fuels is expected to increase from about 2,206 million litres in 1978 to nearly 3,000 million litres by 1983. According to the available data, 15 per cent of the fuel is used in industrial and commercial enterprises and 64 per cent in transport. Therefore, more rational use of petroleum is being effected especially in the transport sector. Furthermore, two projects for manufacture of alcohol (to be blended with petrol) are expected to go into production in 1982.
- . As regards electricity, it is estimated that the demand will increase from about 200 MW in 1976 to 352 MW in 1983. Accordingly, it will be seen from the following figures that the demand for the next 10-15 years can be met from the available hydro and geothermal allowances if these are fully exploited:

Kenya (cont'd)

EXPLOITABLE POWER FROM EXISTING AND POTENTIAL HYDRO AND GEOTHERMAL
RESOURCES
(Figures in MW)

	<u>Existing</u>			Total exploitable potential
	Installed capacity	Actual average output	Planned potential	
Hydro*	295	184	770	1,065
Geothermal	-	-	30	500
Total	295	184	800	1,565

*/ Under average river-flow conditions.

Source: Development Plan 1979-1983

- . Research on non-conventional and renewable sources of energy is being intensified in accordance with the energy programme set out in the current Development Plan and also the recommendations of the recent U.N. Conference on Energy.

LESOTHO

- A. Expansion of wool and mohair hand-spinning centres;
 - . Establishment of rural slaughter-houses and tanneries;
 - . Establishment of sandstone cutting and shaping centres;
 - . Establishment of rural flour mills;
 - . Spreading rural technical units aiming at a full use of available raw materials.
- B. Alternative methods of power generation continue to be studied. Arrangements are going on for the installation of diesel generators in the district towns and rural areas.
 - . Lesotho is planning to be completely independent for electric power supply not later than 1985.

MADAGASCAR

- A. Valorization of local raw materials by processing and treatment (integration policy).
- . In principle, a factory is built where the raw materials are.
 - . The rule remains: valorization of local resources before export.
 - . Possibility of granting export industries special advantages (exemption from export tax). Efforts to improve quality and to make the price competitive internationally.
 - . Finding foreign partners and integrating them in export industry.
- B. Establishment of hydroelectric power stations;
- . Bituminous sandstone;
 - . Heavy oils;
 - . SAKOA coal in the south;
 - . Production of alcohol/motor fuel from molasses, marioc or other materials;
 - . Expansion of the existing oil refinery.

MALAWI

- A. Most of the projects rely heavily on local raw materials, e.g. the ethanol project on molasses and cassava; fertiliser project on abundant water from Shire River and free air from the atmosphere; Mayeka (Kasungu) Cement project on limestone deposits at Chikoa Hill and Liwezi Slope and at Changaname; Ngana Coal project on coal reserves in Karonga; Sawmilling and forestry products on timber and wood; tannery on hides and skins; dairy processing from milk; rubber processing from local rubber, fish production, processing and marketing of local fish from Lake Malawi; solvent extraction of vegetable oils from local vegetables; furfural production from agric wastes; infusion solutions; oil recycling; ceramic industry using local clays; glass-making using local glass deposits, etc.
- B. The Nuala hydroelectric power station producing electricity for industrial use; the Ngana coal project to supply coal for industrial use; Ethanol project to produce ethyl alcohol to replace premium petrol as a form of energy wood utilization, etc. The policy is to diversify sources of energy to avoid "putting all eggs in one basket".

MALTA

A. (No reply on this issue).

B. (No reply on this issue).

MAURITIUS

A. Policies and programmes for utilization and domestic processing of local raw materials including measures to increase the domestic processing component of export products.

. Mauritius has no locally available raw materials. Its natural resources are limited to agriculture based on sugar cane.

B. Research work for commercial utilization of bagasse (sugar cane by-product) is now carried out. Present utilization is limited to sugar factories which generate their own power during the processing season with a few, but not enough KVA, to spare for the national gridwork.

. Government would welcome all assistance in the development of solar and tidal energy schemes.

C. Government is contemplating the setting up of an ethanol production unit.

MEXICO

A. The Government has pursued a variety of policies for encouraging the use of national raw materials and increasing the proportion of national components in finished products, both export items and goods for domestic consumption. Minimum percentages for national product share have been laid down for the different industries. For example, a minimum proportion of 60 per cent of national products is required in the motor vehicle industry, and this is likely to increase. In other cases, enterprises are required to meet specified export quotas in order to obtain the imports they require.

Mexico (cont'd)

3. The National Industrial Development Plan has an explicit policy of keeping domestic prices for industrial energy and basic petrochemicals below international levels. This entails gradual adjustments in order to ensure that domestic prices maintain a reasonable relationship with prices on international markets. Within this general framework a system of differential prices has been established, based on the regional priorities set forth in the Plan.
- . A National Energy Programme has also been drawn up, setting up methods for the rational use of non-renewable energy resources and the development of alternative sources of energy to ensure the country's self-sufficiency in energy.

NIGER

A. Utilization and processing

- Cotton: used in the textile industry;
- Hides: used in tanneries, where they are stained, wet-blued and pickled. These processed hides are exported to Europe.
- Clay: used in building (bricks);
- Phosphates: used in composition of fertilizer (handicraft units);
- Limestone: used for cement and quicklime;
- Salt and natron: exploited on handicraft scale;
- Sugar cane: exploited on handicraft scale, in very small quantities, to make raw sugar.

B. Drafting of a master plan for energy;

- . Dam scheme (Kandadji, W);
- . Use of coal as energy source to supply the mining companies.

NIGERIA

- A. It is a cardinal principle of Government to encourage the processing of her crude materials before exporting, e.g. export refineries of petroleum products.
- . Government also intends to ensure increased level of self-reliance in the supply of industrial products;
 - . Encouragement through incentives are given for utilizing local raw materials;
 - . Research institutes are making noticeable breakthrough in the development and utilization of locally available materials.
- B. Achievement of internal self-sufficiency in the supply of petroleum products.
- . Effective distribution network for petroleum products.
 - . Government aims to provide adequate and uninterrupted power supply during the plan period.
 - . Various thermal stations are to be commissioned.

OMAN

- A. In the matters of licencing and financial support to the industrial units, preference and weightage are given to those units which utilize and process local raw materials. Cement plants, compost fertilizer plant, copper smelter, oil refinery, dates processing plant, silica lime bricks plant, fish freezing and filleting plant. Glass bottles manufacturing plant are and would be based on local raw materials.
- B. Construction of natural gas pipeline (during the first Five Year Plan 1975-1980) from Yibal oil fields to capital areas to meet all power generation requirements.
- . A branch of this pipeline to serve the industrial area at Rusail.
 - . Establishment of a new pipeline, within the second Five Year Plan (1981-1982), from Mureirat to Sohar to serve the needs of the copper smelter project near Sohar.

PAKISTAN

- A. The Government of Pakistan has accorded due priority to the development of mineral resources of the country. The Fifth Five Year Plan (1978-83) spells out the following strategy for mineral sector:-
- Intensification of geological investigations to prove and evaluate the mineral deposits.
 - Acceleration of the development of mineral deposits.
- . The Fifth Five Year Plan involving a capital outlay of Rs. 2500 million, lays emphasis on increasing the production of industrial mineral from the stand point of import substitution the Mineral Raw Plan has been co-ordinated with the overall development plan of the country and takes into account the demand that would result from industrialization. This strategy is reflected in the financial allocations. Out of the total allocation of Rs. 2500 million, Rs. 2000 million have been provided for the exploitation of minerals.
- . In order to achieve the objective, the Government has taken a number of steps including strengthening of the institutional framework.
- . PMDC has chalked out comprehensive programmes for the exploitation and utilization of mineral resources of the country. Work done by PMDC on the principal minerals is summarized as below:-
- Rock Salt:
 - . In July 1974, when PMDC was formed, the annual output from salt mines was 0.395 million tonnes. As a result of the development works carried out by PMDC, the output has increased to 0.514 million tonnes in 1980-81, showing an increase of 30%. PMDC has already initiated development at a total cost of Rs. 21.896 million for the expansion of new salt mines in order to increase production to 0.70 million tonnes per annum. PMDC is carrying out a feasibility study for a salt solution mining project which envisages the exploitation of rock salt at a deeper horizon which cannot be exploited by conventional mining techniques. Pakistan Mineral Development Corporation is having a close look at the supply and, demand forecasts for rock salt in the country in order to plan and develop additional productive facilities to fill in the gap between demand and supply. PMDC has also started export of rock salt to India and some African States after fully catering for home demands.
 - Chromite:
 - . Muslim Bagh Chromite is the only commercially exploited deposit of Pakistan. Production from these mines is decreasing and has become expensive due to various technical reasons. In order to increase the production of chromite mainly for export, PMDC carried out detailed

Pakistan (cont'd)

geological investigations to locate and evaluate chromite deposits of Malakand Agency. As a result of these investigations 0.5 million tonnes of low grade chromite reserves were proved in its leased area. PMDC also carried out beneficiation studies through PCSIR labs. Beneficiation tests succeeded in up grading the ore up to 45% Cro 3 but Al 2O3 could not be reduced below 10%. PMDC has now prepared a plan for detailed exploration of the entire chromite bearing areas in Makaland and Kohistan in collaboration with Sarhad Development Authority.

- Iron Ore:

- . The demand for iron ore and steel in the country is multiplying because of development within the industrial sector. The current requirements of the country are being met through imports. Pakistan's first integrated steel mills being set up at Karachi are based on imported iron ore. Since the development and utilization of indigenous iron ore is of great economic potential to Pakistan, it was considered imperative to constantly examine and search for economic routes to the utilization of low grade iron deposits of Kalabagh estimated at 300 million tonnes. With this object in view, PMDC in collaboration with PCSIR laboratories and Metal Advisory Services is carrying out an up-grading of Chichali Iron Ore. The beneficiation studies have been fruitful in upgrading the ore up to 58% Fe. Presently experiments are being conducted at PCSIR laboratories on pilot plant scale to produce concentrates and fire pellets which will be supplied to Pakistan Steel Mills, Karachi, to determine their suitability as blast furnace lump feed.

- China Clay :

- . PMDC carried out detailed geological investigations in Nagarparker, Sind, and proved 3.5 million tonnes reserves of raw china clay in its leased area. The industrial and washing tests carried out on laboratory scale at the Institute of Geological Science, London and PCSIR laboratories have revealed that Nagarparker china clay is the best clay found so far in Pakistan. Pakistan Mineral Development Corporation has now made a plan to carry out a detailed feasibility study and industrial and washing tests on pilot plant scale. The prospect will be developed after its economic feasibility has been established.

- Silica Sand:

- . Pakistan Mineral Development Corporation has developed a silica sand quarry at Tano Balla Khan, Sind. Besides meeting the local demand, it is supplying 1,000 tonnes of silica sand per month to Pakistan Steel Mills, Karachi. PMDC has also made a plan to set up a washing plant in order to make the sand suitable for use in manufacturing high class glass ware.

Pakistan (cont'd)

B. Coal:

- . In view of the energy crisis and the Government has attached high priority to the development and exploitation of energy resources including coal.
- . The Government of Pakistan has fixed the target of coal production at 1.7 million tonnes, during the Fifth Plan period. In order to achieve the target, PMDC is implementing a development plan for the increasing the production of coal through the expansion of the existing mines and development of new deposits. The present production of coal in the country has increased to 1.5 million tonnes per annum and with the completion of the development projects in hand the production will exceed the Fifth Plan Target. Development programme for coal for the next three years is:

	Rs in million <u>1981/84</u>	Rs in million beyond <u>1983/84</u>
- Expansion of Mankerwal Collieries (80% work costing Rs. 43 million already completed)	1.81	-
- Expansion of Sor Range Collieries	15.00	15.00
- Exploration of coal deposits of Good Hope Area	6.00	-
- Development of coal deposits in Good Hope Area	15.00	10.00
- Development of Munara Coal Deposits	5.00	-
- Development of Dandod Coal Mines	5.00	-

Higher Values use:

- . The coal found at Sharigh possesses medium coking characteristics and has been found suitable for use as a blend with high grade imported coking coal in making metallurgical coke. PMDC has set up a coal washing plant at Sharigh at a cost of Rs. 25.275 million in order to produce 75,000 tonnes of washed coal for the use of the Pakistan Steel Mills, Karachi. The project will save foreign exchange to the tune of Rs. 52.00 million per annum through import substitution.

Pakistan (cont'd)

Production of Smokeless Fuel from Lignite Coal:

- Considering the limited utilization of Lakhra coal as compared with the magnitude of the deposits, utilization studies were carried out locally as well as abroad. The studies conducted in USA on semi pilot plant scale revealed that the lignite coal can be converted into shipable briquettes and as well as into high carbon sweet smelling fuel suitable for industrial and domestic purposes, PMDC has prepared a plan to conduct these studies on pilot plant scale.
- For utilization and domestic processing of raw materials including measures to increase the domestic processing component of export products. The Government of Pakistan, as a matter of policy, encouraged these mineral exploitation projects which are developed with consideration of backward and forward linkages in order to maximise to optimum level the value added within the country. To encourage domestic processing of minerals, the undertakings which are engaged in refining or concentrating of mineral extracted in Pakistan enjoy tax exemption on profits and gains derived from such business to an extent at 10% of the capital employed on such business.

Status of Petroleum Exploration and Development Policy

- The cardinal policy of the Government is to achieve self-sufficiency in oil production. To attain this objective oil and gas exploration is being carried out both in public sector by the Oil and Gas Development Corporation and in the private sector through joint ventures with reputed foreign oil companies including 3 out of the 7 sisters. The steps have been taken to strengthen OGDC and to provide attractive incentives to the foreign oil companies. A Model Concession Agreement including the incentives has been formulated to assist the oil companies to conduct negotiations. The incentives have also been given legally over to instil confidence in them. Efforts are also underway to develop the discovery fields as quickly as possible on a crash basis.

Area Granted:

- Pakistan covers an area of 310,00 sq. miles out of which approximately 250,000 sq. miles is covered by two main sedimentary basins viz Indus and Baluchistan basins. The total area granted to OGDC and international oil companies at present on land is 56651 sq. miles. Out of this OGDC holds 16967 sq. miles. No offshore area is held by the oil companies. OGDC has neither the equipment nor expertise. Government has since extended the economic zone to 200 nautical miles in its offshore territory.

Pakistan (cont'd)

Public Sector:

- . In the public sector the state owned Oil and Gas Development Corporation is engaged in drilling and survey operations with the assistance of most modern and sophisticated drilling and seismic equipment in various parts of the country. It is also carrying out development programmes at Toot Oil Field. Currently it is engaged in drilling three development wells in this field. Drilling at two more wells in this field will be undertaken during the current financial year. OGDC discovered a gas condensate field at Dhodak in 1977. Further drilling at this field will be undertaken shortly. A reservoir study at present is being carried out on the basis of 3 wells drilled so far. OGDC also discovered another gasfield at Pirkoh. A second well at this field is being drilled for delineation to assess its potential. Sites for drilling of well No. 3 and 4 are also being prepared. OGDC has also delineated another ten structures. Drilling in these structures will be taken up shortly.

Private Sector:

- . A very favourable geological history for accumulation of petroleum in Pakistan coupled with a model concession agreement provides a basis for negotiation with the foreign oil companies for conclusion of the agreements the terms of which are flexible and suitably amended to meet the requirements of individual foreign companies. Eleven companies are presently engaged in oil exploration and development. It is planned to drill 6 exploratory, 4 appraisal and 7 development wells during the current financial year.
- . The significant feature in this sector is the recent discovery of oil at Khaskeli and the development of Adhi oilfield, Meyal Oilfield and Sui and Mari gasfields. These are discussed below:

Discovery of Oil at Khaskeli

- . About 100 miles east of Karachi at Khaskeli near Badin, oil was discovered by Union Texas, Cities Services and OGDC joint venture. This discovery has enhanced the oil prospects of this area which was previously considered to be gas prone. Four additional wells will be drilled on this structure. The potential of this field will be determined after drilling of second and third wells by December 1981.

Meyal Oilfield Development

- . Under an agreement recently negotiated with the Government POL will drill 8 development wells in Meyal Oilfield at the end of 1987 and will be paid international price of light Arabian crude oil FOB (RAs Tanura at a discount of 70% with adjustment of grade and quality). Successful completion of this programme would increase the production from this field to 12000 BBLs/day.

Pakistan (cont'd)

Development of Adhi Oilfield and Sui Gasfield

- . Oil was discovered in Adhi in 1978 which was owned by Pakistan Petroleum Limited and AMOCO joint venture. OGCD has since acquired the 50% working interest of AMOCO in this joint venture which has since left. The discovery well (Adhi-5) is now producing oil at 250 BBLs/day, Adhi-7 has been drilled and is being tested. Adhi-8 will be spudded in January 1982. As far as Sui field is concerned PPL has plans to drill 15 development wells over the period 1981-85. The work on this programme has already started.

Mari Gasfield by APK-Starvac Project:

- . The third phase of Mari gas field development has recently been completed with the drilling of 7 additional wells. This will increase the gas production from 170 MMCFD to 200 MMCFD. Gas from this field is being supplied to three fertilizer factories viz Exxon, Pak-Saudi and Fauji Fertilizer.

Drilling and Investment Programme 1981-82:

- . Drilling programme for 1981-82 comprises two exploratory and eight development wells to be drilled by OGDC in the public sector and six exploratory wells, four appraisal wells and seven development wells by the foreign oil companies working in collaboration with Oil and Gas Development Corporation in the private sector. Government has provided a sum of Rs. 274.563 million with a foreign exchange component of Rs. 149.80 million for investment in the private sector and Rs. 1000.76 million with a foreign exchange component of Rs. 497.23 million in the public sector through OGDC.

Production:

- . The actual production of oil during 1980-81 was 9826 barrels/day. The production is likely to increase to 10,950 BBLs/day during 1981-82, 17689 BBLs during 1983-84 after the successful completion of the drilling programme now envisaged after development of Toot, Meyal and Khaskeli field.

UNIDO Project on Energy Conservation Management and Auditing

- . A project is under preparation in collaboration with UNIDO at present aiming at:
 - Exploring means and methods for savings through fuel efficiency drive and standardization;
 - Setting up technical advisory services covering energy management system and fuel efficiency engineering;
 - Studying the techno-economic aspects regarding inter-fuel substitution, substitution through different energy agents as well as Government financial/tax incentives;

Pakistan (cont'd)

- Preparing in-depth analysis of plant level total energy demands, plant level peak energy demands, recovering waste heat, improving performance of steam boilers, steam application check list for industrial conservation of energy; and
- Prepare proposals of suitable fuel substitutes.

PANAMA

- A. According to the Tenth Article of Government Statute No. 413 of 30 December 1970: "Unrestricted importing of machinery, equipment, accessories, fuel, lubricants, raw materials, semi-finished products, containers and other components will not be permitted as long as sufficient quantities of these items, of acceptable quality and at competitive prices are produced in the country".
 - . This situation was reaffirmed by the publication of Statute 108 of 30 December 1974, whereby incentives to non-traditional exports were granted for a total of 20% of the domestic aggregate value, which encourages greater utilization of domestic components and raw materials for export products.
- B. Central programmes
 - . Fifth Plan for Electricity Distribution costing 43 million. This is divided into various phases:
 - Lines
 - Sub-stations
 - Conversion and rehabilitation of existing lines
 - Engineering and administration
 - Technical advisory service.
 - . Fortuna project: This is under construction, and will generate energy at the rate of 1,400 kW/h about the middle of 1985.
 - . The Institute of Hydraulic Resources and Electrification is financing various projects from its own resources.
 - . Plan 948 (lines and sub-stations).

Programmes

- . Quinquennial Rural Electrification Plan.

Objective:

A programme to interconnect isolated systems with the I.R.H.E. systems. This will assist small industrial companies.

Panama (cont'd)

. Changuinola Project I

This project will produce 1,700 kW/h energy daily at a cost of 436 million balboas in 1980. The project will come into operation at the end of 1989.

C. Plans for rural electrification being carried out.

- . These energy programmes mainly benefit the development zones in the central provinces and Chiriquí.
- . The I.R.H.E. programmes for the development and utilization of energy resources are geared to the country's investment programmes.

PERU

A. The Peruvian Government is engaged in a major effort to exploit and process more of its natural resources within the country, especially forestry and agro-industry resources. To this end, the Government has mounted the following major programmes:

- Special Alto Huallaga Project (Department of San Martín);
- Special Pichis-Palcazú Project (Central Forest Zone);
- Implementation of the Yurimaguas Tropical Forest Project (Department of Loreto).

B. An integrated national project is being carried out at the departmental level aimed at the production of energy mainly on the basis of Peru's water resources.

- . Responsibility for this important project lies with the energy and mining sector. In addition to its domestic objectives, the project's purpose is to provide energy for mining and manufacturing activities throughout the country.

REPUBLIC OF KOREA

A. (No reply on this issue).

B. Building a basis for secure supply of oil:

- secure procurement of oil
- active promotion of stockpile plan.

. Policies to reduce oil dependency:

- development of nuclear power
- introduction of LNG
- development of alternative energy sources.

Republic of Korea (cont'd)

- . Acceleration of resources development efforts:
 - promotion of oil field development
 - promotion of coal production
 - promotion of metal ore development
 - promotion of overseas resource development.
- . Promotion of energy conservation and savings.

ROMANIA

- A. Accelerated economic development has promoted the efficient utilization of the mineral raw materials of the country. We are at present concerned with reaching increasingly high levels in the industrial processing of local resources, to achieve a better cover of domestic demand for industrial products, and also to make products available for export.
 - . We should mention in this context the increased processing of petroleum and natural gas to obtain chemicals and fuels of a high economic value, and the exploitation of metalliferous mineral substances, salts and other useful rocks, timber and agricultural raw materials in order to create a wide range of products which have been highly processed and which are of superior technical quality and efficacy.
 - . The 1981-1985 Five-Year Plan also provides, in parallel with the increase in the national production of primary resources, for the intensification of the process of restructuring and modernizing the manufacturing industries as an objective necessity for improving the quality of all economic activity, which will enable the negative effects of the present world economic crisis to be limited and for Romania to develop and expand its participation in the international division of labour.
- B. More rapid valorization, with increasingly efficient utilization, of energy resources, is one of the priorities of the present Five-Year Plan. Provision has been made for the carrying out of an extensive geological research programme, including the continental shelf in the Black Sea, to identify new industrial energy-bearing reserves, and to extract greater quantities of the main mineral fuels. Special attention will be paid to increasing coal production, which in 1982 will reach 44 million tonnes (36 million tonnes of lignite and 8 million tonnes of coal). The production of petroleum will be 12.5 million tonnes, and that of natural gas 37 billion cubic metres. We shall also continue exploiting and developing combustible schists for the production of electric energy.

Romania (cont'd)

- . An extensive hydro-electric programme is under way; in 1982 the production of electric energy in the hydro-electric power stations will be 13 TWh out of a total of 74.1 TWh. During the present five year period, particular attention will be paid to developing new sources of energy (geothermal, solar, biogas). At the same time sustained efforts will be made to introduce nuclear energy into the economic circuit of the country; the first 660 MW nuclear-electric unit should come into service during this five year period.
- . Thanks to all these measures intended to help expand the country's energy base 83% of the primary energy needed for internal consumption in 1982 will be provided from our own resources, whilst during the present decade Romania will become independent for its energy requirements.
- . At the same time, active measures are being taken to save energy and to use all the existing energy resources as efficiently as possible. In this context the energy consumption index for industry should drop by 21-23% during the present five year period.

RWANDA

- A. A number of new agro-industry projects will be carried out during the Third Plan, 1982-1986. Current projects involve the production of pale pyrethrum extract and cinchona extract. Plans call for a sugar mill, rice mills, vegetable oil plants (soya, avocado, etc.), a ramie spinning project and a sisal spinning and weaving project, all accompanied by projects for growing the crops in question.
 - . In the mining sector, a tin foundry has been in operation since the beginning of 1982.
 - . The Third Plan calls for the study of a tungsten metallurgy project and the establishment of a workshop for cutting precious and semi-precious stones, based on the existence of a large amethyst deposit.
- B. A large hydroelectric power plant (30 MW) is being built on the Rusizi River (as a joint project between Rwanda and Zaire) and its financing has been secured.
 - . Another hydroelectric project, on the Akagera River at the Rusumo Falls (a joint project between Rwanda, Tanzania, Burundi and Uganda), is in the study stage and should be operational by the early 1990s.
 - . Alternative energy sources - methane gas from Lake Kivu, peat, bio-gas, and geothermal sources - will be studied and developed under the Third Plan, 1982-1986.

SENEGAL

- A. Development of industrial production lines on the basis of the local natural resources of mining, agriculture, fisheries and silviculture, leading to sectoral policies for different products. The advantages of this policy will be:
- . To link the secondary sector to the primary sector;
 - . To boost trade between enterprises, thus creating a genuine industrial fabric;
 - . To bring about irreversible changes on the basis of agricultural diversification and mining research.
- B. Policy on the utilization of energy resources for industry is to pursue three main lines of activity:
- . Survey and exploitation of currently known natural resources: hydro-electricity, peat, lignite, wood, wind and solar energy;
 - . Diversification of sources of supply by exploring all possible substitutes for imports of petroleum products;
 - . More rational use of available energy by halting energy wastage: survey of the most energy-intensive enterprises to obtain useful information on the energy savings they could make.

SINGAPORE

- A. Singapore has virtually no raw materials.
- B. There are 2 aspects to Singapore's energy strategy:
- . to promote efficient use of energy through conservation and pricing policy. The energy-growth ratio has fallen from 1.74 in 1976 to 1.37 in 1978.
 - . to ensure security of oil supplies and reduce vulnerability to oil shortages by diversifying sources of supply and procuring oil through more stable sources such as Government-to-Government purchases. Feasibility studies are being undertaken to explore the possibility of using coals as the alternative to oil for generating electricity.

SRI LANKA

- A. As set out in reply to question No. 1 processing of local factor endowments to maximise the value added content is a main strategy of industrialization.
- . The available factor endowments are utilised in the manner so as to maintain the long term perspective of keeping these resources.
- B. The Ceylon Electricity Board which is a Government owned Statutory Board has been entrusted the task of generating electric power resources of the country. At present these power resources are hydro and thermal. Besides this, attempts have been made to harness solar, sun, and bio-gas as energy resources for industry.

SUDAN

- A. There are many institutions which are developing methods for utilizing natural resources, such as the following:
- . Industrial Research and Consultancy Centre which is responsible for adaptation and creation of the means for utilization of natural resources and their processing.
 - . Food Research Centre.
 - . Agricultural Research Centre.
 - . Building materials Research Centre.
 - . National Research Centre.
 - . Most of these centres are now working in close collaboration with each other for up-grading indiginous technology and adaptation of imported technology.
- B. A full fledged ministry is established and called 'Ministry of Energy and Mineral Resources' responsible for utilization of natural and industrial energy resources, such as exploration, production and marketing of local petroleum and its products.
- . Manufacturing of natural gas for local consumption.
 - . Recent Sudanese National Conference was held and sponsored by the National Council for Research to look into the means and ways for energy resources and its utilization in Sudan till the year 2000.
 - . The result and recommendations are expected in the near future.

THAILAND

- A. It is known that most natural resources in Thailand have not yet been developed and utilized. In this current Five Year Plan, the Government gives high priority to the utilization of raw materials into finished industrial products so as to obtain high value added instead of exporting the unfinished ones. Examples of this intention can be seen in many industries, such as food processing, rubber products, beverages, sugar, ornaments, clothing apparel, electric and electronic parts, automotive parts, kitchenware, ceramic, footwear, etc.
- . In addition to these, Thailand has started to explore the natural resources, onshore as well as offshore, in order to brighten and strengthen economic prospects in search of oil and natural gas as well as high value mineral ores. Thermal energy in the northern part of Thailand has been found and the heat level is suitable for an electricity generation plant. Such waste material will be transferred to use for energy purposes by applying some advanced technology.
 - . Instead of the promotion of finished industrial products by using local raw materials, the Government has a policy and guidelines in utilizing raw materials to the highest possible extent in producing industrial products for export.
- B. The importation of crude oil in recent years has sky-rocketed, and has accounted for one-third of the country's budget. As long as the country has to rely on the importation of crude oil from OPEC or other countries, the price of oil will always increase instead of remaining at a certain level. This will affect the total economy of the country as well as the cost of living of the population. If the country continues to import the high priced crude oil, later the total export earning will be spent on it.
- . The country's energy consumption trend has rapidly inclined. In the meantime measures to save energy failed and 80 per cent of electricity generation has to rely on fuel. Another problem is that there is no specific Government agency dealing with energy nor is there an effective co-ordination system among Government agencies, such as lack of absolute decision in energy production planning. Selling and consumption as well as pricing of energy vary as a result of lack of close co-operation among Governmental agencies.
 - . Measures to be taken in order to obtain a reliable development of energy resources for industry utilization as well as for total energy consumption in the country are as follows:
 - . Decrease total national energy consumption within the next five years by not exceeding 48% per annum. In doing so, energy used in transportation and industrialization together with saving measures to be applied for both sectors will be made effectively.

Thailand (cont'd)

- . Decrease in quantity of the petroleum energy importation at the average rate of 3% per annum within the Fifth Five Year Plan.
- . Reliance on foreign sources for petroleum must be decreased by 75% from total requirement in 1980 to be around 46% by 1986. This can be done by production and utilization of national energy resources to be used in substitution such as natural gas, hydro-energy, lignite and other forms of renewable energy resources.

TOGO

- A. Togo's industrial development policy is based essentially on the development of mineral resources and the processing of agricultural products.

The programme includes:

- . Increased processing of local raw materials (phosphate, fertilizer project, etc.);
- . A study of the extent of the deposits currently being exploited (clinker, marble, etc.);
- . Study of deposits not being exploited (iron, clay, etc.);
- . Implementation of agro-industrial projects (fruitjuices, tomatoes, pineapple, sugar, cashews, etc.).

Exemption from export duties and taxes.

- B. Mono project: barrage at Nangbéto;

Development and extension of the Lamé electricity grid;

Construction of a Lama-Kara Power Plant;

- . Extension of the high-voltage line from Lamé to Atakpamé and Notsé-Kpalimé;
- . Study on the utilization of solar energy.

TUNISIA

- A. Investment policies encouraging the processing of local raw materials (phosphates, stone, sand and marble quarries, etc.);
- . Taxation of local raw materials exported;
 - . Exporting of certain raw materials (raw skins) forbidden.
- B. Sulphation of petroleum from 1986;
- . Recovery of uranium.

TURKEY

- A. There are several incentives to firms for increasing domestic components of their products. As mentioned earlier, these measures are tax rebate, credit facilities (like interest rebate), and various custom duty exemptions in their investments. Also, firms are required to increase the domestic components in their products in the course of production. In order to mobilize all available capital, human, and natural resources almost all areas of production are open to foreign and domestic firms, in short, all preconditions exist for co-operation of foreign, private, and public companies.
- E. In national energy programmes priority is given to hydro, thermal, coal and especially to abundant sources. In the long run, nuclear energy option is consistent. Research on possible utilization of solar energy is underway. At the same time, mobilization of all resources, national or foreign, for petroleum exploration, in order to meet the petroleum requirements of Turkey, has been decided as a national policy. The Decree supplementing the Petroleum Law 6326 allows the re-opening of all fields where explorations were found to be inadequate, including those where exploration permits belonging to the Turkish Petroleum Corporation and other explorers. The owner has the right to export 35 per cent of the oil to be extracted. The foreign currency thus obtained may be used for any foreign currency requirements of the firm.

UNITED REPUBLIC OF CAMEROON

- A. Measures favourable to industrial undertakings intending to use local raw materials (benefits under the investment code and easier approval).
- B. Project to evaluate energy requirements in the various sectors of the economy;
- . Idea of drawing up an energy plan.

UPPER VOLTA

- A. An investment code has been introduced to boost a general investment policy. The code grants benefits proportional to the national importance of the project. In particular, a project complying inter alia with the conditions stipulated in article 30 of the code can enjoy very extensive advantages allowing it to be set up without restriction. One of these conditions is that it should make use of local materials. Parallel to this, the

Upper Volta (cont'd)

provision of individual physical infrastructures (fully equipped industrial zones) forms an integral part of this policy of encouraging industrial developers to go ahead with their projects.

- B. The Government has concentrated on building five hydro power dams with a view to decentralizing the country's industrialization. It is also finalizing a project for the construction of an oil storage facility. In addition, the Government has just set up an energy research institute and proposed the creation of reliable prototypes. These prototypes may in future provide energy for village industries, the establishment of which would encourage the rural population to remain in its traditional environment.
- C. Rational use of all forms of energy must remain an objective; a survey should be carried out for this purpose.
- . Interconnection of the energy networks of the subregion would benefit the two or three countries associated in such a venture.

URUGUAY

- A. The Industrial Promotion Act No. 14.178 of 28 March 1974 mentions, among its objectives:
 - . Increasing and diversifying exports of industrial goods incorporating the greatest possible value added to raw materials;
 - . Locating new industrial enterprises and expanding or reforming existing ones when this means making better use of the markets supplying raw materials and the available labour.
 - . Support for selected programmes of applied technological research, geared to the economic use of unexploited domestic raw materials and to manufacture new domestic products or the improvement of existing ones, and to the training of technicians and workmen, etc.
- B. GREI (Group for the Rationalization of Industrial Energy), operating under the auspices of the Ministry of Industry and Energy;
 - . Facilities for industrial enterprises to enable them to acquire land intended for forestation for energy purposes;
 - . Support for technological solutions designed to save energy and use it more efficiently in industry, transport and building;
 - . Permanent updating of the national energy balance and establishment of a national energy model;
 - . Gas pipeline with Argentina;
 - . Investigation of new and renewable sources of energy.

VENEZUELA

- A. In the pharmaceutical industry, those projects will be promoted which offer the greatest opportunities as regards domestic inputs and exports.
 - . In the area of basic industry, Venezuela enjoys special advantages for the processing of its mineral resources. Encouragement will be given to the development of domestic enterprises for the production of semi-finished and finished aluminium manufactures, particularly if intended for export. Also, studies will be made of new alternatives for the production of pellets and sponge iron and of other ways of adding value to iron ore for export. In addition, the petrochemistry industry will be assisted in its export efforts. The existing investments in the basic industry sector will be strengthened.
 - . In the metalworking and engineering industry, special emphasis will be placed on promoting the export of capital goods.

- B. Among the national programmes for the development of energy resources intended in part for industry, the following points deserve special mention:
 - . The final stage of the Guri Dam, much of the energy from which will be consumed by the industrial enterprises located in the Guayana region and their extensions.
 - . There are medium-term plans for the development of the Orinoco bituminous strip, from which petroleum coke and heavy and extra-heavy crude oil will be extracted for the generation of electric power, much of it for industrial consumption.
 - . The Zulia Coal Project will not only supply the coal required for the Zulia Steelworks (Siderzulia), but will also provide coal for the Zulia Thermo-Electric Power Station.

YUGOSLAVIA

- A. A number of special agreements were reached on the development of power generation and the production of domestic raw materials and intermediaries with the purpose of increasing their share in overall production and exports which should at the same time help decrease the dependence of the economy on imported raw materials and intermediaries.

- B. A proposal of the long-term development of power generation till the year 2000 has been prepared:
 - . Power generation development, including the energy balance (proportion of relative sources of power) from 1981-1985.

ZAIRE

- A. The present Investment Code grants many advantages to any new or existing industrial concerns engaged in processing local raw materials for both domestic consumption and export.
- B. The Government has just set up the Inga Free Zone in order to use available energy resources for industry.

ZIMBABWE

- A. Those branches of industry such as foodstuffs which are based on processing of local raw materials are being targetted for a higher rate of growth compared to other branches which are based on imported inputs such as transport equipment. Ventures such as gold refinery and roasting plant for gold ores are being set up to increase the domestic component of export products.
- B. Since the country has great potential for sugar production and therefore to produce ethanol from sugar while the country is oil importing, this potential is being exploited. Also, a big study to utilize vast coal resources to use the coal in various ways for development is being undertaken. Since Zimbabwe has one of the world's highest level of exposure to the sun, the possibility of tapping solar energy is also being explored.

VI. INDUSTRIAL TECHNOLOGY

Governments were invited to supply information on the following topics:

- A. Measures taken for the establishment of national technology policies and plans to strengthen industrial technological capabilities and capacities, including the development of energy-related technologies.
- B. Measures taken to ensure that appropriate foreign technologies are being obtained on fair and suitable terms and conditions.
- C. Measures taken for the research and development of technologies appropriate to the conditions and needs of the country.
- D. Measures taken to collect and disseminate needed industrial and technological information.
- E. Other relevant topics.*

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE :

ARGENTINA

- A. (No data available).
- B. In accordance with the provisions of the Technology Transfer Act, No. 22426/81, the National Institute of Industrial Technology (INTI) is responsible for:
 - . The development of a system to provide information on offers of technology;
 - . Assistance and advisory services to parties in Argentina interested in selecting and contracting for technology.
- C. (No data available).
- D. The National Institute of Industrial Technology disseminates abroad the offers of technology for export made by Argentine enterprises.
 - . The Documentation Research Centre (CID) of the INTI system provides, in the form of bibliographical searches, referencing services, etc., assistance to industrial enterprises and other organizations in meeting their requirements of scientific and technological information.

*/ Most countries did not reply on this issue.

BAHAMAS

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. The Bahamas Agricultural and Industrial Corporation is designed to facilitate and enhance development in agricultural production. The Food Technology and Animal Feeds Unit (under construction) will provide service in the areas of processing, preservation, standards and quality control. Research at Central Agricultural Station and Bahamas Agricultural Research Centre will provide the farming community with data and inputs needed for further development.
- D. (no reply on this issue).

BANGLADESH

- A. The Government has created a Science and Technology Division to formulate National Technology Policies and Plans. Besides this, there are various training institutions such as Bangladesh Industrial Technical Association Centre, etc. to impart various aspects of technological training to the people to give emphasis on skill development and research. The Bangladesh Oil and Gas Corporation (Petro-Bangla) is responsible for exploration of oil and gas drilling activities, production and processing of oil and gas and transmission and distribution of gas. One of the objectives is to encourage instruments to move away progressively from assembly to intermediate/basic manufactures.
- B. Bangladesh needs labour intensive technology Government policies to obtain appropriate technology from developed countries.
- C. Bangladesh Council of Scientific and Industrial Research and other organizations are undertaking various research programmes for the development of technologies appropriate to the conditions and needs of the country. Steps are being taken to introduce bio-gas plant, solar cooker, etc.
- D. The system of collection and dissemination of industrial information will be developed and strengthened so that prospective entrepreneurs and other interested agencies can get the required information easily.
- E. From time to time the Government publishes various types of booklets with detailed information for encouraging investments in the industrial sectors.

BENIN

- A. Evaluation of the industrial sector carried out in 1981 and determination of an industrial development strategy with special emphasis on the objectives and functions of the mechanical engineering industry: development plan for the engineering subsector;
- . Project to strengthen the capacity of the research institutions for testing, adapting and developing certain energy-related technologies.

These measures are taken into account in the National Plan, which is currently being drawn up.

- B. Benin is a member of the African Regional Centre for Technology (Dakar), the World Industrial Property Organization (WIPO) and the African Industrial Design and Manufacturing Centre (Ibadan, Nigeria).
- C. The establishment of experimental centres such as the Benin Agricultural Equipment Co-operative (COBEMAG).
- D. Negotiations under way with the Industrial Development Centre (CDI - Brussels) for the establishment of a branch at Cotonou.

BOLIVIA

- A. The adoption and dissemination of technologies in keeping with the quantity and quality of available natural and human resources, making sure that they are compatible with the introduction of modern export-oriented industries.
- . Continuation of the process of establishing quality control and standards.
- B. The Standards and Technology Department of the Ministry of Industry, Trade and Tourism, is implementing the National System for the Transfer of Technology, which will regulate the acquisition of various forms of technology such as:
- . Machinery and equipment technology;
 - . Technical assistance contracts;
 - . Trade mark licensing agreements;
 - . Patent licensing agreements.

Bolivia (cont'd)

- C. The Standards and Technology Department, by implementing the National System for the Transfer of Technology, devised by it as a scientific and technological policy to aid industry, is seeking faster industrial development and export diversification.
 - . Development of contacts with similar foreign organizations and international bodies to obtain technical assistance.
 - . Dissemination of information on standardization and technology activities at the national and international levels through the Information and Technology Service.

- D. Preparation of draft technological research standards and studies for approval and application.
 - . Establishment of a national network of certified laboratories collaborating in standardization and technology activities.
 - . Industrial technology research.
 - . Transfer of technology.

BRAZIL

- A. (No reply on this issue).

- B. (No reply on this issue).

- C. (No reply on this issue).

- D. (No reply on this issue).

BURUNDI

- A. Burundi hopes to make further progress in the field of appropriate technology, through contacts with the agencies specialized in this field and with assistance from UNCTAD. In energy technology, it is planning to produce methanol to replace a proportion of imported oil products. A supplementary supply for meeting energy requirements will be provided by the installation of alternative-energy facilities.

- B. It is planned to establish a transfer of technology unit in the Ministry of Trade and Industry to help improve the system of selection and acquisition of appropriate foreign technology.
 - . Establishment of a Centre for Industrial Promotion.

Burundi (cont'd)

- C. One of the purposes of the Investment Code is to promote job creation. A level for the creation of new jobs has been set by ministerial decree for enterprises wishing to benefit from incentives, which means that priority will be given to simple technologies which provide the most employment. As the country has no predominant industrial sub-sector, it is difficult to develop a technology appropriate to local conditions.

- D. The establishment of a Centre for Industrial Promotion with UNIDO's assistance will make it possible to collect and disseminate industrial and technological information in Burundi.
 - . The Burundi Chamber of Commerce and Industry, which maintains excellent contacts abroad, is at present carrying out a large part of this work.

CHILE

- A. The development of science and applied technology will be fundamentally bound up with the action of the private sector. The State, whilst creating the conditions for the development of science and basic technology not covered by the private sector, must take care to allow all potential users easy access to information, acquisition, development and the application thereof.
 - . To the above must be added the work done by various bodies such as CORFO, Fundación Chile and the recently created National Fund of Scientific Investigation and Technology.
 - . CORFO in this respect has several institutions such as:
 - . IFOP (Fishing Promotion Institute), the main functions of which are to provide investigation and technical assistance services in primary (extractive) and secondary (processing) fishing activities and evaluate fishing projects.
 - . INIEK (Technological Investigation Institute), the main functions of this institute are to create, introduce, adapt or replace technologies with the object of supporting the development of productivity of national industry.
 - . IREN (National Institute for Investigation of Natural Resources), the main functions of which are to provide advice in matters relating to natural resources, specifically diagnosis of resources, quantification, localization, use, identification of restrictions which affect productive activities, identification of projects for the optimization of the use of resources, evaluation of projects relating to the use of natural resources, etc.

Chile (cont'd)

- . SEROTEC (Technical Co-operation Service), the main functions of which are to provide specialized assistance to the small firm, to develop promotional activities and to draw up and carry out programmes suitable for investment projects of the medium and small concerns.
- . In connection with this point it is necessary to mention the part played by the National Energy Commission. This is a body which is related to the executive through the Ministry of Mines, and whose task it is to draw up and co-ordinate the plans, policies and standards for the operation and development of the sector, to supervise their fulfilment and advise the Government in all those matters which relate to energy.
- . The energy sector comprises all activities of study, exploration, exploitation, generation, transmission, transport, storage, distribution, importing and exporting and any other which concern electricity, coal, gas, petroleum and derivatives, geothermal and solar nuclear energy and other sources of energy.
 - . INN (National Standards Institute): the functions of this Institute consist in approving technical standards on characteristics of products, procedures and concepts, in checking standards already in use, and suggesting modifications when called for.
- . In addition, the "Fundación Chile" was created in 1976, a non-profit-making organization of autonomous character, the purpose of which is to carry out scientific and technological investigations and apply the scientific and technological advances it makes in the appropriate areas of production and services.
- . It is also necessary to mention the creation of the National Scientific and Technological Development Fund intended to finance projects and programmes of scientific or technological investigation. This Fund is formed by the contributions allocated to it annually by the nation's budget by the legal inheritance and gifts with which it is favoured and by the resources which the Government of Chile receives by way of international technical assistance.

Chile (cont'd)

- B. No kind of hindrance will be placed in the way of the acquisition or development of technology, both outside and inside the country on the part of the private sector. The sole instance of control in this field will be from the point of view of accounting on the part of the tax authorities of the country, in order to avoid distorting the tax system and tax evasion.

- C. Given the availability of productive resources of the country, policies will be aimed at the use of intensive technology in labour in all those activities where a substitution between productive factors is feasible. This is achieved automatically by relative prices and labour costs.

- D. A priority concern of the Supreme Government will be the overall structuring of the scientific and technological system, as a dynamic unit of institutions and personnel which will fulfil defined and co-ordinated functions. The structuring of the system will put special emphasis on various university and state investigation units and on the mechanisms of integration with various private centres.
 - . It is the task of the Supreme Government, through its specialized organizations brought together in a specialized central body, to co-ordinate the national scientific and technological system, through the generation and diffusion of opportune information about the situation of each specific area and to facilitate by way of diffusion contact between investigators and national users of science and technology. In the same way contact will be facilitated between the country and abroad in both directions.
 - . The State will operate through its specialized sectorial bodies to direct, generate, and/or adopt technology, the central body limiting itself to supporting its work, both through International Technical Assistance and through the diffusion of information.
 - . It is necessary to mention the work of CORFO (Production Promotion Corporation) in connection with this point. In 1979 the Promotion Sub-management was created, whose main purpose is to put within the reach of organizations and concerns in the private sector those investigations, studies or projects undertaken by CORFO and its institutes in the matter of the evaluation of natural resources, production technologies, training of labour and the analysis and identifying of markets in various areas of the economy.

Chile (cont'd)

- . The Regional Secretariats of Planning and Co-ordination also play an important part in collecting and diffusing information to the private sector about investment opportunities, technologies, identifying resources, etc.

CHINA

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).

COMOROS

- A. The government is making great efforts to strengthen technical co-operation with the industrialized countries and relations with international agencies concerned with industrial development.
- B. Maintaining close relations with the international co-operation agencies (the Agency for Cultural and Technical Co-operation (ACTC) and the United Nations Economic Commission for Africa (ECA)), our skilled workers are taking technical and technological training courses and participating in regional and international seminars. (E.g.: in the fishing industry).
- C. The Government is in favour of developing appropriate technology. It intends to reduce certain imports so that local equipment may be used to meet national needs.
- D. Information, counselling and promotion centres will be set up in the course of the activities of the Chamber of Commerce, the Development Bank and the Federal Directorate of Industry and Handicrafts. This will give all industrialists and potential investors access to all necessary information.

COSTA RICA

- A. Technological independence and the adoption and development of intermediate technologies compatible with the development of priority industries will be promoted;
- . A national technology-transfer registry office will be established;
 - . Technical and economic feasibility studies will be initiated or continued, with the advisory assistance of the National Council for Scientific and Technological Research (CONICIT), into such alternative energy sources as alcohol, solar and wind energy, biomass and hydrogen;
 - . Efforts will continue to establish a strong institutional structure to guide and co-ordinate the work of the different agencies active in the area of energy generation and distribution, leading ultimately to the preparation of a national energy balance-sheet to serve as the basis for a National Energy Plan; work will continue on the preparation of the preliminary draft of the Hydrocarbon Petroleum Law;
 - . An evaluation will be made, with the technical assistance of international organizations and/or foreign firms, of the country's petroleum situation.
- B. The basic structures are being put into place for the strengthening of the country's scientific and technological potential so as to enable it to develop its own technology and acquire the ability to seek, select, assimilate, adapt and use technology. This is to be done in close co-ordination with the nation's production sectors and in accordance with their most pressing needs.
- . Science is being promoted at the national level, the aim being to acquire a research capability which will permit the national scientific community to make science serve the economic and social progress of all the Costa Rican people and to contribute increasingly to universal progress in this area.
- C. Encouragement will be given to research projects relating to the priority programmes of the National Development Plan.
- . Techniques suitable for use with available resources will be developed and selected; in other words, encouragement will be given to greater use of local manpower and inputs and to the adaptation of the techniques currently employed.
 - . The development of intermediate technologies for industry (through the improvement of existing processes or the local raw materials) is being promoted, particularly in rural areas and in zones located at a great distance from the central region of the country. There are to be fundamental changes in certain technologies now used in public administration, and also in the case of certain sectors where the current technological development model is severely limiting the development of the country.

Costa Rica (cont'd)

- D. A national scientific and technical information system is to be established, beginning with the setting up of industrial, agricultural and health information sub-systems.
- . The country's ties with other nations in the area of science and technology are to be strengthened.
- . National objectives in the area of science and technology are to be widely publicized.

CYPRUS

- A. Cyprus relies on the technology from advanced industrial countries and at present the policy is to encourage projects with sophisticated technology.
- B. The responsibility lies, to a great extent, with the entrepreneurs but the Government gives advice whenever asked.
- C. The appropriate Ministries are aware of the needs of the industry and they carry out research to render better services and advice to industry.
- D. There is close co-operation between the public and private sectors and information is disseminated either directly to the industrialists or through the Chamber of Commerce and Industry.

ECUADOR

- A. Listing and diagnosing scientific and technological potential.
 - . Designing a methodology for evaluating technology in the pre-investment stage.
 - . Studies to determine the degree of quality control for industrial branches.
- B. Application of Decision 24 (General rules for the treatment of foreign capital and on licences, patents and trademarks).
 - . Decision 84 (Basis for a sub-regional technology policy) and Decision 85 (Technical Regulations on Patent Rights).
 - . Creation of the Committee for the Transfer of Technology and the incorporation of CONACYT (National Council for Science and Technology) into the same.

Ecuador (cont'd)

- C. The holding of events (courses and seminars) for training in Human Resources in Science and Technology.
 - . To urge a major linking between the national capacity for technological research and the productive sector.

- D. Organization of Science and Technology Information Sub-systems in the farming and industrial sectors to improve the country's existing technology and science information services.
 - . Organize the Andean Technological Information System (SAIT) and the Latin American Technological Information Network (RTILA).

- E. Participation of CONACYT in international events in the application of science and technology to development.

EL SALVADOR

- A. (See under D).

- B. (See under D).

- C. (See under D).

- D. The reply to the preceding points is contained as follows in the Three-Year Plan: The efforts undertaken will concentrate primarily on problems connected with the transfer of technology. Independently of the new instruments required, the success and effectiveness of rationalization in this area will depend on the response of the domestic scientific and technical community, i.e., its ability to select, evaluate, negotiate, transfer, invent and follow-up on technological developments. Thus, if it is to be comprehensive, this policy requires that development of the domestic scientific and technological capacity be promoted and supported.

The following are the aims of the scientific and technological policy:

 - . To strengthen the country's scientific and technological infrastructure;
 - . To rationalize and redirect training and the use of human resources, especially at the intermediate and higher levels;
 - . To train and enlarge, gradually and systematically, a minimum basic nucleus of skilled manpower of various categories and levels;

El Salvador (cont'd)

- . To improve domestic skills in the negotiation of technology import contracts;
- . To make optimum use of horizontal and multilateral co-operation and assistance in the area of science and technology for development;
- . To rationalize the process of the transfer of technology to various sectors of economic activity;
- . To co-ordinate all scientific and technological activities with a view to development.

The following are the general instruments of this policy:

- . The redirection of financing, training and the use of human resources at different levels, primarily in the areas of science and technology most essential to development;
- . The establishment of a high-level technical and political inter-agency organization to co-ordinate all science and technology activities in line with development targets and objectives;
- . The establishment of a national scientific and technological development fund;
- . The updating of scientific and technological support services: technological information, specialized laboratories, standardization and metrology;
- . The development of priority local technology projects, such as projects in the area of agro-industry, generic agricultural chemicals, generic basic medicines, non-metallic minerals and others of similar importance;
- . Fiscal and economic incentives to technological research.

ETHIOPIA

- A. The Central Planning Supreme Council has realized the need to establish a national technology policy and plan to strengthen industrial technological capabilities and capacities. It will be promulgated shortly.
- . The Ethiopian National Energy Committee being the focal point for all energy matters has initiated research on the utilization of new and renewable energy resources, such as solar energy, biomass energy, mini-hydropower and geothermal resources in co-operation with local institutions and organizations and through obtaining assistance from bilateral sources.

Ethiopia (cont'd)

- B. The Ethiopian Center for Technology was instituted in 1980 to control and regulate the flow of foreign technology, especially those related to new projects. The development objective is to reduce Ethiopia's independence on externally derived technology and to remove some internal technological constraints to economic development through the improvement of the terms by which it acquires external technology and by developing the indigenous technological capacity.

- C. The Industrial and Technology Council is established in the Ethiopian Science and Technology Commission to promote research and development of technologies appropriate to the conditions and needs of the country.

- D. The Ethiopian Center for Technology is in the process of establishing a documentation center to collect and disseminate industrial and technological information.

GUATEMALA

- A. Among the measures adopted is, primarily, the creation of the first National Science and Technology Plan. It deals with research into the use of energy in rural areas by means of studies and the incorporation of appropriate technologies based on solid wastes; the object of this is the use of such energy in heating, fertilizers and the conversion of steam to mechanical energy in the rural areas of the country.

- B. The Technology Transfer Unit has been formed within the Ministry of Economics, the object of this being to control the transfer of technology and to facilitate the advancement of national technology. This instrument will encourage the creation of laws on the transfer of technology, so that it is obtained under suitable conditions. An analysis of technology licencing agreements has been carried out.

- C. Studies have been undertaken to revise the law on patents of invention to make them suitable for present conditions, with the final object of eliminating possible restrictions which would impede national technological development.

- D. Scientific and technological information centres are operating in the country, both as information sources and as building information, so that diffusion into the scientific and technological field may be encouraged.

GUYANA

- A. A national technology policy report has been prepared. It is in the process of finalization. The Institute for Applied Science and Technology and the National Science Research Council are seriously involved in strengthening adopted industrial technology and development of energy related to technologies such as solar dryer, biogas plant etc.
- B. Preparatory work is in progress in this direction.
- C. In this direction of suitable technologies the Institute of Applied Science and Technology is doing some work.
- D. In this area different institutions have taken steps, e.g. Guyana State Corporation has an information system established by United Nations Development Programme. The National Science Research Council is also doing similar work (initial stage).

HONDURAS

- A. Establishment of a science and technology system able to meet national cultural, economic and social needs and also to suggest relevant qualitative modifications.
 - . Ensuring that the country has a potential as regards science and technology which is in keeping with national development requirements.
 - . For the 1979-1983 planning period, the decision has been taken to lay the foundations for the development of the national science and technology system by adopting and structuring the policy instruments and machinery required to strengthen it.
 - . Setting up of a technical body responsible for designing science and technology development policies to be adopted at a high level.
 - . Introduction of technologies using alternative sources of energy.
- B. Diversification of technological research, mainly in such high priority areas and sectors as energy and food.
 - . Strengthening of teaching and research facilities to meet the country's most urgent needs.
 - . Integrating expansion and technical assistance work with research and development activities.

Honduras (cont'd)

- C. Institutionalization of the research and development process in the country to integrate it with economic and social development.
 - . Establishment and development of instruments and mechanisms fostering the local generation of technologies.
 - . Circulation of science and technology publications of research and development institutes in the public and private sectors.
 - . Providing the necessary State support for congresses; seminars and symposia on science and technology subjects.
 - . Establishment and strengthening of technical assistance programmes in priority areas.
 - . Expanding the printing and circulation of books and journals concerned with science and technology.
 - . Promoting the establishment of permanent links and flows of scientific information between sources and users.
- D. (No reply on this issue.)

INDIA

- A. The Department of Science and Technology (DST) is the functional organization responsible for the establishment of national technology policies and plans. This organization has already prepared a technology policy statement which is in discussion and it is expected that the technology policy towards planning, generation and application of appropriate technologies in various sectors of industrial development, which is under formulation, will be finalized soon.
 - . The Department of Science and Technology had in 1973 already brought out a Science and Technology Plan: 1974-79 for development of Science and Technology, scientific and technological education, technical support services, linkages between research, design and development organizations with the production units etc. This plan covered 21 sectors including important areas such as food and agriculture, irrigation/power, heavy industries, electronics, atomic energy, steel/mines and shipping and transport and petroleum and chemicals. Other sectors covered are communications, railways, information and broadcasting, meteorology/civil aviation and technical and general education with a total plan outlay of Rs. 1033 crores.
 - . The energy sector consists of the conventional sources as well as the new and renewable sources of energy. As regards new and renewable sources of energy, a commission for additional sources of energy has been established the details of which are elaborated in question No. X-D. Conventional energy technologies are characterized by long gestation periods. It takes even longer to bring about significant changes in the pattern of energy consumption. Appropriate policy and investment decisions have

India (cont'd)

therefore to be taken without loss of time if the country is to meet the challenge which the energy problem will pose in the coming decades. This concern is reflected in the increased allocation made in this Plan for accelerated exploitation of India's domestic resources of oil, coal, hydro and nuclear power. The Research and Development being undertaken and contemplated in these areas are discussed below:

- . Power: The major R and D activities in the power sector have so far been carried out by the Central Power Research Institute (CPRI) and the Central Board of Irrigation and Power (CBIP) through the agency of the State Electricity Boards and research institutions, apart from equipment R and D carried out in-house by the major manufacturers, while the studies sponsored by the CBIP have mostly been on operational problems, the thrust of the work in the CPRI has been on material testing, such as of transformer oils and insulation materials.
- . Coal: The plans for the rapid growth of the coal industry will be accompanied by an intensification of the research and development programme in the coal sector. There are already 92 research projects under implementation; besides, new projects will be initiated through Central Fuel Research Institute, Central Mining Research Station, Central Mining and Designs Institute and other research and academic institutions. Introduction of new mining techniques, methane drainage, dry deshaling of non-coking coal, use of coal mines and fluidised bed combustion will be among the major areas of study.
- . Petroleum: The Oil and Natural Gas Commission has set up an Institute of Petroleum Exploration (IPE) and an Institute of Reservoir Studies (IRS), the former for carrying out research in the field of exploration and production while the latter is for studies connected with production and reservoir development. They are also setting up another institute, the Institute of Drilling Technology (IDT) where research and development work connected with drilling technology is being taken up. IPE proposes to conduct a large number of studies which aim at adopting an integrated, multi-disciplinary approach to study basic issues connected with petroleum genesis and accumulation. IRS, while handling problems connected with reservoir development, will concentrate on their programmes of developing enhanced recovery techniques for different oil fields. The main feature of the programme of the IDT will be to study the problems of drilling deep wells. Developmental activities envisaged in the three institutes also include import substitution and development of indigenous equipment. In the fields of oil refining, the Institute of Petroleum (IIP) will be the prime organization to conduct research and development activities though some work will also be carried out by IOC (R and D Centre), Engineers India Ltd. and other organizations. The main areas of research would be thermal and fluid catalytic cracking/catalytic reforming, solvent

India (cont'd)

de-waxing/de-oiling, hydro treating and sweetening of various petroleum products. To carry out the above studies IIP will set up semi-commercial pilot plants next to Koyali Refinery. Concerted effort will also be made to develop catalysts required for various processes. It is suggested to set up a special Unit in the Ministry of Petroleum to co-ordinate and oversee the R and D programmes being carried out by the various agencies, both in the field of exploration and production and in oil refining.

- Atomic Energy: Under the Department of Atomic Energy the thrust of research and development efforts in the atomic energy area is directed towards achieving self-sufficiency for exploiting the nuclear energy potential for development needs. In view of limited uranium deposits in the country and the availability of large thorium resources, fast reactor technology is of significance to India. The Reactor Research Centre comprising of a fast breeder reactor with other attendant laboratory facilities is being developed and expected to be commissioned by 1983. In the long term, nuclear fusion technology would be of considerable interest to our energy needs.

- B. The Government's policy towards import of technology is selective and based on national priorities. Import of technology is permitted in sophisticated and high priority areas, in export oriented or import substitution manufacturing or for enabling indigenous industry to update existing technology in India to meet efficiently domestic requirements and/or to become competitive in the export market. The Government's policy regarding import of technology stems basically from the fact that requirements in the industrial field today are vastly different from what they used to be before. Besides, the country has acquired a diversified industrial base with a substantial reservoir of industrial capability and technological skill. In order to promote technological self-reliance, the government has adopted a highly selective policy. In order to guide entrepreneurs, the Government has issued an illustrative list of industries where no foreign collaboration, financial or technical, is considered necessary since indigenous technology has fully developed in this field. This list consist of 22 product groups. A broad technology base has already been established in the country. But, with constant technological advancement in the developed countries, the need to update our production technology would arise in almost all industries over a period of time. In this regard paras.24 and 26 of the statement on Industrial Policy, July 1980 are pertinent:-

"24 In a number of cases Indian industry has not been able to compete in markets abroad because the scale of output which is related to the level of domestic demand is too small to give them the advantages of modern technology and economies of scale. In cases where a larger production base would

India (cont'd)

increase the competitiveness of Indian industry abroad, the Government will consider favourably the induction of advanced technology and will permit creation of a capacity large enough to make it competitive in world markets, provided substantial exports are likely. The purpose of introducing such a policy would not only be to encourage exports but also to enable industry to produce better quality products at lower costs which will ultimately benefit the consumer in terms of price and quality".

"26 The Government will take active measures to facilitate the transfer of technology from efficiently operating units to new units. Companies which have well established R and D organizations, and have demonstrated their ability to absorb, adapt and disseminate modern technology will be permitted to import such technology as will increase their efficiency and cost effectiveness. This will not only lead to saving of foreign exchange but would also ensure self-sufficiency and higher foreign exchange earning".

Technical collaborations are considered on the basis of annual royalty payments, which are linked with the value of actual production. The royalty will be calculated on the basis of the net ex-factory sale price of the product exclusive of the excise duties, minus the cost of the standard bought out components and the landed cost of imported components, irrespective of the source of procurement including ocean freight, insurance, custom duties etc. Royalty payments are subject to Indian taxes. The royalty payable should not be more than five per cent (taxable) and will be comprised within the period of agreement, which may extend to ten years. The period of going into commercial production is included within this period of ten years.

Lumpsum payments are also permitted for the import of know-how. Lumpsum payments, if any, are normally to be paid in three standard instalments, the first instalment to be paid after the agreement is taken on record, the second instalment on delivery of technical documentations and the third and last instalment to be paid on the commencement of commercial production or four years after the agreement is taken on record, whichever is earlier. All lumpsum payments are subject to deduction of Indian taxes. If the Indian party so desires, the lumpsum amounts sanctioned could be net of Indian taxes with taxes being borne by the Indian party. The total lumpsum and royalty payments should not be more than 8% of the total expected sales (calculated on an ex-factory basis over a period not exceeding 10 years). It may be noted that the above should be treated as upper ceilings and the rate of royalty, the amount of lumpsum and the period of the agreement in respect of individual cases would be decided by the Government on a case by case basis,

India (cont'd)

taking into account all relevant factors. Normally, the period of agreement would be for eight years and royalty for five years, allowing three years for commencement of commercial production.

- . Besides, the Government has evolved suitable machinery which examine and appraise investment proposals with reference to their techno-economic content. The important bodies which have been constituted are Technical Evaluation Committee, Public Investment Board, Expenditure Finance Committee and Project Appraisal Division of the Planning Commission. The proposals for foreign collaboration are scrutinised by Technical Evaluation Committee (TEC) with reference to the indigenous availability of the proposed technology, its level and suitability, the need and priority of the proposed technology, the competence of the collaborator for providing the know-how, the terms of collaboration including payments involved, the services to be rendered by the collaborator and also the guarantees to be fulfilled in terms of material and service inputs, production and quality etc. The applicant party is required to contact a number of prospective collaborators for the import of technology and furnish a comparative statement of merits of each of the offers with reference to level of technology, efficiency of process and equipment, quality of the final product, energy and man power requirements, possibilities of material conservation and impact of the selected technology on environment etc. The TEC gives due consideration to all the above aspects before making final recommendations of the proposal. A final decision in approving the proposals is taken by the Foreign Investment Board. Also, appraisal and processing of projects with reference to their techno-economic content involving Rs. 50 million (Rs. 5 crore) or more in the central sector are examined by Public Investment Board. Proposals involving an investment between Rs. 10 million (Rs. 1 crore) and Rs. 50 million (Rs. 5 crore) are considered and examined by Expenditure Finance Committee. Besides, the Project Appraisal Division of Planning Commission also undertakes and appraises investment proposals from a cost/benefit angle.

- C. A chain of National and Regional Laboratories have been set up by the Council of Scientific and Industrial Research for generation of appropriate technologies in various fields of production in engineering, chemical, food and pharmaceutical sectors. Additionally, in-house research and development set-ups of various manufacturing organizations operated by private agencies were given due encouragement by providing suitable incentives like weighted tax deduction for approved research programmes and liberalization of licensing procedures for establishing capacity for production of items developed in the indigenous Research and Development Organizations. The selective approach for induction of foreign technology adopted by the Government is also acting as an incentive for indigenous research and development of technologies.

While approving foreign collaborations a condition is stipulated in the approval letter to the effect that the manufacturing unit will set up, along with the project, a R and D Unit to absorb, assimilate and adopt the imported technology and make improvements thereof.

India (cont'd)

D. The Technology Information Centre (TIC) in the Directorate General of Technical Development (DGTD) collects data on technology, R and D, consultancy, etc. Such data are utilised in processing proposals for foreign collaboration, entrepreneurial guidance on choice of technologies etc. The Centre has been set up in DGTD with the following objectives:

- . Analysis of the industries where there are on-going collaborations with imported technology which will reveal attempts made on absorption of technology, its adaptations and improvements;
- . To collect information on development of indigenous technologies and their verification which thereby would enable support to suitable indigenous technologies and their commercialisation;
- . To provide information on export of technologies and their further potential;
- . To provide information which will enable techno-economic evaluation of competitive bids and advice and assisting entrepreneurs on the availability and other facets of technology like costs, capital goods, raw materials availability, etc., which will provide useful guidance to the entrepreneurs in setting up new projects or in modernisation.
- . To achieve the above objectives, Technology Information Centre has developed a system for collection, compilation and analysis of data pertaining to technology, industrial research and development, engineering consultancy and technology transfer. Details of data collected under various industries are as follows:

. Foreign Collaborations:

- . Data on all the foreign collaboration from 1974 onwards have been compiled. The data included names of the Indian Company, the name of the foreign collaborators, products to be manufactured with collaboration and terms of payment and duration of agreement. This data have been further analysed on sectoral basis as well as on a country-wise basis to indicate the major sectors and the countries from which technology has been imported. The details of industry-wise analysis, country-wise foreign investment and country-wise foreign collaborations are also collected.

. Indigenous Technologies:

- . Up to date data on technologies developed by the National Labs, and available for commercial transfer through NRDC has been compiled in the TIC.

Technology Absorption Exercise:

- . To start with, technology absorption exercises have been carried out in the public sector and private sector units where there is multiple import of technology and cases where foreign collaborations were likely to expire shortly or the applicants have applied for extension of foreign collaborations.

India (cont'd)

Joint Ventures Set-up Abroad:

- . The data on joint ventures set-up abroad have been compiled up to date. Besides, TIC has already initiated action for compilation of Sectoral Directories on technologies which can be exported to other developing countries.

INDONESIA

- A. Establishment of a Ministry for Research and Technology at Cabinet level.
 - . Establishment of R and D Agencies.
Among the important ones may be mentioned the Agency for Industrial Research and Development within the Ministry of Industry (AIRO/Mol). The AIRO formulates the industrial development policies. It co-ordinates also sectoral and regional Industrial Resources Institutes (IRIs).
 - . Co-ordination of R and D programmes of the IRIs is done through AIRO which co-ordinates also R and D programmes concerned with technologies related to energy. R and D on energy is mostly done within research institutes within the Ministry of Mining and Energy.
 - . Training programmes to strengthen industrial technology capacity and capabilities.
- B. Establishment of the Co-ordinating Body for Investment (BKPM) which works together with the Agency for the Assessment and Application of Technology (BPPT), the AIRO and other relevant agencies.
- C. Establishment of nine IRIs set up on a sectoral base, and regional IRIs set up on the respective capitals of Indonesia's 27 provinces. The regional IRIs in particular devote their R and D primarily to those commodities in which there are regular or seasonal surpluses of their products and by-products.
- D. The National Scientific Documentation Center (PDIN) collects and disseminates technical information in co-ordination with R and D Agencies, IRIs and other research institutes. The AIRO and IRIs collect and disseminate needed industrial and technological information from and to producer associations, individual industries etc.
- E. R and D Agencies and their research institutes are also involved in other technological activities such as standardization, design, engineering etc.

IRAQ

- A. Steps have been taken to establish a National Technology Centre.
 - . The National Economic Plan includes science and technology as part of the above overall economic development plan.

- B. The appropriate authorities in Iraq have issued instructions and laid down principles to be used as a guide in negotiating the purchase of foreign technology.
 - . The Government offices usually review foreign technology purchase contracts before final official signature.

- C. The public sector is the leading sector in the Iraqi industry. According to high central authority instructions, Iraqi organizations were urged to increase their attention to the expansion of research and development units.
 - . A number of theoretical and applied research centers have been established, particularly in the fields of building materials and petrochemical industries.

- D. The national unit for scientific and technological documentations have been established in the country.
 - . The Ministry of Industry and Minerals in Iraq is now assuming measures to establish a documentation centre for industry to facilitate decisions to be taken in selecting industrial technology.

KENYA

- A. Since attaining the independence, the Government has taken several steps, as part of the successive Five-Year Development Plans, to establish and strengthen industrial technological capabilities and capacities. Besides facilities for higher technical education and training in industrial management, various trades and skills which have been gradually strengthened and expanded, the other important institutions established some time ago for conducting R and D activities include the Industrial Survey and Promotion Centre (recently converted into the Industrial Promotion Department of the Ministry of Industry) and the East African Industrial Research Organization (now converted into the Kenya Industrial Research and Development Institute). However, the most important measure taken for promotion of R and D activities was the constitution of the National Council for Science and Technology (NCST) in 1977 under the Office of the President of Kenya, through an Act of the Parliament called the Science and Technology Act (S and T Act). The NCST is vested with the overall responsibility for policy formulation and co-ordination of all schemes and projects for R and D. Under the S and T Act, an Industrial Sciences Advisory Research Committee

Kenya (cont'd)

(ISARC) has been set up to advise the Ministry of Industry on matters pertaining to Industrial R and D and the Kenya Industrial Research and Development Institute (KIROI) which is under the umbrella of the Ministry of Industry, has been vested with the responsibility to conduct R and D in industrial technology and allied fields. Under the auspices of the NCST, an inter-Ministerial Committee on Energy Resources has also been constituted by the Ministry of Power and Communications. Besides, a unit known as the Industrial Research and Consultancy Unit has been established within the Faculty of Engineering of the University of Nairobi, with the assistance of UNDP/UNIDO. The functions of the Unit include research, consultation and designing for both the formal and informal industrial sectors.

- Recently, the Ministry of Industry through the ISARC referred to above, had convened a National Symposium on Industrial Research and Development, with the assistance of UNIDO and the UNDP. The Symposium was held from 7-11 December 1981 and its main objectives were to promote national awareness of the importance of industrial research in the socio-economic development, to identify programmes for evolving research and development activities in priority sectors; to formulate appropriate recommendations for creating an effective national technologies infrastructure for self-sustaining and expanding industrial research and development. The Symposium was attended by research scientists and engineers from public and private sectors, industrialists, academics, planners, administrators and experts from within, as well as outside, the country including several international and other institutions.

B+C The technical staff of the Industrial Promotion Department of the
D+E Ministry of Industry is being strengthened and trained in order to ensure that appropriate foreign technologies are obtained on fair and suitable terms and conditions, the need for which has been stressed in the current Development Plan. However, in connection with these points and also the need for collection and dissemination of technological information, a number of recommendations have been made by the recent National Symposium (referred to in the preceding paragraph) which are now under consideration.

LESOTHO

- A. BEDCO has an appropriate technology unit that co-ordinates all appropriate technology activities and provides a link with commercial construction of new economically viable technologies by Basotho entrepreneurs.
- B. Not available.

Lesotho (cont'd)

- C. Rural Technology Unit has been formed to carry out applied research on the special problems of the mountain region.
 - . Practical research on biogas and small-scale hydropower schemes.
 - . The Ministry of Co-operatives and Rural Development has established, as part of the Ministry's Appropriate Technology Unit, Renewable Energy Technology for carrying out research on efficient ways of using energy in the rural areas.

- D. Not applicable.

- E. Not applicable.

MADAGASCAR

- A. Institutions for research, purchase and transfer of technology:
 - . Directorate of Scientific Research;
 - . National Centre of Technological Research;
 - . Société d'Etude et de Réalisation pour le Développement Industriel (SERDI);
 - . The Malagasy Institute of Innovation (IMI).

- B. Establishment of a Technology Division in the Directorate of Industry;
 - . Bilateral and multilateral co-operation.

- C. Strengthening existing research agencies and establishing new institutions (Malagasy Institute of Innovation (IMI)).
 - . Establishment of industry which uses basic industries (as, for example, the metalworking industry uses foundries).

- D. Technical education;
 - . National Centre of Technical Documentation (to be established).

MALAWI

- A. The Government in 1974 established the National Research Council of Malawi to be involved in the development of technology besides its traditional research activities. The Council is responsible to the Office of the President and Cabinet to which its Secretariat, as a unit, is attached.

Malawi (cont'd)

- B. The National Research Council, in turn, established the National Appropriate Technology Committee whose functions, among others, are:
- . To promote and co-ordinate R and D of appropriate technology in Malawi; and
 - . Assess foreign technology and adopt only that part which is in the best interest of Malawi and that technology which suits local conditions in Malawi.
- C. The National Appropriate Technology Committee has several committees, each dealing with a specific topic. Liaisons are established with the University of Malawi to undertake various R and D projects. Similarly, the Malawi Bureau of Standards offers services with particular emphasis on the tobacco industry for traces of pesticide residues.
- D. Although there is no institutional set-up to take care of technological information systematically, the need is recognised and in due course a core of an industrial information system will be established.
- E. As to the transfer of technology, Malawi does not have constraints as long as such transfers are commercially and economically viable and desirable.
- . Technologies to be transferred or adopted are assessed and accepted on their own merits. There is no restriction on the type and grade of technologies as long as they are desirable and adaptable to the local conditions prevailing in the country.

MALTA

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).

MAURITIUS

- A. So far, the development policy has been vectored toward labour-intensive industries in the garment and knitwear sectors in order to create the maximum number of employments. Those sectors are not technology-oriented.
- . Mauritius is now entering the industrial diversification phase and energy-saving industrial set-up is being contemplated by the use of locally available molasses for the production of ethanol. All guidance and suggestions on the transfer of technology will be appreciated.

- B. Not applicable.

- C. See question A.

- D. Through the Faculty of Technology of the University of Mauritius.

MEXICO

- A. Steps have been taken to acquire accurate knowledge of the way in which Mexican industry is developing and of the latest technological advances. This calls for an overall technical and scientific structure, and although this is being built up, it is still fragmentary and at times out of touch with national conditions and needs. Because of this, the Federal Government has established research centres for solving particular technological problems.
- . Expenditure on science and technology has increased substantially: in 1976 it represented only 0.1 per cent of gross domestic product, in 1978 0.6 per cent and in 1981 over 0.8 per cent; in 1982 it is expected to reach the 1 per cent provided for under the Global Development Plan.

- B. The policy adopted on transfer of technology has made it possible to improve the conditions of acquisition of technology from abroad. National enterprises have thus been able to strengthen their negotiating position in regard to supply agencies. This has entailed assistance to enterprises in choosing better production methods and adapting those of foreign origin to the Technology Transfer and Patent and Trade Mark Use and Exploitation Act.

Mexico (cont'd)

- C. The Mexican Government's policy of financial self-determination calls for a variety of measures, including setting in motion the Programme of Action on Science and Technology; exploring and isolating features which will help to co-ordinate the various instruments which might meet the needs of national science and technology policy, in particular as regards the development of industrial technology. In addition, technical support services for industry have been set up and various mechanisms are being studied for promoting the expansion of research and development for new technologies as part of a comprehensive support system for industry.

- D. The Department of Programme and Budget, through the National Accounts System, is responsible for collecting, processing and disseminating information on the industrial sector by means of five-yearly economic censuses and monthly surveys.
 - . The Department of Resources and Industrial Development, as well as a number of public institutions, provide technical support for industrial enterprises, particularly in the form of technical and administrative guidance in making use of Federal Government incentives and support.
 - . The National Science and Technology Board (CONACYT), and more particularly the Information and Documentation Fund for Industry (INFOTEC), are the bodies most directly called upon to meet the requirements of enterprises in respect of applied technology.

NIGER

- A. (No reply on this issue).

- B. Plan to set up an Industrial Property Department within the Directorate for Industry and Crafts (Ministry of Mining and Industry).

- C. (No reply on this issue).

- D. Plan to set up a national liaison unit (in collaboration with the African Organization for Intellectual Property).

NIGERIA

- A. Development of a comprehensive policy on science and technology.
 - . Promotion of scientific and technological research.
 - . Development of technical manpower.
 - . Direction, co-ordination and supervision of science and technology research.
 - . Dissemination and commercial exploitation of the results of scientific and technological research.
 - . Incentives for research and development.

- B. The proposed office of industrial property will examine contracts involving foreign technology. Assistance is also obtained from countries or institutions that have knowledge of such technologies.

- C. Suitable policies are being introduced to effect a domestic change in the orientation of the country's science and technology education and training programmes at all levels. Towards this end emphasis is placed on:
 - . The relevance of research to the real needs of the economy.
 - . Co-operative research effort which forges close links between those who generate scientific knowledge and those who use it.
 - . Apart from the universities there are over 20 research institutions concerned with specific matters particularly in the agricultural field.

- D. The Government promotes co-operation in science and technology with appropriate bodies in other countries and the U.N. system. The Office of Industrial Property is also expected to disseminate industrial and technological information. Similarly the Investment and Promotion Information Centre of the Federal Ministry of Industries supplies information to investors.

OMAN

- A. Not available.

- B. Not available.

- C. Not available.

Oman (cont'd)

- D. The establishment of a new department for information and international relations, within the framework of the Directorate General of Industry. This department is to set up and run an industrial data bank for collection and exchange of technological information with outside organizations.

PAKISTAN

- A. In the Fifth Plan, efforts are being made to (a) propagate the labour intensive technology appropriate to conditions of surplus manpower in the country; (b) make greater use of local raw materials; (c) develop indigenous designs with a view to encouraging manufacture of domestic capital goods and minimising foreign exchange expenditure on purchase of technology; (d) devise technology for small-scale operations suited to the conditions prevailing in the country; (e) modify and adopt imported technology to suit local conditions; and (f) increase productivity.
 - . The present economic policies are favourable for the promotion of an appropriate technology. The exchange reforms have removed the incentive for excessive use of imported machinery. The shift in emphasis towards small and medium-size industries will have a favourable impact on the use of domestic technology. However, the work relating to technology, particularly intermediate technology, need to be systematised and provision needs to be made for quicker dissemination of results. In technological development, the emphasis will be on undertaking specific projects rather than building up of new institutions. The maximum possible effort would be made to promote research and innovation of a practical nature. An example of the new approach is the setting up of an Appropriate Technology Development Organization, which constitutes a nucleus for organizing and co-ordinating research into specific projects with the assistance of existing institutions.
- B. It has been planned that there will be a deep national commitment to the principle of self-reliance in technology. Pakistani technical manpower must be afforded full opportunity to help create a self-reliant S and T system in the country which could reduce dependence on foreign sources and ensure maximum utilization of indigenous manpower and material resources in the national development process; measures will be taken to stimulate demand for domestic technologies.
 - . The level and intensity of national R and D effort will be greatly enhanced so as to strengthen the local S and T sector and make the country a producer of technology, not merely a passive recipient.

Pakistan (cont'd)

- . In cases where required technology is so complex that its importation becomes unavoidable, specific clauses shall be provided in the relevant contract agreements with foreign suppliers for ensuring unpackaging and real transfer of the technology offered to the local S and T sector.
 - . A National Centre for Technology Transfer (NCTT) is also planned to be set up to screen, authorize, regulate and monitor all technology transfer transactions as well as disseminate results of research to end users and other concerned agencies. Prior clearance of NCTT will be made obligatory for import of machinery and equipment for new projects, technical know-how agreements and foreign consultancy services in various fields of engineering and technology.
 - . A National Code of Conduct for transfer of technology will be formulated for the regulation of transfer of technology process, including proper screening procedures to control unfair business practices and prevent the import of obsolete technology.
- C. In the Fifth Plan, the pace of applied industrial research will be accelerated with emphasis on programmed and user oriented research. The primary aim of this research would be to develop a process for enabling the use of local raw materials and minerals in industry to the greatest extent possible. The creation of the Ministry of Science and Technology is a reflection of the Government's desire to promote well planned and co-ordinated research in industry and other sectors of the economy.
- . The Pakistan Council of Scientific and Industrial Research would be strengthened and expanded to undertake increased research and development work in the industrial and mineral sectors. R and D will be conducted on practical industrial research problems such as agro-chemicals, pharmaceuticals based on natural products, utilization of agricultural and industrial wastes, reduction in post harvest losses of crops, sugar and oil technologies, basic and industrial chemicals, minerals and metallurgy, leather and fibre technology, village level industries, coal utilization and solar energy, scientific instruments and applied physics, chemical process equipment development, improvement in electrical and industrial machinery equipment, materials such as polymers, glass, ceramics, etc. In addition, development work relating to improvement in quality of electrical motors, generating sets, tractor-drawn implements and agricultural machinery based on sound technology will be encouraged. In electronics, research and development will be undertaken at the National Institute for Electronics with a view to creating indigenous manufacturing capacity.

Pakistan (cont'd)

- . In order to improve the industrial design engineering capabilities in the country, a National Design and Industrial Services Corporation has been established. During the Fifth Plan, NDISC would expand its expertise to supply designs of all types of engineering products. The Appropriate Technology Development Organization will also be further strengthened to promote site-specific technologies for making maximum use of local materials and know-how.
- . Research is basic for the qualitative improvement of education. The plan provides for research in various aspects of education especially high priority problems in each subsector the solution of which will have a significant impact on the socio-economic development of the country.
- D. A scheme has also been devised to collect and disseminate needed industrial and technological information to the masses. The main points of this scheme are:
 - . The Appropriate Technology Development Organization (ATDO) is being strengthened through: (a) creation of separate wings for assessment, adaptation and dissemination of selected technologies, and (b) establishment of additional work, stimulating demand for domestic technologies, and ensuring regular feedback of field performance.
 - . Local Councils and other rural development agencies as well as provincial small industries corporations will be actively associated as facilitators with ATDO.
 - . District Design Centres will be set up to provide small industrial units with access to modern technical knowledge for improving their performance.
 - . Programmes on various topics in science and technology, including latest advances, should be telecast/broadcast regularly.
 - . Documentary films on S and T topics will be prepared in Urdu as well as regional languages; regular exhibitions of such films and foreign films (dubbed in local languages) on similar topics may be organised in educational institutions and rural as well as urban centres.
 - . Newspapers may be encouraged to introduce a weekly column on science and technology and a quarterly supplement on selected scientific topics.
 - . For rural areas, special radio/T.V. programmes in the national and regional languages may be telecast/broadcast on scientific subjects relevant to the practical needs of rural life.
 - . Scientific societies may be provided necessary financial support for publishing popular science and technology magazines/literature for adults as well as children.

Pakistan (cont'd)

- . . Science and technology magazines will be supplied to all schools, colleges and public libraries.
- . . Learned bodies such as the Pakistan Academy of Sciences may be supported to publish literature on contributions on science and technology by eminent Muslim scholars. The Academy may co-operate with the Islamic Research Institute and other organizations for this purpose.
- . . S and T Centres should be established in each district town to mount programmes for popularising science and technology, to arrange popular lectures on scientific topics for the common man and to reach rural areas through mobile units for showing S and T films.
- . . Science and technology clubs should be established in all educational institutions and S and T fairs arranged regularly at the national, regional and district levels.
- . . Arrangements should be made to establish the National Museum of Science and Technology in Islamabad, smaller museums in big cities, and Planetariums in the provincial capitals. These should be supplemented by display centres in district towns throughout the country.

PANAMA

- A. Establishment of the University for Research and Postgraduate Studies (University of Panama);
 - . . Institute for Research on Agriculture and Cattle Raising of Panama (IDIAP);
 - . . Energy Commission (IRHE);
 - . . Laboratory to improve the quality of sugar (La Victoria Sugar Corporation);
 - . . Specialized Analytical Laboratory (University of Panama);
 - . . Applied scientific research.
 - . . Department of Pharmacology for Public Safety;
 - . . Ministry for the Development of Agriculture and Cattle Raising
 - . . RENARE (Natural Renewable Resources)
- Studies on:
 - . . Energy products;
 - . . Biogas;
 - . . Timber, and all matters concerned with ecology and woodlands.

Panama (cont'd):

B. National Seed Company (ENASEM)

- . Research into various types of seeds, hybrids, etc.
- . Efforts to improve sowing; advisory service, etc.
- . Department of Hydrometeorology of the Institute for Hydraulic Resources and Electrification.

At the present time there is no control nor detailed record of the type of foreign technology used in the country, since each industrialist imports the technology which he considers most suitable for his company.

C. The Technological Information and Development Service is now operating under the Department of Planning; this is intended for the research and development of suitable technologies, but this Department is in its infancy and does not yet have such a broad application.

- . Each institution conducts its own research according to its individual requirements.

D. (No reply on this issue).

PERU

A. The year 1981 saw the establishment of the National Council for Science and Technology as a decentralized public agency responsible to the President of the Council of Ministers and designed to replace the National Research Council (CNI). Its purpose is to promote, co-ordinate and guide scientific and technological research in Peru and overcome the paralysis shown by the previous advisory body (CNI), established in 1968, in the area of science and technology policy.

- . Since 1970, technological research in the industrial sector has been promoted through INTINTEC in accordance with the development policy of the Ministry of Industry, Tourism and Integration (MITI). In addition, research programmes are being conducted at the sectoral level in other areas, such as mining, fisheries, agro-industry, energy, etc.

Peru (cont'd)

- B. Since 1976, the National Commission on Foreign Investment and Technology (CONITE) has been responsible for developing a national policy regarding the treatment of foreign investment and technology in a way consistent with the nation's development planning and the objectives of Decision 24 of the Cartagena Agreement (Common Conditions for the Treatment of Foreign Capital). In addition, as a specialized agency in the area of economics, finance, and trade, CONITE, in co-ordination with the country's technological research organizations, ensures that such foreign technologies are imported in line with the national interest.

- C. One of the basic purposes behind the establishment, in 1981, of the National Council on Science and Technology was to co-ordinate research and technological development by sponsoring comprehensive programmes to meet the country's major problems.

- D. In September 1976 the inauguration took place of ITINTEC's Technical Information Centre, whose function is to assist enterprises and institutions by locating and acquiring technical information from national and international sources.
 - . The main services provided by the Centre may be described as follows:
 - . Industrial liaison and contact services;
 - . Retrospective searches;
 - . Services for users of the technology library;
 - . Services for data bank users;
 - . Special alert and selective-dissemination services.

REPUBLIC OF KOREA

- A. Share of R and D investment in GNP will be increased from 0.81% in 1979 to 2.0% in 1986.
 - . Research manpower will be increased from 4 persons in 1979 (per 10,000 persons) to 11 persons in 1986.
 - . Various measures have been taken to increase the financial support to the private firms and alleviate the taxation burden for the firms which are trying to develop technology-intensive products.

- B. For the last several years, technology inducement has increased steadily. Royalty payments for imported technologies, which had exceeded 30 million dollars in 1976, rose to 107 million dollars in 1980 and will be up to 500 million dollars in 1986 (ref. table). The total royalty payments had reached 458 million dollars by the end of 1980.

Republic of Korea (cont'd)

- The Government has recognized technology licensing as an important element in accelerating the introduction of the necessary foreign technologies in the Foreign Capital Inducement Law, and has accorded it the same financial privileges and incentives as are provided for capital inducement. The law guarantees the remittance abroad of fees for imported technology and such payments are exempted from income and corporation taxes for the first five years after the introduction of the technology.
- In addition, the Government simplified the administrative procedure related to technology import to promote foreign technology inducement.
- In July 1980, the Government expanded the automatic approval system which applies to licensing contracts of less than 10 years duration or with up to 10% in running royalties regardless of the amount of the initial or lump sum payments.
- The automatic approval system allows technology licensing under certain conditions to be approved by the competent ministries without being considered by the Foreign Capital Inducement Deliberation Committee unless the licensing contract includes unfair licensing conditions. At this moment, the Government is looking into the possibility of allowing technology licensing under certain condition without Government approval to simplify such procedures further. In a renewed effort to encourage foreign technology import, the Government established the Korea Technology Development Corporation (KTDC) in May 1981 to provide financial support.
- The Government operates the Technology Transfer Centre (TTC) and the Korea Science and Technology Information Center (KORSTIC) to obtain technologies on fair and suitable terms and conditions, because many Korean industries are still incapable of selecting the most appropriate technologies and are not well acquainted with what technology should be induced from where and on what terms, as they have little access to foreign technical information.

Royalty Payment Trends

(Unit: US\$ million)

Year	'76	'77	'78	'79	'80	'81	'82	'83	'84	'85	'86
Payment											
Royalty	30	58	85	93	107	125	177	213	293	396	530

Republic of Korea (cont'd)

- C. In order to promote the development of promising industries with comparative advantage, the Government is providing such support as tax reduction and financial incentives to the private enterprises which are engaged in the research and development of technologies required for these industries.

- D. To increase the rural network of the data bank established in the Korea Science and Technology Information Center (KORSTIC).

- . To increase the data base of KORSTIC through collecting information. Measures have been taken to increase the data base of the Korea Science and Technology Information Center in the areas of collecting and disseminating the technology information.

ROMANIA

- A. The promotion of scientific research, technological development and the application of technical progress in all fields are a basic objective of Romanian economic policy, forming a separate section of the single national social and economic development plan. This section of the plan includes the objectives and tasks falling on the central bodies, who are specialists in these problems, the departments in each branch, the research and study institutes as well as the training centres run in the large industrial enterprises.
 - . In the medium and long term, the "Guiding programme for scientific research, technological development and application of technical progress for the period 1981-1985, and the main directions to be followed between now and the year 2000" has been worked out and approved. This programme is intended to back up the implementation of the development plan forecasts, to provide technical and technological solutions for modernizing the structures of the national economy, to increase the quality of products, and to improve the competitiveness of the Romanian economy in international trade.

- B. The practice of Romania in its relations with other States is based on a multitude of forms and techniques intended to promote, under mutually advantageous conditions, the transfer of techniques and industrial technology.
 - . In this context, relations with the member states of COMECON, which occupy an important place, as well as with other socialist countries, are characterized by the signing of co-operation arrangements and agreements based on bi- and multi-lateral plans. Special long-term programmes for technical and technological collaboration have also been concluded with these countries. In addition, Romania as a socialist developing country and as a member of the 77 Group, is constantly building up its economic and technical collaboration with the other developing countries. Thus over 50% of Romania's trade with the

Romania (cont'd)

developing countries is carried out on the basis of co-operation, in a wide variety of forms, resulting in the transfer of technology, technological co-operation, technical assistance and the training of personnel.

- . Romania has participated actively in the preparation of the Caracas Programme of Action (May 1981) which provides, among other things, for measures relating to the intensification of technological co-operation between the developing countries and facilities for the transfer of technology between these countries.
 - . The relations established and the documents agreed with the developed capitalist States ensure the transfer of technology by means of the purchase of licences, know-how, the formation of mixed production companies, and the concluding of programmes for scientific and cultural collaboration.
- C. The programmes for scientific research, technological development and the application of technical progress are aimed primarily at finding solutions to the concrete, present and future problem with which the development of the economy is faced.
- . In the industrial sector mention should be made of trends towards research on identifying and developing new sources of raw materials and fuels, on developing and perfecting new technologies to enable products to be obtained of a high technical level and which have low material and energy consumption levels, and on starting up production of the new materials and products needed for the advanced technology industries: electronics, aeronautics, fine synthesis chemistry and nuclear-electric power stations.
 - . During the last five years over 10,000 new types of machines, equipment, appliances and installations have been assimilated and some 5,000 new ranges of consumer materials and articles, with over 45% of industrial production in 1980 being devoted to new and modern products, the manufacture of which had started during the last five years.
- D. On the scientific, technical and technological side in general, including industry, work has, from an institutional point of view, followed the principles of organization governing our system for directing and planning economic development. On a macro-economic level the principal specialist body - the National Council for Science and Technology - works out, in collaboration with the ministries and other central bodies, draft plans for scientific research, technological development and the application of technical progress, as well as for standardization. This body also has powers related to the guidance and control of the work of the scientific research and technological project engineering units in the different branches, including industry.
- . As regards the dissemination of information, there is in Romania the National Institute for Information and Documentation, a body coming under the authority of the National Council for Science and Technology.

RWANDA

- . A. A National Committee for Technological Studies has been established in the Ministry of Higher Education and Scientific Research.
- B. A National Centre for the Transfer and Development of Technology is to be established during the Third Plan.
- C. A Research Centre for New Energy Sources is already in operation at Butare.
 - . A Research Centre on Appropriate Technology is in operation at Ruhengeri.
- D. A Documentation Centre is in process of being established.
- E. A Special Fund for Project Study has been established in the Ministry of Planning.

SENEGAL

- A. National Technological Plans:
 - . Establishment of technical secondary schools in the regions;
 - . Establishment of centres for further training;
 - . Thiès Polytechnical School and the University Technological Institute in Dakar.
- . Energy-related Technologies:
 - . Establishment of the Société Industrielle des Applications de l'Energie Solaire (Industrial company for applications of solar energy) to formulate a solar energy policy.
- B. Establishment of the Meteorological Physics Institute at the University of Dakar.
 - . Development of solar technologies in schools of higher education.
 - . Sending trainees to developed countries to acquire advanced new technologies.
- C. In the industrial field: existence of the Food Technology Institute at Dakar which develops manufactured products based on meat, cereals, fruit and vegetables.
 - . In the energy field: development of BAN-AR SUUK cookers (earth cookers) to save energy.

Senegal (cont'd)

- D. Establishment of the National Scientific and Technological Documentation Centre; one of whose functions is to collect and disseminate information on, and to promote, industrial technologies.
- . Development of a Senegalese structure responsible for making industrialists and scientists more aware of the information available in patents.

SINGAPORE

- A. The Science Council was established to conduct studies directed at the strengthening of technological disciplines, the improvement of programmes on scientific and technological manpower training and utilization, and the application of science and technology for development.
- B. No specific measures as this is left mainly to market forces.
- C. Trained manpower in research and development is the critical factor. The National University will undertake more engineering research programmes in selected fields. The Government will also increase funding for research to public institutions. A science and Technology Park will be established near the National University to stimulate university-industry interaction.
- D. The Science Council works towards the dissemination of new technological developments through seminars, lectures and publications. It will promote the participation of experts from the Government, industry and overseas scientific and technological institutions, in a series of specialised workshops and lectures to highlight recent developments in specific areas of science and technology. Skill competitions are planned for industries to promote the development of higher skills and new techniques of production.

SRI LANKA

- A. The Ministry of Industries and Scientific Affairs is of the view that Sri Lanka has to obtain technology in the fields where there is a deficiency in this country. In obtaining technology the criteria adopted have been as follows:
 - . The need to select the best technology to suit the country, factor endowments and development objectives.

Sri Lanka (cont'd)

- . The need to buy technology on best economical terms.
 - . The need to develop the indigenous technology, capability to find appropriate technologies which meet the local needs.
- B. All applications for foreign technology are evaluated by the Ministry of Industries and Scientific Affairs, and consideration for use of such technology is given on the basis of internationally accepted norms.
- C. There are a number of institutions engaged in the development of indigenous technology. They are the National Engineering Research and Development Centre, Institute of Scientific and Industrial Research (C.I.S.I.R.), Industrial Development Board (IDB), Bureau of Ceylon Standards, Tea Research Institute, Rubber Research Institute and Coconut Research Institute.
- D. The Policy Division of the Ministry of Industries and Scientific Affairs is the focal point for dissemination of Industrial Technology.

SUDAN

- A. The Industrial Research and Consultancy Centre is catering for the establishment of National Technology Policies, and strengthen industrial technological capabilities for the existing and new industrial projects.
- . The National Council for Research is undertaking a national study related to the development of technology and energy in Sudan till the year 2000. (Results are not yet published).
- B. (No reply on this issue).
- C. The National Council for Research has recently convened a national conference for this purpose. Findings are still under consideration.
- D. The Industrial Research and Consultancy Institute has a department that has broad contacts with specialized agencies; United Nations Organizations and international technical institutes to collect and disseminate industrial and technological information. They have a reasonable good library and laboratories for such matters.

THAILAND

- A. Science and technology plays an important role in the production process. The Royal Government of Thailand has realized the necessity to accelerate the development and the application of science and technology to be used so as to improve production effectiveness and natural resources can effectively be utilized to increase the agricultural, industrial and energy productions.
- . It is the Royal Thai Government's firm objective to develop suitable science and technology to be applied and utilized for the purpose of agricultural productivity and increase particularly plantation techniques, natural resource usage, soil and water development, agricultural production storage and other resource technique applications. In the meantime, industrial and mineral ores dressing technology as well as technology in the consumption and saving of energy in the country will be developed.
 - . To pursue objectives set forth in the Fifth National Five Year Plan, the Government has set both policies and measures as the following:
 - . Policies:
 - . Existing technology will be introduced to all sectors. Improvement and application of foreign technology will be made suitable to the situation of the country. At the same time research for technology development in Thailand for self-reliance will be introduced to improve the effectiveness of the production and resource consumption of the country.
 - . Strengthening the foundation and the capability in national science and technology by emphasizing the development of human resources together with the development or research and transfer of technology institutions. Besides, data processing and science and technology information centres will expand their activities to cope with the country's requirements.
 - . Better enhancement will be given to the private and public enterprises by introducing modern science and technology to increase their production capacity, by means of making those sectors realize the importance of their availability which will be of great use in both career and living situations.
 - . The co-operation in science and technology with foreign countries in order to exchange relevant information will be highly regarded by the Government. Countries who are in need of science and technology capabilities will receive support from Thailand.

Thailand (cont'd)

. Measures:

- . Basic data and information that are necessary for technology development will receive the highest encouragement.
 - . Efficiency in the transfer of technology from foreign countries will be highly encouraged.
 - . Efficiency in research and development of national science and technology will be given full support.
 - . Human resources to be utilized in the field of science and technology will be developed.

 - . Industrial production quality will be strictly controlled and improved so as to reach the internationally accepted standard. This action will be made in line with the improvement and the expansion of product standardization activity as well as the comparison in relevant standard system and a quality test will also be supported.
 - . Engineering consultant services in the country will be developed.
 - . System of science and technology information will be improved.
 - . Transfer and dissemination of technology in the country will receive firm encouragement.
 - . Science policy planning activities will be improved.
 - . Co-operation in science and technology with foreign countries will be greatly encouraged.
 - . Advise public to be more interested in science and technology.
- B. In the industrial sector most of the technologies have been imported from foreign countries. Technologies received are not highly regarded because it is a commercial secret that the exporting countries must prevent their national interests by not letting the importing countries be able to compete with them. Besides, technologies imported have not passed due consideration, therefore, the price is rather expensive and there are too many conditions and obligations. Therefore a country like Thailand is always the underdog in economy. Conditions and obligations that are strictly required by the technology exporters are:
- . Re-exportation of technology is strictly prohibited or limit the market to export;
 - . Past industrialization progress in most sectors has been concentrated in import substitution which received high protection from the Government agencies concerned. These kept manufactures from realizing the importance of science and technology application which would result in reducing the cost of investment as well as

Thailand (cont'd)

the increase in the production capacity. By these attitudes, manufacturers paid no attention in pursuing suitable improvement and modification of technology according to the country's requirements, such as the establishment of labour-intensive industries instead of capital intensive ones, utilizing local raw material and semi-finished products which would reduce production costs, and the products could well be competitive with foreign products.

In ensuring that appropriate foreign technology be obtained on fair and suitable terms and conditions, the following actions will be carried out:

- . Importation of technology from foreign countries must carefully be considered. Modification will be made to the technology imported from foreign countries to adjust it to suit national requirements and situations. In the meantime research and development of technology in the country will be given firm support so as to develop efficiency in production and local raw materials utilization.
- . Self-reliance in science and technology will gradually be encouraged to enable relevant institutions to train and provide know-how to the people.
- . The importation of foreign technology will be given careful consideration, under contracts that will be thoroughly studied for fair and suitable terms and conditions.

C. See B. above.

D. More information can be secured from the above-mentioned issues. The collection and dissemination of needed industrial and technological information will also be done through the exchange of industrial information at national, regional, inter-regional and global levels. Strengthening of the capability of such academies and institutions of both private and public sectors will receive high priority from the Government so as to achieve the above-indicated goals.

TOGO

- A. Establishment of the Ministry of Industry and State-owned companies.
- B. See A.

Togo (cont'd)

- C. See A.
- D. Togo joined the African Intellectual Property Organization and established a national branch of that organization.

TUNISIA

- A. Specific measures are planned for the consolidation and expansion of industrial firms:
 - . improvements in the degree of integration (manufacture of semi-finished products ;
 - . subcontracting to Tunisian companies;
 - . diversification of export industries and the development of subcontracting from abroad;
 - . improvement of competitive position;
 - . improvement of productivity;
 - . establishment of industrial standards.
- B. Supervision of industrial projects at administrative level (technical management) and by the Central Bank of Tunisia.
- C. The already extensive training effort will be pursued vigorously and will continue to apply to the technical and scientific disciplines, at secondary education, university and vocational training levels.
 - . These efforts will be intensified during the coming years and will be consolidated by measures aimed at promoting scientific and technological research.
 - . The recent creation of the Ministry of Higher Education and Scientific Research reflects the Government's desire to strengthen and expand training and scientific and technological research activities.
- D. The establishment of major institutions, such as the Investment Promotion Agency, the National Statistics Institute and the National Centre for Industrial Studies.

TURKEY

- A. In order to develop technology, the establishment of production-oriented research and development units, which are having organic ties with the industry, are encouraged by national plans and programmes. Scientific and technological research, studies and projects are supported by the public funds. Measures were taken to facilitate the co-operation between the public institution, scientific and educational institutions, scientific and technical private establishments.

- B. In the first place it is the duty of the domestic firm (public or private) to decide on the matter. At the same time, the Turkish Government established a Foreign Investment Department within the State Planning Organization. This department is responsible for evaluating each project from the point of view of national economic needs. Turkey is flexible on this matter. Each foreign investment and technology is evaluated on its own merits. The Foreign Investment Department has the right to issue permits for an investment of less than 50 million dollars. Investments over this limit are subject to approval by the Council of Ministers. Transfer of profits, fees and royalties, and repatriation of capital in the event of liquidation or sale is guaranteed.

- C. It is partly covered in the above section VI-A. Besides that, at the international level, co-operation with the countries having conditions similar to ours is favoured. A line of balancing the technological realities and employment requirements of the country is adopted as a national policy. This is a responsibility which has been given to national institutions and bodies concerned.

- D. In the fourth Five-Year Development Plan and in the Annual Programmes, an institution which collects and disseminates technological and industrial information in an efficient way, is put in focus. Measures were taken to modernize existing institutions to fulfil the job in a better way.

UNITED REPUBLIC OF CAMEROON

- A. Existence of a National Committee for the Development of Technologies.
 - . Cameroon is a member of the Standing Commission for Scientific and Technical Research of the Customs and Economic Union of Central Africa.

United Republic of Cameroon (cont'd)

- B. Retraining of Cameroonian senior personnel in foreign technical institutes.
 - . Establishment of foreign firms and policy of Cameroonization of senior posts.
- C. Existence of a General Delegation for Scientific and Technical Research responsible inter alia for the development and transfer of suitable and efficient technologies.
- D. Existence of an Industrial Statistics Service in the Directorate of Statistics.

UPPER VOLTA

- A. Measures are at present being prepared by the Ministerial Department for Industry following its recent reorganization.
- B. Measures are at present being prepared by the Ministerial Department for Industry following its recent reorganization.
- C. Measures are at present being prepared by the Ministerial Department for Industry following its recent reorganization.
- D. It is planned to set up an Industrial Information Office in the General Directorate for Industry and Handicrafts.

URUGUAY

- A. Equipping of the National Scientific and Technological Research Council (CONICYT) with the appropriate internal organization and material resources to enable it to fulfil its mission, subject to prior evaluation and interministerial co-ordination in the matter.
 - . Support for technological solutions designed to save energy and use it more efficiently in industry, transport and building.
 - . Promotion of the development of the forest energy resources needed to improve the existing deficit and to cope with future demand.
 - . Continuation of the search for hydrocarbons, oil shale and radioactive materials; continuation of research into solar and wind energy and the rationalization of the use of liquid fuels.

Uruguay (cont'd)

- B. Support for a system of private and public evaluation of the technologies to be transferred from abroad and, if required, collaboration with the private sector in the negotiation thereof.
 - . Development of training and research activities in the evaluation, selection and adaptation of technologies and in the qualitative improvement of industrial products.
- C. Active participation of the University in advising on scientific and technological research of national interest.
- D. The establishment of an up-to-date information system through suitable national co-ordination and optimum use of specialized national sources.
 - . For this purpose the bases for the establishment of the National Scientific and Technological Information System, which will make it possible to co-ordinate the information generated in these areas, both within the country and abroad, are being studied.

VENEZUELA

- A. The ties existing between industrial enterprises, technological research and development centres and domestic technical assistance and consultancy agencies will be expanded and strengthened.
 - . Use will be made of such devices as the "Buy Venezuelan" Decree for the purpose of achieving greater participation by domestic firms in the design and implementation of public projects.
 - . Decision No 85 of the Cartagena Agreement will be made a part of national legislation for the purpose of promoting and protecting national assets in the area of technological invention and innovation.
 - . New sectoral centres for technology research will be established in industrial areas.
 - . Credits will be granted on preferential terms for the development of products and processes incorporating domestic technology.
 - . One of the measures taken by the National Council for Scientific and Technical Research (CONICIT) for the establishment of policies and plans for the development of national technologies was the establishment in 1978 of the Technology Transfer Unit. The Unit's basic purpose is to devise practical measures oriented towards the demand for technology, by identifying technology requirements originating from the production sector, and towards the supply of technology, by channelling the results of research and development (R and D) originating from the sector generating scientific and technological knowledge.

Venezuela (cont'd)

During the period since the establishment of the Unit, financing has been provided for some 32 R and D projects, representing an investment in the neighbourhood of 14 million bolívares. It is estimated that approximately 10 per cent of the results of these projects have been commercially exploited and nationally marketed. With regard to the development of energy-related technologies, in addition to the activities of the Council, an inventory of appropriate technologies in the area of non-conventional sources of energy has been prepared under the Andrés Bello Agreement. The Ministry of Energy and Mining, through its Division of Coal and Other Energy Sources, also participates in the preparation of studies in this area.

- B. "Turn-key" contracts have been banned in the public sector and will be discouraged in the private sector.
- The Government will establish an interdisciplinary team to provide permanent counselling to industrial enterprises on technology "depackaging" and the terms of purchase and contract agreements.
 - There will be rigorous enforcement of the existing regulations covering technology contracts so as to avoid restrictive clauses and ensure that there is a greater real transfer.
 - A policy of co-operation for technological development will be actively pursued among the countries of the Andean region.
 - Machinery will be introduced to discourage licensing agreements involving the payment of fixed sums for the acquisition of technology and to encourage the conclusion of technical-assistance contracts at demonstration cost.
 - The formulation of Decision 24 of the Andean Pact, which regulates the acquisition of foreign technology. (For more details, see SIEX)^{1/}
- C. A Fund for the Financing of Technological Innovation will be established to provide loans and risk capital for technology and development projects.
- The State will promote and partially finance the investment of Venezuelan industry in technological research and development.
 - An insurance system will be set up to guarantee a return on new domestic products and processes, especially capital goods.

^{1/} Translator's note. SIEX (Superintendencia de Inversiones Extranjeras /Superintendent of Foreign Investments/).

Venezuela (cont'd)

As indicated under point A above, these measures have been channelled through various programmes, namely:

- Assistance to technological projects, for the purpose of promoting and encouraging the industrial use of domestically developed technologies through the financing of R and D projects which have market potential or address a social need. The aim of this programme is to tackle the problems arising out of some of the constraints that are making it difficult for the fruits of domestic research and development, first, to be worked into saleable technologies and, later, to find industrial applications. This is to be accomplished through the development of appropriate financing machinery.
- Technological requirements, for the purpose of promoting technological development in the country through the creation and adaptation of technologies to meet the requirements of national entrepreneurs and as instruments to stimulate the use of local technological capabilities.

The management aspects of these two programmes have been discussed under point A above.
- Negotiation and marketing of technologies, for the purpose of participating in negotiations for the acquisition of advanced technology through the formulation of negotiation strategies to make possible the recovery of the invested capital. In addition, as a part of this process, assistance is provided in matters of industrial property, patents and the registration of trade marks (see annex I).

Annex I

Patents and Titles of Other Technology Transfer Unit Projects

A (Applied for) G (Granted)

Name of project	TTU code	Title class	Country	Year	Status
1. Conitax electronic taximeter	54.01.01	Trade mark	Venezuela	1982	G
2. Auto-valve	54.01.12	Invention patent	Venezuela	1980	G
		Trade marks (2)	United States	1982	A
3. Safety brake	54.01.17	Invention patent	Venezuela	1980	G
4. IDEC clasp	54.10.25	Invention patent	Venezuela	1980	A
5. Fermentation unit, Caracas	54.01.54	Patent for the introduction of an invention	United States	1982	A
6. Torsion bar regulator	54.01.14	Invention patent	United States	1982	G
7. Improved water tanks	54.01.48	Invention patent	Venezuela	1981	G
8. Self-adjusting inclined retention device	54.01.42	Trade mark Invention patent	Venezuela	1977	G
9. Grain harvester	54.01.26	Invention patent	United States and Belgium	1979	A
10. EME system	54.01.34	Invention patent	France Venezuela	1980 1980	G G

22 November 1982.

Venezuela (cont'd)

- D. In order to provide the information necessary to match domestic supply to potential technological demand, especially in the public sector, a register of the country's industrial and technological potential will be set up. Once this register has been firmly established, the information needed to set goals for the incorporation of national technology will be available.
- . Implementation of a programme to disseminate information on marketable technologies as part of the campaign to promote local technological capacity. Through this programme, the Unit seeks to strengthen the technology supply-and-demand flow by publicizing Venezuelan technological developments brought about with or without Government support.
 - . To this end, reports on available marketable technologies, along with the terms and conditions for their negotiation, are published from time to time.
- E. As part of the same set of activities, work is going forward on a group of diagnostic and methodological studies of the innovation process. Particular mention may be made, in this connection, of the study on the role of the small- and medium-scale capital goods industry in the process of technological innovation for the agricultural sector. This study employs the methodological approach of the "Multiple Innovation Programmes", analysing the specific case of the comprehensive problem of yucca from the point of view both of its cultivation and of its industrial use.
- . The intention is to use the same approach in a series of studies on the electronics industry in order to provide a complete and detailed picture of how the complex process of technological innovation actually operates, with a view to formulating a technological development strategy for this sector.
 - . In addition, progress is being made in a diagnostic study on appropriate technologies in the area of non-conventional energy sources and food (agricultural production and food technology). Thus a study is being prepared under the Andrés Bello Agreement for the purpose of preparing an inventory in the Andean sub-region and subsequently proposing a number of R and D projects of common interest, along with machinery for disseminating and transferring the results of this research.

YUGOSLAVIA

- A. Measures have been taken to define a long-term strategy of technological development and a separate social compact shall be adopted on it. The global objective for Yugoslavia is to take part more successfully in the international technological transfer, with the simultaneous faster development of its indigenous technological innovations and technologies. The orientation towards developing the domestic technological base shall also cover the field of energy in which Yugoslavia at present has numerous problems stemming primarily from its high oil imports.
- B. A Law on Patents has been passed, while the Law on Investments of Foreign Persons in Domestic Organizations of Associated Labour has been partially amended. The point of this legislation is to obtain certain foreign technologies under fairer conditions. The patent and licence policies shall be an integral part of the technology development strategy.
- C. (No reply on this issue).
- D. Following the proposal of the Yugoslav Chamber of the Economy a catalogue was printed in 1980 of the available technologies for transfer to potential users in the developing countries. This catalogue includes about 200 Yugoslav technologies. The Chamber of Economy has also issued a publication "Survey of Consulting and Designing Services Available by Yugoslav Organizations".

ZAIRE

- A. The Government is at present starting a Technical Assistance Project under the Interim Fund for the transfer of science and technology in order to strengthen its technological capabilities.
- B. (No reply on this issue).
- C. The Scientific Research Institute, set up by the Government with technical assistance from UNIDO, intends to study the various technologies used in neighbouring countries and elsewhere in order to adapt them to Zaire's requirements.
- D. See under C.

ZIMBABWE

- A. The Government is in the process of establishing a new science and technology foundation entrusted with the function of formulation of policies for the development and financing of technology. Special studies for coal and liquid fuels in the field of energy development are also contemplated.

- B. The Ministry of Foreign Trade looks into the application for import of foreign technologies and permission is given after scrutiny by that Ministry and the Reserve Bank. The Ministry of Industry and Energy Development is also consulted by the Ministry of Foreign Trade in this matter. The new science and technology foundation is also expected to consider the question of appropriateness of technologies.

- C. The setting up of a Technological Research Centre is being considered by the Government. There are already research institutes functioning in the field of mining, agriculture and forestry. UN Financing System for Science and Technology will also organise a seminar for development of appropriate technology in September-October this year.

- D. Some information is being collected and consolidated in the various departments of the Government under the overall coordination for dissemination at the Ministry of Finance, Economic Planning and Development. Seminars which are being arranged should also go a long way in dissemination of information. UNIDO is also contemplating to assist in this direction.

VII. INDUSTRIAL FINANCING

Governments were invited to supply information on the following topics:

- A. Ratio of domestic savings to GDP.
- B. Strategies and programmes for mobilization of domestic financial resources.
- C. Measures taken to strengthen national industrial development financial institutions.
- D. 1. Industrial investment.
2. Share of foreign investment in total investment in manufacturing.
- E. Other relevant topics.*

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE :

ARGENTINA

A. Table VII-1
Gross domestic savings

	Thousands of 1980 dollars	GDP	Ratio (%)
1975	7,793.7	48,871.9	15.9
1978	11,954.2	49,684.8	24.1
1979	11,158.9	53,068.2	21.0
1980	9,919.0	53,637.3	18.5

Source: Inter-American Development Bank, "Progreso Económico y Social en América Latina" /Economic and Social Progress in Latin America/, Report for 1980-1981, pp. 440 and 442.

B. (No data available).

C. (No data available).

* / Most countries did not reply on this issue.

Argentina (cont'd)

D.1. No detailed estimates are made of investment in the manufacturing sector. Calculations are made of construction and durable production equipment. Over the last decade, these accounted for between 33.4 and 41.9 per cent of gross domestic fixed investment. Under this heading, the most important component is "machinery and equipment", which evolved as indicated in the table below:

D.2.

Table VII-2

Investment in millions of 1970 pesos:

	<u>1975</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total investment in "machinery and equipment" in all sectors	5,151	5,774	6,182	6,882

BAHAMAS

A. Table VII-1: 1978

17%

B. The Post Office Savings Bank;

- . Commercial Banks;
- . Bahamas Development Bank;
- . National Insurance Scheme.

C. The Bahamas Development Bank has credit lines with European Development Fund of the EEC, Inter-American Development Bank and Caribbean Development Bank to assist with relending to businessmen in key sectors of the economy. The Bank's initial Authorized Capital of \$5m has been increased to \$10m.

D. (No reply on this issue).

BANGLADESH

- A. Table VII-1: During the first Five Year Plan (1973-78), it was 3.9.
- B. Rationalization of interest structure - higher rate of interest was increased in 1980 which is working as a sort of incentive for savings. Moreover, all the nationalised banks are tapping resources in the rural areas by opening branches. The Government is restricting credit in the unproductive sectors to boost up cash liquidity of banks and to ensure investment of the resources in productive sectors. Various saving schemes for Bangladeshis working abroad have also been introduced.
- C. There are three industrial financial institutions in the public sector mainly: Bangladesh Shilpa Bank, Bangladesh Shilpa Rin Sangstha and Investment Corporation of Bangladesh. Several steps have been taken in the recent years to strengthen the operational capabilities of these institutions - sanctioning power of these bodies has been increased and the power of sanctioning has been decentralised.

D.1.

Table VII-2 (in million Taka)

	1973-78	1978-80
Investment in the manufacturing sector (in millions of units of the national currency)	7796.20	7701.90
Share of manufacturing sector in total investment (%)	Total 5672.60 41624.70 i.e. 13.63%	Total 6667.40 39326.20 i.e. 16.95%
Share of enterprises in manufacturing investment (%)		
Private	74.24%	70.28%
Public	25.76%	29.72%

D.2. (No reply on this issue.)

BENIN

A.

Table VII-1 ^{1/}		
1978	1979	1980
3.8	4.5	5.8

^{1/} Ratio of net savings to GDP in per cent.

B. Various steps are being taken to mobilize domestic financial resources:

- . Centralization of decision-making as regards mobilization and allocation of financial resources by reorganization of the banking system and taking over of the vital sectors of the economy;
- . Compulsory payments by enterprises to the National Investment Fund (FNI);
- . A levy by the Treasury of 68 per cent of the profits of State-owned and mixed-economy companies to be paid into the national budget for equipment and investment.

C. The Benin Development Bank (BBD), which is financing industrial projects, receives assistance from the World Bank in the area of organization, promotion and project design for small-scale and medium-sized industries.

D.1.

	Table VII-2		
	1975	1978	1979
Cumulative investment in the manufacturing sector (in millions of units of the national currency)	10,321	15,551	17,514
Share of enterprises in manufacturing investment (%)			
Private.....	35.62	45.75	39.80
Public	64.38	54.25	60.20

D.2.

Table VII-3
1975
40% ^{1/}

^{1/} Estimates.

BOLIVIA

A.

Table VII-1

1978	1979	1980
12.9%	8.4%	5.7%

Source: Central Bank of Bolivia

- B. Greater support for investment in goods-producing sectors, in line with each sector's priorities, having regard to such social criteria as the principles of efficiency and fairness.
- . Redistribution of financial resources from surplus-producing regions and sectors to loss-making sectors, in the interests of harmonious and balanced development of the national economy.
 - . Measures to modernize and raise the technological level of existing industry in order to combat smuggling by producing better quality goods at lower prices and to compete on an equal footing with foreign industry.
- C. Encouragement for the establishment of a capital market, which has not been possible in previous years, to issue bonds and other financial assets facilitating the movement of money from savings into investment sectors.
- . Complete reorganization of development banks, so that they become flexible operational instruments for channelling resources to productive sectors on more favourable terms.
 - . Promotion of greater flexibility in the capital market, so that facilities are created for channelling finance to the low income sectors by simpler and less bureaucratic means than banks.

D.1.

Table VII-2

	1975	1978	1979
Investment in the manufacturing sector (in millions of units of the national currency	2,264	1,838	2,318
	(in current Bolivian pesos - \$B)		
Share of manufacturing sector in total investment (%)	18.8	12.01	14.3

Bolivia (cont'd)

D.2.

Table VII-3		
1975	1978	1979
47.2%	18.9%	15.5%

BRAZIL

A.

Table VII-1		
1978	1979	1980
18.3	16.6	16.6

Source: FGV.

B. (No reply on this issue).

C. (No reply on this issue).

D.1.

Table VII-2
(in millions of cruzeiros)

	1975	1978	1979	1980
Investment in manufacturing sector (in millions of units of the national currency) ^{1/}	16,483	35,722	44,611	25,102
Share of enterprises in manufacturing investment (%) ^{1/}				
Private) Domestic	73.6	48.5		
) Foreign	25.2	32.8		
Public)				
Mixed)	1.2	18.7		

Source: Industrial Development Council.

^{1/} Information from the Industrial Development Council (CDI), based on total fixed investment in approved projects. The figures, therefore, do not correspond to actual investment during the year in question.

Brazil (cont'd)

D.2. Foreign investments and reinvestments placed

Table VII-3
(in millions of \$US)

1975	1978	1979	1980'
5,572	10,593	12,064	13,006

Source: Central Bank of Brazil

BURUNDI

A. Table VII-1

1978	1979	1980	1981 ^{a/}	1985 ^{b/}	
55,225.7	771,355.1	80,030.7	90,055.5	139,520.6	(GDP) in million
4,667.9	5,392.3	3,297.0	3,608.9	15,705.9	(GDS) of FBu
8.4	7.4	4.1	9.6	11.3	(2/1%)

a/ Planned or estimated.

b/ Target year of current national development plan.

- B. Government strategy for mobilizing domestic financial resources takes into account compulsory savings and private sector resources which will be channelled into productive investment (industry and agriculture).
- . Creation of new financing institutions and strengthening of existing ones.
- C. The Government has set up two supplementary financing institutions - namely, the Central Fund for Mobilization and Finance (CAMOFI) and the Burundi Finance Company (SBF). CAMOFI uses the time and sight deposits of public enterprises to finance investments in the State sector, preferably in the production area. SBF invests in both the private and the public industrial and agricultural sectors.

Burundi (cont'd)

D. 1.	Table VII-2					
	1975	1978	1979	1980	1985 ^{a/}	1987
Investment in the manufacturing sector (in millions of units of the national currency)	1,331.0	3,580.0	4,266.2	5,229.2	17,509.3	17,032.1
Share of manufacturing in total investment (%)	43.37	46.44	40.62	45.5	53.47	48.31
Share of enterprises in manufacturing investment (%)						
Private.....	18.76	6.46	9.27	6.09	35.00	50.00
Public	81.24	93.54	90.73	93.91	65.00	50.00
TOTAL.....	100.00	100.00	100.00	100.00	100.00	100.00

^{a/} Planned or estimated.

D.2.	Table VII-3					
	1975	1978	1979	1980	1985 ^{a/}	1987 ^{b/}
External	73.1	44.3	51.8	47.9	30.2	13.8
Domestic	26.9	55.7	48.2	52.1	69.8	86.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

^{a/} Planned or estimated.

^{b/} Target year of current national development plan.

CHILE

A.	Table VII-1	
	1978	1979
	13.4%	15.4%

Source: National accounts.

NOTE: There are no estimates for future years on this point.

Chile (cont'd)

B+C. As regards these points the financing of industrial development will come from direct savings of firms and from the capital market.

. Seeing that both internal and external savings must contribute to industrial development the Government has brought into being two basic mechanisms: the Financial Code and the Investors' Statute. The former is intended to improve the capital market which Chile has established. By means of the latter, and the growing freedom of external trade, the basic conditions have arisen to provide incentives for foreign investment.

D. There is no information on this point.

CHINA

A. (No reply on this issue).

B. (No reply on this issue).

C. (No reply on this issue).

D.1

Units of State ownership	Table VII-2			
	1975	1978	1979	1980
Investment in the industrial sector (in billion of RMB Yuan)	23.1	27.3	25.7	27.4
Share of industrial sector in total investment (%)	59.0	57.0	51.4	50.8

D.2. (No reply on this issue).

COMOROS

A.

	Table VII-1			
	1978	1979	1980	1981
Billions of FC at current prices	2.7	2.5	3.6	5.0
Domestic savings	1.3	2.5	3.2	3.9

B. There are at present no strategies or programmes for mobilization of domestic financial resources. This work is in progress under the interim plan (1982-1984).

C. The only national institution for financing industrial development was founded, just recently, in May 1982. This is the Development Bank of the Comoros. There is every reason to think that specific measures will be taken to strengthen it under the national development programme.

D.1.

	Table VII-2				
	1975	1978	1979	1980	1985a/
Investment in the manufacturing sector (in millions of units of the national currency)	millions of FC 1,196				

D.2. (No reply on this issue).

COSTA RICA

A.

	Table VII-1		
	1978	1979	1980
	37.9%	4.6%	5.8%

B. A well-defined policy is to be formulated for encouraging internal saving and a credit programme is to be devised for the entire national financial system, taking into account the objectives and strategies of the National Development Plan. The area of activity of the Central Bank of Costa Rica must be limited, with the Bank to concentrate on the management of the macro-economic variables, leaving to the remaining institutions of the financial sector, especially the commercial banks, the task of dealing with development credit.

The commercial banks must be given greater autonomy and powers of discretion, as long as their actions remain within the terms of the National Development Plan, are consistent with their role as development banking institutions and are periodically reviewed by the Central Bank.

Costa Rica (cont'd)

- . Through gradual specialization, the State banks are to be transformed into genuine development banks so that they can improve their efficiency and offer their customers valuable advisory services.
 - . An interest-rate policy is to be devised which will be consistent with the discontinuation of the use of subsidiary credit as a means of guiding production and investment activity. In any case, this subsidiary credit must be replaced by a master system of incentives emphasizing the promotion of small-scale producers in the agricultural, industrial and artisanal sectors.
- C. The Central Bank of Costa Rica is to approve and implement a programme to increase public saving.
- . Current banking legislation will be reviewed with a view to involving the Central Bank more closely in the credit policies pursued by certain public and private financial intermediary institutions.
 - . There is to be better co-ordination between the Central Bank and the National Planning Office (OFIPLAN) in order to provide for an exchange of information on credit policy and reserve exchange policy. A review is to be made of the present regulatory machinery applying to the commercial banks (including controls to prevent the concentration and diversion of credit).
 - . The present General Bank Auditing Office is to be transformed into a Financial Institution Supervisory Office with responsibility for monitoring and certifying the legality and accuracy of the financial accounts of the Costa Rican Central Bank, the State banks and all the country's public and private financial institutions.
 - . Every bank will be required to put into effect its own personnel training programme to develop the banking professionals and specialists needed for the individual bank's special area of operation.

D.1.

Table VII-2

	1975	1978	1979
Investment in the manufacturing sector (in millions of units of the national currency)	328.4	794.0	1,371.3
Share of manufacturing sector in total investment (%)	0.9	16.2	28.8

D.2. (No reply on this issue).

CYPRUS

Table VII-1

A.	1978	1979	1980
	42%	52%	41%

- B. The Government through the Central Bank of Cyprus uses the monetary policy to mobilise available financial resources.
- C. The Cyprus Development Bank plays an important role in financing industrial projects both for big and small production units.

D.1. Table VII-2: (CE '000s)

	1978	1979	1980	1981
Investment in the manufacturing sector (in millions of units of the national currency)	24,084	26,226	26,600	22,000
Share of manufacturing sector in total investment (%)	14%	12%	10%	7%

D.2. (No reply on this issue).

ECUADOR

A.

Table VII-1

	1978	1979	1980	1985 ^{a/}	1984 ^{b/}
	44.563		53.896		77.501
	229.280		242.119		313.483
	= 19.4%		= 22.3%		= 24.7%

a/ Planned or estimated.

b/ Target year of current national development plan.

*/ All the figures in the Development Plan have been prepared at constant prices, corresponding to 1979.

Ecuador (cont'd)

- B. Directing industrial credit towards those priority projects in the manufacturing sector, considered as such in the Development Plan and under the following parameters: use of labour, localization, degree of industrial integration which it promotes, export of its products, use of its installed capacity, fulfilment of quality standards, use and development of own technological resources and financial viability.
- . Strengthening the credit lines of the Development Bank for financing capital goods products for essential use.
- C. Capitalisation and increase in financial resources of the National Finance Companies, especially the National Finance Corporation (CFN), directly for industrial development, through the credit lines obtained from the World Bank, IDB and CAF.
- . General Financing and Rediscounting Funds for Private Banks, Finance Companies and Development Bank through the Central Bank.
 - . Extension of rediscount shares by the Central Bank, pointing the way to a general strengthening of the credit lines of the Development Bank.

D.1.

Table VII-2
(In millions of sucres at 1979 values)

	1975	1978	1979	1980	1984 ^{b/}
Investment in the manufacturing sector (in millions of units of the national currency)	5,179	7,606	-	11,774	19,351
Share of manufacturing sector in total investment (%)	42.4%	43.6%	62.9%	63.1%	69.6%

b/ Target year of current national development plan.

D.2.

Table VII-3
(In millions of sucres at 1979 values)

	1975	1978	1979	1980
	1,952 (1)	= 37.6	(-) 32 (2)	
	5,179		7,606	

- (1) The figure corresponds to the Net Annual Foreign Investment for receiving activities, the source for which is the Central Bank.
- (2) Corresponds to a negative foreign investment, according to the same source, as a result of which it is not possible to establish any relationship.

EL SALVADOR

- A. (No reply on this issue).
- B. Considering the degree to which the industrial sector has been weakened and its production levels depressed, the financial policy in this area consists of measures designed to increase the installed capacity in a short time. The following measures are planned to this end.
- . Credit resources will be directed, over the short term, to meet the increasing requirements for working capital, replacement capital and re-financing. In this connection, the focus will be in particular on light consumer goods, building materials, and agricultural inputs. Priority will also be given to exporting enterprises in the various branches.
 - . Other credit-related measures include:
 - . The availability of more medium-term and long-term credit through the establishment of the Industrial Promotion Bank;
 - . More credit to small enterprises, the artisanal section and domestic manufacturing; and
 - . Credit facilities for the rehabilitation of paralysed firms.
 - . The financial policy also contemplates the improvement of the capital market through the establishment of the Salvadorian Investment Corporation. This agency will play a crucial role in the rehabilitation of closed plants through co-investment by the State to bring about their reopening.
- C. It is estimated that, for the first year of the Three-Year Plan, the total credit available from the banking system will be about 800 million colons above the 1980 level (comparing the end-of-year-figures). Of this amount, slightly more than half will go to meet the requirements of the public, with the remainder concentrated for the most part in industrial revival and in agricultural financing. Moreover, the sums spent under these headings will be supplemented by more than 100 million colons, obtained through foreign loans, which will be internally channelled through official institutions. This additional money will be merged with the amounts earmarked for disbursement as credits through the banking system, so that, regardless of where they come from, the sums available for use as loans can be used with the maximum effectiveness.

El Salvador (cont'd)

D.1.	<u>Table VII-2</u> 1975
Investment in the manufacturing sector (in millions of units of the national currency)	924.7
Share of manufacturing sector in total investment (%)	22.1

D.2. (No reply on this issue).

ETHIOPIA

A.	<u>Table VII-1</u>			
	1977/8	1978/9	1979/80	1980/81
	1.9%	3.4%	5.1%	6.5%

B. (No reply on this issue).

C. (No reply on this issue).

D.1	<u>Table VII-2* (in million Birr)</u> 1974/1980
Investment in the manufacturing sector (in millions of units of the national currency)	62.8%
Share of manufacturing sector in total investment (%)	7%

* The figure is an estimate, and is only for establishments administered by the Ministry of Industry.

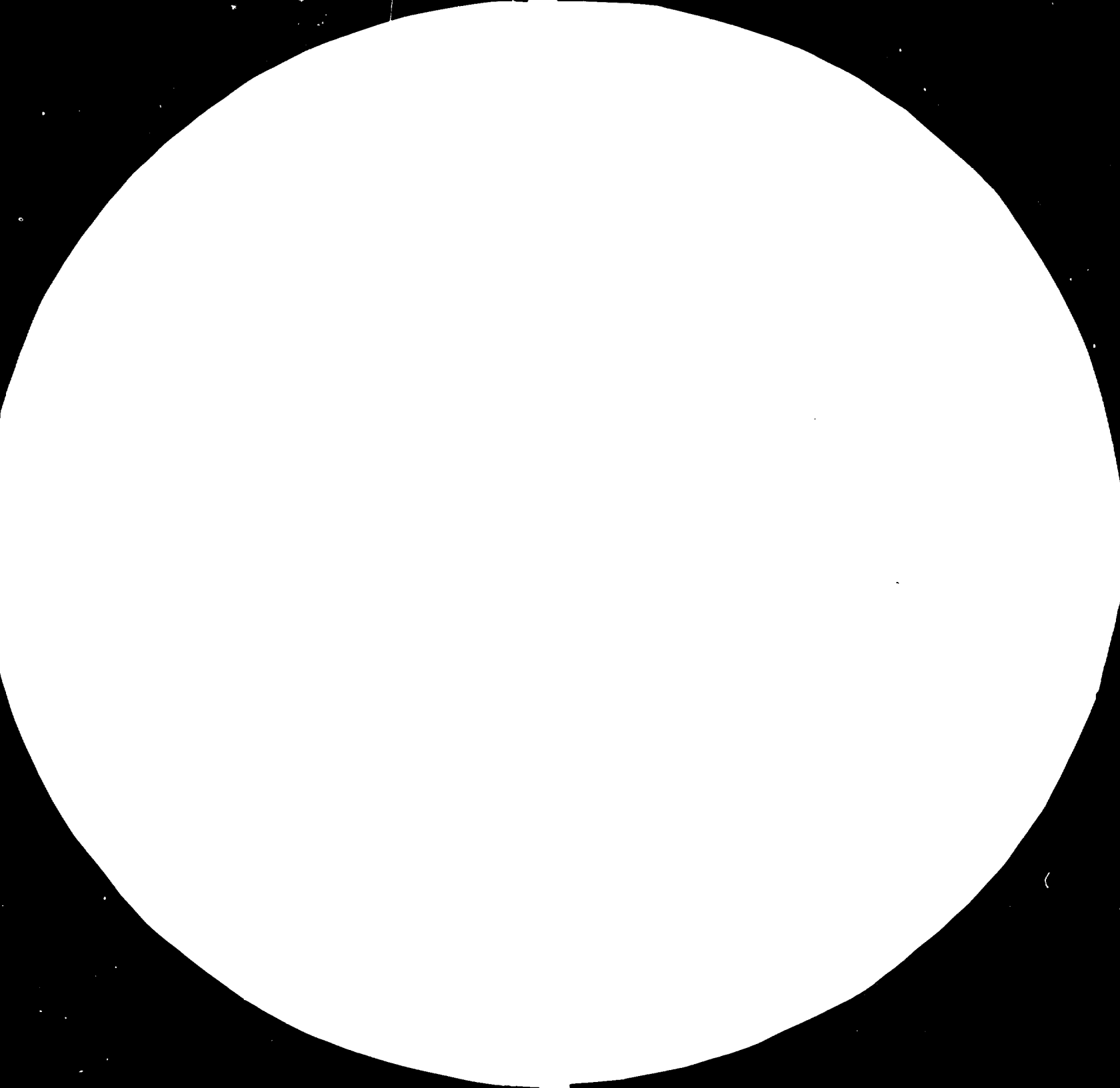
D.2. (No reply on this issue).

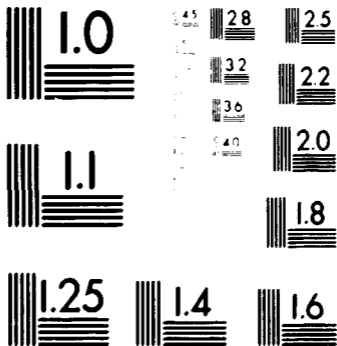


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 STANDARD REFERENCE MATERIAL 1010a
 (ANSI and ISO TEST CHART No. 2)

GUATEMALA

A.

Table VII-1		
1978	1979	1980
17.3%	15.9%	13.7%

B. Strategically, the National Industrial Development Plan 1979-82 indicates that the industrial sector must be developed with its own financial resources, although the use of foreign resources, coming from recognised international institutions, is not discounted. This has been the scheme to which we have been working. Apart from this, our own Government has, in its budget, contemplated channelling resources especially through the National Finance Corporation to support small businesses and medium and large crafts, and the formation of industrial estates.

C. The fideicommissum mechanism has been applied to ensure the correct application of the financial resources; at the same time, resources have been agreed with financial institutes (European banks) and traditional sources such as the IDB.

D.1.

	Table VII-2					
	1975	1978	1979	1980	1985 ^{a/}	1982 ^{b/}
Investment in the manufacturing sector (in millions of units of the national currency) *	55	84	98	111	250	146
Share of manufacturing sector in total investment (%)	10	7	8	8	8	8

^{a/} Planned or estimated.

^{b/} Target year of current national development plan.

* Relates to investment in fixed assets.

D.2. No information available.

GUYANA

Table VII-1 *

A.	1978	1979	1980
	14.8%	15.2%	12.7%

* Include electricity.

- B. Specific programme for Defence Premium Bond.
 . Treasury bills and debentures issued by the Bank of Guyana.
 . Premium interior rate on long-term savings deposit.
- C. The Guyana Agricultural and Industrial Development Bank has been given the responsibility for industrial finance:
 . Its equity capital has been increased from G\$9 million in 1981 to G\$12 million in 1982, in view of extending financial facilities to small and medium size industries.
 . It has G\$12 million from Inter-American Development Bank to finance industrial development during 1982.

D.1.

Table VII-2 (In million G\$)

	1978	1979	1980
Investment in the manufacturing sector (in millions of units of the national currency)	27.2	40.1	91.1
Share of manufacturing sector in total (fixed) investment (%)	11.2	12.3	23.0
Share of enterprises in manufacturing investment (%)			
Private.....	4.0	4.0	31.0
Public	23.2	36.1	60.1

D.2. (No reply on this issue).

HONDURAS

A.

Table VII-1
(Millions of current lempiras)

	1978	1979	1980
	463.8	481.7	526.9
	3,178.0	3,797.0	4,488.0

Source: Global Department, CONSUPLANE

Honduras (cont'd)

- B. Credit rules and regulations under the control of the Central Bank will be applied and extended in order to give small-scale and medium-scale industry and handicrafts easier access to credit, with special terms of repayment and interest rates in accordance with the agreement concluded with the Inter-American Bank for Reconstruction and Development.
- . A stock market will be set up and brought into operation to promote domestic saving for industrial development.
 - . Issue and circulation of Government bonds through the Central Bank.
- C. Direct State contributions to strengthen these institutions.
- . Technical and economic assistance from the State.
 - . Measures to assist these institutions in obtaining resources.
 - . Acceptance of inputs of foreign capital in the form of loans, grants and direct participation in industrial enterprises.

D.1.

	Table VII-2 (millions of current lempiras)				
	1978	1979	1980	1981*	1982*
Investment in the manufacturing sector	84.9	159.0	122.0	117.1	76.0

Source: Annual Operational Plans of the Industrial Department.

* Estimate by the Industrial Department of CONSUPLANE.

D.2.

	Table VII-3 (millions of current lempiras)	
	1979-1983	
Foreign investment	513.3*	
Domestic investment	583.5*	

Source: National Industrial Development Plan for 1979-1983.

* Estimated.

INDIA

A.

	Table VII-1		
	1978	1979	1985 ^a
	23.9	21.2	24.5

a. Estimated and planned.

India (cont'd)

- B. The mobilization of savings and their use in preferred directions is a crucial element in any development effort. A significant feature of the savings mechanism has been the growing fungibility of savings as the share of savings accumulated by households in the form of deposits, shares, debentures, life insurance and pension funds has increased from 10.0 per cent of net savings in 1950-51 to 33.0 per cent in 1978-79. The pattern of utilisation of savings has been influenced by several innovations like the development banks for industry and agriculture and the system of co-operative credit. The Sixth Plan aims at stepping up the rate of savings by bringing about an improvement in the ratio of savings to disposable income in different sectors. Saving as percentage of corresponding disposable income is expected to rise from 25.5 to 34.5 per cent in the case of public sector and from 20.2 to 22.2 per cent in the case of private sector over the plan period. Thus saving effort in terms of sectoral disposable income is expected to show an improvement of 9 percentage points in case of public sector and 2 percentage points in case of private sector.
- The scope for raising additional revenues, through mere changes in tax rates is rather limited. There is considerable scope for reducing tax evasion, rationalising tax laws, streamlining tax administration and widening the tax base in the urban sector and tapping the surpluses of the affluent sector of the farming community. Even then, greater reliance will have to be placed on the reduction in subsidies and substantial improvement in the financial return on investment in the public sector undertakings, both of the Centre and the State, through appropriate pricing policies and to secure the maximum feasible improvement in the financing and efficiency of public sector enterprises.
- C. The vital importance of capital as one of the factors of production and institutional arrangements for term finance in the context of industrial development are too well known to need further elaboration. The Government has been alert to this crucial need and has accordingly taken steps, over the years, to set up a number of specialised Financial Institutions in the country. Among these, the Industrial Finance Corporation of India was established as early as 1948 as a first step in this direction. Since then more term lending institutions at the apex have been set up with the Industrial Development Bank of India. In addition, State Financial Corporations have also been established in most of the States. In 1964, the Reserve Bank of India credited the National Industrial Credit (NIC), Long-term Operations (LTO) Fund with an initial contribution of Rs. 10 crores. The total amount credited by the RBI to the LTO Fund was Rs. 1,625.0 crores as at the end of June 1981. The outstanding loans and advances from the NIC (LTO) Fund amounted to Rs. 1,322.51 crores at the end of June 1981.
- The Fund is utilised for making loans and advances for the purpose of purchase of, or subscription, to stocks, shares, bonds or debentures by the Financial Institutions notified by the Central Government on this behalf. The Financial

India (cont'd)

Institutions which are eligible for loans and advances from RBI include Industrial Finance Corporation of India (IFCI), Unit Trust of India (UTI), Industrial Development Bank of India (IDBI), State Financial Corporation (SFC) and Industrial Credit and Investment Corporation of India (ICICI). The term lending institutions presently in operations are discussed in brief below. Industrial Finance Corporation of India (IFCI) established in 1948 with the objective of rendering financial assistance to new industrial projects as also for the expansion, diversification renovation or modernisation of existing ones. Its activities have been further complemented with the coming up of State Financial Corporation which are presently eighteen in number and primarily meet the term loan requirements of the small and medium-scale industry.

- Industrial Credit and Investment Corporation of India Ltd. (ICICI) set up in 1955 as a public limited company primarily to finance the foreign exchange components of industrial projects.
- National Small Industries Corporation Ltd. (NSIC) set up in 1955. It was established to assist small-scale industry through promotional, marketing, financing and other support activities. Its major activity now is in the field of supply of machinery to small-scale units on hire purchase basis.
- Industrial Development Bank of India (IDBI) set up in 1964 as a wholly owned subsidiary of Reserve Bank of India, to be the apex industrial development bank of the country, with a view to strengthening the then institutional structure for industrial development. As the largest source of term finance to industry in the country, IDBI not only provides financial support to other development banks, but also has been functioning as the "Lender of the last resort" by filling in the gaps in the means of financing of larger projects that deserve sizeable term loans and even equity support. A major amendment to its charter, introduced in 1975 enlarged the Bank's role by making it the "principal financial institution for co-ordinating, in conformity with national priorities, the working of institutions engaged in financing, promoting or developing industry; for assisting the development of such institutions and for providing credit and other facilities for the development of industry and for matters connected therewith". Simultaneously with this amendment, the Bank was reconstituted and its ownership transferred from Reserve Bank of India to the Central Government.
- Unit Trust of India (UTI), also established in 1964, aims at mobilising the savings of the community so as to channelise them into investments in corporate shares and debentures in such a way that the funds thus invested remain safe and ensure regular and growing return to the unit holders. State Industrial Development (or Investment) corporations (SIDCs/SIICs). It is a significant institutional development and their major task is

India (cont'd)

promoting industrial projects, either by themselves or in participation with private entrepreneurs. The flexible corporate structure of these institutions has enabled them to play an effective role in promoting industry by undertaking a variety of promotional activities which quite often fall outside the purview of the traditional development banks.

- . Industrial Reconstruction Corporation of India Ltd. set up in 1971 for rehabilitation and revival of sick units. General insurance business was nationalized in 1973. The General Insurance Corporation of India (GIC) and its four subsidiaries have been participating on a consortium basis with the other all India financial institutions in financing of industrial projects. The participation of GIC and its subsidiaries in such projects takes the form of underwriting of new issues, direct subscriptions to privately placed debentures organising of term loans. Besides, Life Insurance Corporation (LIC) set up in 1956 also provides industrial finance through underwriting, and direct purchase of industrial shares, bonds and debentures.
- . The term lending institutions, viz. IDBI, IFCI, ICICI, IRCI, LIC, UTI, SFCs and SIDCs have rendered financial assistance to a wide spectrum of industries and regions. As at the end of March 1980, the total sanctions and disbursements made by these institutions was Rs. 89154.2 million (Rs. 891542 lakhs) and Rs. 62227.1 million (Rs. 622271 lakhs). The notable feature being the share of backward areas in total sanctions and disbursements as at the end of March 1980 was around 37 and 35 percent respectively.
- . Besides, term lending activities of commercial and co-operative banks and recently set-up regional rural banks to the industrial sector are also significant. Apart from the key role that the commercial banks play in providing working capital funds to industrial units they also advance term loans to industry on a significant scale. On account of their widespread branch network and the consequent proximity to end users, the banking system is ideally suited for purveying finance to the small-scale and decentralised sectors of industry.
- . The Financial Institutions are also permitted to tap international capital markets. The ICICI recently signed a multi currency loan agreement for Rs. 39 crores with a consortium of foreign banks. These institutions have also been advised to resort to the internal market borrowings.
- . The Government is also making efforts to create a healthy secondary market for shares and debentures where the financial institutions can unload their holdings and have liquidity. The primary responsibility for bringing about effective co-ordination in the functioning of the institutions engaged in extending term finance to industry is vested with IDBI. Towards this, IDBI maintains a close working relationship with other all India financial institutions in all matters relating to policy formulation, procedural improvements,

India (cont'd)

project appraisal and follow-up. These issues and also arrangement of consortium finance for large projects are sorted out at forums which have come to be known as Inter-Institutional Meetings (IIM) and Senior Executives Meetings (SEM).

D.1.

Table VII-2

	1979-1980	1984-1985 ^a	1980-85 ^{*/}
Investment in the manufacturing sector (in Rs. millions of the national currency)	65050	89730	
Share of manufacturing sector in total investment (%)	26.75	25.00	
Share of enterprises in manufacturing investment (%)			
Private			58.21% ^{*/}
Public			41.79% ^{*/}

a. Estimated and planned.

Note: Target year of current national development plan is 1984-1985.

^{*/} For the period 1980-1985 and includes mineral sector investment also.

D.2. A broad idea of the share of foreign investment in total gross investment in manufacturing sector (Table VII-3) is given by the estimates of change in foreign investment in manufacturing enterprises based on the Survey of Foreign Investment conducted by the Reserve Bank of India in relation to the data on gross investment in manufacturing sector. The Survey of Foreign Investment covers investment in equity, preference and debenture capital by non-residents, reserves, attributable to non-resident equity holders, suppliers' credit and other loans from non-residents and net liabilities of branches of foreign concerns to their head offices. These data, however, need to be used with caution in view of incomplete reporting by the enterprises; thus, while the data for 1973-74 relate to 815 enterprises, those for 1976-77 cover 718 enterprises. Further, the Survey data relate to manufacturing enterprises in the private sector. The gross investment of the private manufacturing sector formed roughly seven-tenth of gross investment in manufacturing sector in the economy as a whole.

India (cont'd)

Table VII-3

Year	Share of foreign investment in manufacturing ^{a/} (percentage)
1973-74	0.8
1974-75	0.3

a/ Change in net investment in successive years based on the Foreign Investment Survey; share for 1976-77 cannot be computed as foreign investment during the year was negative.

INDONESIA

Table VII-1

- | A. | 1978 | 1979 |
|----|------|------|
| | 6.9% | 8.5% |
- B. Efforts have to be made to mobilize funds from public and Government savings, and from exchange earnings from exports and services.
- . The mobilization of funds shall be so accelerated that the role of foreign aid, which is complementary, will gradually decline and eventually the country will be able to finance development costs.
- C. Through the establishment of various non-bank financial institutions such as Merchant International Corporation.

D.1.

Table VII-2

	1975	1978	1979	1980	1985 ^a
Investment in the manufacturing sector (in millions of units of the national currency)	225,366	643,317	1,166,164	3,105,201	
Share of manufacturing sector in total investment (%)	11.11	12.41	12.97	14.32	18.0

a/ Planned or estimated.

Indonesia (cont'd)

D.2.

Table VII-3

1975	1978	1979	1980
22%	16.8%	54.5%	19.8%

IRAQ

- A. (No reply on this issue).
- B. Oil revenues which form the greatest financial resources for the country are in the possession of the public sector.
 - . The Government encourages the private savings through the issue and sale of Government bonds, and savings in post offices and banks, earn interest.
- C. All financial organizations in the country are Government owned, including the Industrial Bank of Iraq.
 - . The Government intends to increase the capital of financial institutions in the country whenever necessary.

D.1.

Table VII-2

	1975	1978
Investment in the manufacturing sector (in millions of units of the national currency)	241.9	318.9
Share of manufacturing sector in total investment (%)	22.8	15.9
Share of enterprises in manufacturing investment (%)		
Private	3.7	6.4
Public)	96.7	93.6
Mixed)		

D.2. (No reply on this issue).

KENYA

A.

	Table VII-1 (KE Million)		
	1978	1979	1980*
GDP	1,788	1,980	2,221
Domestic savings	331	317	321

* / Estimated.

Source: Economic Survey.

- B. Under the current Development Plan, the gap between the Government revenues and the expenditure is proposed to be closed by the measures for:
- . reducing the growth rate of expenditure;
 - . more efficient use of scarce financial and physical resources, and
 - . improving the tax structure so as to reduce tax evasion and increase the revenues at least in proportion to increase in national income.

. As the present rates of direct taxation of income are relatively high for those in the upper income brackets and the taxes on corporation profits are at levels comparable to those in other countries, the increased tax revenue is proposed to be raised largely from the growth of economy and increased efficiency in tax collection. This is proposed to be supplemented by some modifications in tax rates. It is also planned to maintain the buoyancy ratio* / of tax revenue above 1.0 so that tax revenues including changes in tax rates grow a little faster than monetary gross domestic product. It is envisaged that over the current Plan period (1978-83), the share of the income tax will be over 33%, sales tax and excise duties about 30% and import duties over 18% of the total revenue.

- C. The measures outlined in two current Development Plans for strengthening the national industrial development financial institutions are briefly as follows:

* / The buoyancy ratio of the tax system is the percentage growth in total tax receipts divided by the growth of GDP (Monetary Sector). It includes the effects of changes in the tax structure (new taxes, new rates, etc.) as well as the influence in the growth of the economy. (Development Plan, 1978-88, page 110).

Kenya (cont'd)

- . Industrial and Commercial Development Corporation: Under the Plan, an allocation of K£ 5.7 million has been made for investment through equity participation in new manufacturing enterprises.
- . Development Finance Company of Kenya: The Company will increase its resources through additional equity subscription from its shareholders, both local and foreign, and also its own internally generated funds. It has concluded agreements with mainly foreign financial institutions for long-term loans for augmenting its resources. The resources available to the company for investment in medium and large-scale industries during the Plan period will be approximately K£22 million, including about 40% of internally generated funds. The Company is also to initiate a programme to assist small-scale industries. An allocation of K£9 million has been for the purpose under the Plan.

Industrial Development Bank: The Bank will increase its resources substantially so as to be able to approve cumulatively K£95 million by the end of the Plan period (1983), including about K£22 million investment till about the end of 1978.

Kenya Industrial Estates: The programme of the Kenya Industrial Estates includes establishing of industrial estates, Industrial Promotion Areas, Rural Industrial Development Centres and also provision of financial and consultancy assistance to small industries. For all these development activities, an allocation of K£10 million has been made under the Plan.

- D.1. The allocations made for the Ministry of Industry for Development Expenditure under the current revised Plan are as follows:

Table VII-2
Development Forward Budget (K£'000 in 1970/80 Prices)

	<u>1979/80</u>	<u>1980/81</u>	<u>1981/82</u>	<u>1982/83</u>	<u>TOTAL</u>
Ministry of Industry	4,842	4,903	4,865	5,145	19,755
Per cent share in the total development expenditure	2.0	2.0	2.0	2.0	2.0

Note: As the Ministry of Industry formed a part of the Ministry of Commerce and Industry till the end of 1979, earlier figures are not available.

Source: Sessional Paper No. 4 of 1980 on Economic Prospects and Policies.

Kenya (cont'd)

The total private investment, local and foreign, in the manufacturing sector during 1978-83 envisaged under the Plan, is about KES17.5 million.

D.2. (No reply on this issue).

LESOTHO

Table VII-i (000 Maloti)

A. 1980
16.2%

B. LNDC Projects:

- . LNDC provide loans and equity capital as needed to help pioneer new private industrial ventures and expand existing ones.
- . Undertake industrial feasibility studies to identify new activities with economic potential.
- . Provide and administer an adequate number of serviced sites and industrial building to meet the need for such facilities.

BEDCO Projects:

- . BEDCO have funds for medium and long-term loans to small-scale local entrepreneurs as well as for the funding of specific projects which may be fully owned.
- . BEDCO also assist small entrepreneurs by providing facilities in small industrial centres from which they can operate.

C. Planning to establish an Industrial Development Fund to provide the Basotho with funds to carry on expansions in their on-going projects and to assist the trained skilled labour to carry on establishing manufacturing units in the different districts and this is to be discussed in the solidarity meeting planned for June 1982.

Lesotho (cont'd)

D.1. Table VII-2
(in thousands of Maloti)

	1975	1978	1979	1980	1985 ^a
Investment in the manufacturing sector (in thousands of units of the national currency) ^{1/}	890	3,090	3,165	5,021	8,500
Share of manufacturing sector in total investment (%)	1.9	7.7	8.2	9.4	8.0
Share of enterprises in manufacturing investment (%)					
Private	10.1	5.9	2.8	-	-
Public)	89.9	94.1	97.2	-	-
Mixed)					

a Planned or estimated.

^{1/} Includes loans and equity to some commercial activities which deals with manufactured products.

^{2/} Includes private investment (approx. 7% of the total and donor participation).

2. (No reply on this issue).

MADAGASCAR

A. (No reply on this issue).

B. High tax on non-productive activities.

- . Increase in interest rates of development banks and savings banks.

- . Treasury bonds (issued), etc.

Madagascar (cont'd)

- C. Establishment of a National Bank of Industry.
- D. (No reply on this issue).

MALAWI

Table VII-1

A.	1978	1979	1980	1985 ^a
	0.20	0.15	0.11	0.03

a. Planned or estimated

- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).

MALTA

A.

Table VII-1

1978	1979	1980	1985 ^a
22.4%	24.3%	26.9%	30%

a. Planned or estimated.

- B. Between 1973 and 1975 the banking sector came largely under public control. As a result of the restructuring of the banking system, the commercial banking institutions in the country have been geared to serve overall national economic requirements and objectives and to adopt policies that are more in consonance with the country's overriding strategy. Public savings (the excess of current revenue over current expenditure) form an important part of the financial resources required for investment and economic growth in the country. Under the 1973-80 development plan public savings rose sharply and made an increasing contribution to the financing of development.

Malta (cont'd)

- C. In order to provide medium and long-term financing, the Investment Finance Bank was set up in 1977 with the Malta Development Corporation and two commercial banks as the main shareholders. With the funds at its disposal, the Investment Finance Bank can provide finance for investment in industrial and other projects on terms not normally provided by commercial banks. The Investment Finance Bank, which also succeeded in attracting foreign participation, may also take up equity in productive activities. By the end of 1979 the loan portfolio of the Investment Finance Bank stood at £M5.5 million with the largest share of these funds being channelled into the manufacturing sector.

D. 1.

Table VII-2 (£M million)

	1975	1978	1979	1980	1985 ^a	
Investment in the manufacturing sector (in millions of units of the national currency)	7.7	10.7	18.9	22.7	20.8	(at 1980 ^{*/} prices)
Share of manufacturing sector in total investment (%)	39.3	27.9	33.6	36.9	18.2	

a. Planned or estimated.

^{*/} As regards the projected figure of £M 20.8 million by way of investment in the manufacturing sector for the year 1985, it is expected that around one-third of this investment will originate from abroad and will take place mainly in joint ventures with Maltese capital.

MAURITIUS

Table VII-1

A.	1978	1979	1980
	24%	27%	16%

B. (No reply on this issue).

C. (No reply on this issue).

Mauritius (cont'd)

D.1.	Table VII-2			
	1975	1978	1979	1980
Investment in the manufacturing sector (in millions of units of the national currency)	292	300	267	287
Share of the manufacturing sector in total investment (%)	25.7	15.5	12.6	12.4

D.2. (No reply on this issue).

MEXICO

A.-

Table VII-1
(billions of pesos)

1978	1979	1980
967.9	1,271.1	1,789.7
41.2	41.5	42.0

Current prices.

Source: Prepared from Bank of Mexico data (Report for 1979 and 1980) and Fifth Government Report.

- B. The creation of a number of economic development funds for this purpose has brought about improvements in the productive structure of the fisheries, agriculture and livestock, and industrial sectors and in the construction of social housing, as well as import substitution and the development of tourism. In 1980 two new funds were established in the Bank of Mexico, the Trade Development Fund and the Co-operative Societies Guarantee Fund, to provide financial assistance and technical advice in the organization and development of small and medium-sized businesses.
- C. In 1977, with a view to modernizing and strengthening these institutions, the Mexican Government ordered the establishment, through the Bank of Mexico, of multiple banks. The main reasons for these measures were:
- . To modernize the sector, which had entered a stage of recession characterized by lack of banking support.
 - . To provide the resources and loans needed for smooth development of production, with preference for priority activities of Government programmes, reducing liquidity surpluses to the minimum.

Mexico (cont'd)

- The result of adopting these measures has been strengthening of the financial sector, which has been growing at current prices, in recent years, at an average annual rate of 40 per cent. This has had a decisive effect on the channelling of resources to the different industrial branches of the economy.

D.1.

Table VII-2

	1975	1978	1979	1980	1985 ^a
Investment in the manufacturing sector (in millions of units of the national currency)	99,740.7	209,725.6	309,567.4	441,630.4*	981,983.6**
Share of manufacturing sector in total investment (%)	42.33	42.08	44.36	40.48	-

a. Planned or estimated.

Source: National Accounts from S.P.P.

*/ Under-Secretariat for National Accounts S.P.P.

**/ 1980 constant prices.

D.2.

Table VII-3

	1975	1978	1979	1980
	75.13%	77.7%	77.15%	77.55%
	47.23%	50.83%	38.86%	34.66%

Source: Statistical Yearbook for 1981, Directorate-General of Foreign Investment and Transfer of Technology.

NIGER

Table VII-1

A.

1977

15%

B.

(No reply on this issue).

Niger (cont'd)

- C. Development Bank of the Republic of the Niger (BDRN):
- . Decentralization of agencies;
 - . Staff training; and
 - . Information.
 - . National Investment Fund: (FNI)
 - . Centralization of project files at Niamey;
 - . Limited promotional measures within the country.
 - . Savings Bank:
 - . Increase in interest rates.
 - . Insurance:
 - . Commissions levied on local companies.

D.1. Table VII-2 (in millions of CFAF)
Five-Year Plan

	1979	1980	1983 ^b
Investment in the manufacturing sector (in millions of units of the national currency)	3,535	11,826	5,275
Share of enterprises in manufacturing investment (%)			
Private	2,009	9,283	1,075
Public)			
Mixed)	1,526	2,543	4,200

b. Target year of current national development plan.

D.2. (No reply on this issue).

NIGERIA

A.	Table VII-1			
	1978	1979	1980	1985 ^a
	0.38	0.36	0.27	0.19

a. Estimated.

Nigeria (cont'd)

- B. The projected level of internal borrowing during the plan period is N11,167.3 million. The borrowed funds are expected to come from private savings, corporate savings and the central bank. More commercial and merchant banks are being established. The Federal Government of Nigeria injects annually substantial sums of money to the NIDB, NBCI and NACB to finance specifically industry and agriculture.
- C. A total sum of N380 million has been allocated to the Nigerian Bank for Commerce and Industry for on-lending to medium and small-scale business and for the construction of office accommodation and staff quarters.
- . The commercial banks opened 195 branches in various locations all over the country between 1975 and 1980. Three new commercial banks were opened during the same period.
 - . The Nigeria Industrial Development Bank and the Nigerian Bank for Commerce and Industries will continue to be supported financially to enable them discharge their functions effectively to Government and the business community in general.

D.1.

Table VII-2 (in Naira)

	1975	1978	1979	1980	1985a
Investment in the manufacturing sector (in millions of units of the national currency)	GOVT. (1975-80) - 5,315.9		(1981-85) - 8,064.7		
	PRIVATE (1975-80) - 2,000		(1981-85) - 3,000		
Share of manufacturing investment (%)	(1975-80) - 16.3		(1981-85) - 13.5		
Share of enterprises in manufacturing investment (%)	<u>1975-80</u>		<u>1981-85</u>		
Private	27.3			27.1	
Public	62.7			62.9	

D.2.

Table VII-3

	1975	1978
	52.7	54.0

OMAN

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. Establishment of the Development Bank of Oman, to extend guarantees and/or medium and long-term loans to Omani Companies engaged in manufacture, agriculture, oil, mining and/or fisheries, and to participate in the equity of Omani joint-stock companies which are considered important for the economic development of Oman.
 - . The allocation of funds for the financial support of private sector enterprises engaged in industrial activities in the form of interest free loans or grants.

D.1. Table VII-2
(In Rials Omani - million)

	1976	1978	1979	1980	1981-1985 TOTAL (PLANNED)
Investment in the manufacturing sector (in millions of units of the national currency)	10.6	14.6	9.7	16.7	401.2
Share of manufacturing in total investment (%)	3.3	5.2	3.05	3.8	12.07
Share of enterprises in manufacturing investment (%)					
Private ...	92.45	100	97.94	94.01	58.57
Public ...	7.55	-	2.06	5.99	41.43

Source: Second Five Year Development Plan Document and Ministry's Second Plan Document.

D.2. (No reply on this issue.)

PAKISTAN

A.

Table VII-1

	1977-78	1978-79	1979-80	1980-81	1981-82 (Planned)
Ratios of domestic savings to GDP	7.87	4.45	5.96	7.29	7.33

B. The financing of the Five Year Plan (1978-83) investment calls for a vigorous drive to raise domestic savings. While investment will increase by about 65 per cent over the Plan period, domestic savings are required to rise at an annual rate of 18.0 per cent. Domestic savings are forecast to increase from 7.8 per cent of GDP in 1977-78 to 12.5 per cent in 1982-83, reflecting a marginal rate of 23 per cent net factor income from abroad is projected to decline from 5.2 per cent to 4.0 per cent of GNP over the plan period. Consequently, national savings are projected to go up from 12.6 per cent to 16 per cent of GNP between the end years. The share of net foreign savings is forecast to decline from 4.4 per cent to 3.9 per cent of GNP over the corresponding period.

The contribution of national savings in financing overall gross investment has been projected at Rs. 161.15 billion, rising from a level of Rs. 22.41 billion in 1977-78 to Rs. 40.18 billion in 1982-83. As a percentage of GNP these are likely to increase from 12.6 per cent in 1977-78 to 16.0 per cent in 1982-83. It is proposed to keep the monetary expansion only slightly higher than the rate of growth of GNP. Borrowing from the banking system will have to be replaced by genuine voluntary savings. Deficit financing will be reduced to one-half of the benchmark level, and brought within safe limits of monetary expansion. Concerted efforts, therefore, will have to be made to check the un-due growth of consumption expenditure, both private and public, and to devise new saving instruments. These instruments can be both in the form of investment promotion activities such as savings and loans associations for housing and in the form of increase in resource base as equity from private sector on the basis of a guaranteed rate of return in public sector industrial projects.

Public savings are likely to be of the order of Rs. 3.20 billion during 1977-78. If public sector investment is to materialise by 1982-83 these will have to be raised to Rs. 16 billion - almost five times the current year's level. Overall private savings during the Fifth Plan period are projected at Rs. 100.45 billion, giving an annual average of around Rs. 20 billion. From a level of Rs. 19.21 billion during 1977-78, private savings have been projected at around Rs. 24.18 billion in 1982-83.

Pakistan (cont'd)

In an endeavour to Islamise the economy, the banking and financial system of the country has undergone many changes. Interest has been completely eliminated from operations of House Building Finance Corporation (HBFC), National Investment, (Unit) Trust (NIT) and Investment Corporation of Pakistan (ICP). Interest free counters have been opened in all commercial banks and profit-loss sharing (PLS) deposits scheme has also been introduced Bankers Equity Limited (BEL) which was established as a development finance company in October 1979 with a view to accelerate industrial investment in private sector and further develop the capital market in the country has been registered as the first Modarba Company under the Modaraba Ordinance 1980 to float Modarabas.

D.1.

Table VII-2

	1974-75	1977-78	1978-79	1979-80	1980-81
Investment in the manufacturing sector (in millions of units of the national currency)	2501.8	8317.0	8952.7	9588.5	9808.0
Share of manufacturing sector in total investment (%)	15.5	28.7	28.5	24.5	22.4
Share of enterprises in manufacturing investment (%)					
Private	39.1	18.5	17.6	22.7	28.9
Public	42.3	73.8	74.2	68.6	61.0
Mixed	81.9	92.3	91.8	91.3	89.9

D.2.

Table VII-3 (Million Rs)

	1975-76	1978-79	1979-80	1980-81
	496	2854	2746	4977

PANAMA

- A. (No reply on this issue).
- B. There is no mechanism which ensures that surpluses created by the industrial sector can be channelled or directed towards the industrial sector.
- . Existing Financial Resources absorbed by the industrial sector are produced by the laws governing supply, demand and profitability.
- C. In view of the situation outlined under point "B", it is necessary to resort to foreign industrial sources for the purposes of industrial expansion.

D.1. Table VII-2

	1975	1978	1979	1980	1985 ^a
Investment in the manufacturing sector (in millions of units of the national currency)	86.1	105.9	109.5	118.26	130.30
Share of manufacturing sector in total investment (%)	19.46	19.75	19.27	20.82	31.72

D.2. Table VII-3:

	1975	1978
	3,335	-8,321

PERU

- A. Ratio of domestic savings to GDP: (calculated on the basis of current sales for each year):

Table VII-1

1978	1979 ^{*/}	1980 ^{**/}	1986 ^{b***/}
13.6%	12.5%	16.1%	19.0%

^{*/} Tentative
^{**/} Estimated
^{***/} On the basis of the Modelo Prospectivo - Informe al Horizonte 1990. INDP, December 1980.

b. Target year of current national development plan.

Peru (cont'd)

- B. CONADE, the National Development Corporation, was set up in 1981 as an enterprise operating under public law, all of whose capital is subscribed by the Government. CONADE's functions are to direct, promote and guide the activities of the system for the promotion and financial support of the country's business development, in keeping with the Government's development planning and policies. To this end, it devises and co-ordinates general policies for its affiliated enterprises in the areas of promotion, investment, and the attraction, allocation, and mobilization of funds; it guides and co-ordinates Government action in the area of business investment; and it promotes, on its own behalf and on behalf of others, the financing of integrated regional and border-area development programmes.
- C. In June 1981 the Government enacted a new Organic Law on the Industrial Bank of Peru (BIP), conferring on this institution administrative, economic and financial autonomy. BIP extends credits and offers the services authorized by the law to the banking community for the purpose of promoting and encouraging the industrial development of the country, principally by supporting activities in the following economic sectors:
- . Crafts;
 - . Small business;
 - . Industry;
 - . Fisheries and fish farming;
 - . Non-traditional export products;
 - . Tourism and cinematography;
 - . Electricity, energy, transport, and other services;
 - . Industrial zoning and urbanization.

D.1.

Table VII-2

	1975	1978	1979*	1980**
Investment in manufacturing sector (in millions of current soles) ^{1/}	26,706	54,901	102,073	207,803
Share of manufacturing sector in total investment (%)	22.8	21.1	22.1	23.1

*/ Tentative

**/ Estimated

Source: Cuentas Nacionales del Peru 1950-1980.

^{1/} Expressed as gross fixed capital formation.

Peru (cont'd)

D.2. (No reply on this issue).

REPUBLIC OF KOREA

Table VII-1

A.	1978	1979	1980	1985 ^a	1986 ^b
	29.6	25.0	20.7	29.4	30.8

a/ Planned or estimated.

b/ Target year of current national development plan.

- B.
- Considering both the investment requirements for the 7-8 per cent annual economic growth and the potential for domestic and foreign savings mobilization, total fixed capital formation during the Fifth Five Year Economic and Social Development Plan is projected to be 72.0 trillion won in 1980 constant prices. It means that fixed investment will grow at the annual rate of 9.0 per cent and the fixed investment ratio to GNP will be on the order of 31.6 per cent on the average during the Plan period.
- Meanwhile, based on the balance of payments projection, the foreign savings ratio is forecast to decrease from 8.9 per cent in 1981 to 2.9 per cent by 1986, recording an average of 4.2 per cent during the Plan period compared to 7.1 per cent for the Fourth Plan.
 - This being the case, the domestic savings ratio has to increase from 22.3 per cent in 1981 to 29.6 per cent by 1986. It implies that the marginal propensity to save will be as high as 34.9 per cent on the average over the Fifth Plan period.
 - The most serious problem in mobilizing domestic resources has been a high and chronic inflation which constantly deterred the growth of domestic saving. To bring the inflation under control, the Government will give the highest priority to economic stabilization. Major policy measures will be implemented to reduce the rate of inflation ultimately to a 10 per cent level, thus giving the savers a positive return in real terms.
 - Projection of Sectoral Savings as percentage of GNP during the Fifth Five Year Economic and Social Development Plan (1982-1986).

Republic of Korea (cont'd)

(\$ in current prices)

	<u>1980</u>	<u>1981</u>	<u>1986</u>	(1977-1981) <u>Average</u>	(1982-1986) <u>Average</u>
Total investment ratio	31.0	31.2	32.5	31.5	31.6
Foreign savings ratio	9.8	8.9	2.9	7.1	4.2
Domestic savings ratio	21.2	22.3	29.6	23.9	27.4
Household	6.8	7.9	11.5	8.8	10.6
Business	10.1	9.0	10.2	9.7	10.0
Government	4.3	5.4	7.9	5.4	6.8
Marginal propensity to save	-	25.9	37.1	21.9	34.9

C. Establishment of two development financial institutions.

- . During the latter half of the 1970s, the Korean economy demanded more sophisticated financial services in order to keep its pace of growth. The Korean Government launched a comprehensive study of the financial system to improve the flow of funds which resulted in the birth of two new development banking institutions, The Export Import Bank of Korea and the Korea Long Term Credit Bank.
- . The EXIM Bank of Korea was established on July 1, 1986 to facilitate and develop export-import transactions through loans, guarantees and other financial facilities. The Bank's major areas of service are:
 - . Medium and long-term export credits to Korean suppliers or foreign buyers to support the export of Korean goods and services.
 - . Medium and long-term credits to Korean importers for the imports and to Korean investors for overseas ventures.
 - . Export insurance to insure Korean firms and financial institutions against losses related to export.
- . The Korea Long-Term Credit Bank opened on 2 June 1980 under the Long-Term Credit Bank Law. The Korea Development Finance Corporation, its predecessor, was incorporated in 1967 with the full support of the Korean Government and the World Bank, becoming the first and only private development financial institution. Under the LTCB Law, the KDFC became the first institution licensed as a LTCB and changed its corporate name to the Korea Long Term Credit Bank.

Republic of Korea (cont'd)

- . The Bank's major areas of service are:
 - . Providing medium and long-term credit and issuing guarantees.
 - . Issuance of long-term credit debentures.
 - . Underwriting and selling Government and corporate bonds.
 - . Trusteeing for the floatation of bonds and debentures.
- . Strengthening the functions of the Korea Development Bank and the Small and Medium Industry Bank.
 - . The Korea Development Bank has been the largest development financial institution in Korea since its establishment in 1954. In the course of industrialization in Korea, KDB's function, its scope of activities and the size of authorized capital had to be adjusted to the ever changing financial environment.
 - . Major adjustments through the amendments of KDB Act are:
 - . Increase in authorized capital from 30 billion won to 60 billion won.
 - . Expansion of scope of activities in order to provide the Government, corporations and banking institutions with various financial services such as economic and technical feasibility studies, planning, and project analysis techniques.
 - . Extension of external guarantee limit in order to support private corporations in their overseas activities.
- . The Small and Medium Industry Bank, a Government oriented Bank under the Small and Medium Industry Bank Act, was established in August, 1961. Its main function is to provide financing to the Small and Medium Industries exclusively. To strengthen the function of SMIB the Government has taken some measures as follows:
 - . Capital increase:
 - . Authorized capital of SMIB was increased from 100 billion won to 300 billion won and 80 billion won was invested by the Government in the capital of the Bank during 1980-81, thereby the paid-in capital of the bank increased to 107,060 million won in 1981 from the previous years' 27,060 million won.
 - . New function for equity investment:
 - . SMIB established Investment Department within its head office in 1980 and supplied long-term finance to the medium sized enterprises with good prospects for growth and run by competent managers with managerial ability. SMIB underwrites bonds, debentures, stocks and shares issued by those qualified enterprises.

Republic of Korea (cont'd)

D.1.	Table VII-2 (Billion won, in current prices)					
	1975	1978	1979	1980	1985 ^a	1986 ^b
Investment in the manufacturing sector (in billion won, of the national currency)	537	1,616	2,176.9	1,598	6,542	8,160
Share of manufacturing sector in total investment (%)	21.1	24.0	23.0	14.7	24.0	25.2

D.2.	Table VII-3			
	1975	1978	1979	1980
(actual)	11.7%	2.9%	2.86%	4.16%

ROMANIA

A.	Table VII-1				
	1978	1979	1980	1982	1985
	40.7	39.6	38.0	35.5	32.3

Note: Including investment and increase in stocks in the national economy (gross accumulation).

- B. Financial resources have run in line with economic development. In order to mobilize these resources special programmes have been adopted to save raw materials, equipment, fuels and energy by establishing norms for the leading sectors in the national and world plans, using a wider range of secondary resources and waste products. Special attention has been paid to raising labour productivity and reducing production costs, especially material costs.
- . Accelerating the rate of rotation of circulating assets and reducing stocks has been another way of enabling financial resources to be mobilized.
- C. In 1979 measures were taken to improve the economic and financial system, based on the principle of self-management and co-determination, in which an important part is played by the more intense use of financial instruments in the activity of enterprises where an enterprise income and expenditure budget has been introduced; this forms part of the central and ministry income and expenditure budgets, which, in turn, are linked with the State budget and credit plans.

Romania (cont'd)

- . In order to maintain the planned balance between income and expenditure in the economic units participating in the re-production process, the Ministry of Finance and the National Bank, in collaboration with the other central bodies and economic Ministries, have encouraged the efficient running of the material reproduction processes, and fulfilment of the obligations stipulated in contracts relating to the volume, structure, quality and rate of deliveries. In addition, there has been concern to establish rational dimensions for short-term bank credit and the quantity of money needed for economic development, so that the money supply corresponds to the objective requirements of production and the circulation of goods.
- . With regard to improving the economic and financial system, an important place is occupied by the improvement of the credit system and strengthening bank control on the way in which the funds allocated are administered, and on observing financial discipline.
- . The banks grant credits to cover purchasing and other production costs in accordance with the provisions of the single national plan and the credit plan, together with the income and expenditure budgets for the economic units.
- . In order to increase the part played by the banks and enterprises in administering material and cash funds, bank credit has been granted under credit contracts, signed between the bank and the recipient units.

D.1.	Table VII-2					
	1975	1978	1979	1980	1985	1982
Investment in the manufacturing sector (millions of lei)	66,125	97,164	104,321	107,058	136,700	117,700
Share of manufacturing sector in total investment (%)	50.2	51.9	51.9	51.6	54.7	52.0
Share of enterprises in manufacturing investment (%)						
Public	99.2	99.4	99.4	99.4	99.5	99.45

Note: The data on investment relate to industry as a whole (see note on Chapter II - Industrial Development). The difference is made up by enterprises in the co-operative sector.

Romania (cont'd)

D.2. (No reply on this issue).

RWANDA

Table VII-1

A.	1977-1981	1982-1986
	13 to 14%	Estimated at 19% ^{1/}

^{1/} Exclusive of the construction of private dwellings.

B. The problem at this time is not so much one of mobilizing domestic savings as of utilizing them. To this end, a number of new credit policies have been formulated, namely:

- . Credit for the agricultural sector;
- . Credit for the housing sector; and
- . Credit for the handicrafts sector.

C. (No reply on this issue).

D.1.

Industry and Crafts

Table VII-2

(in millions of Rwanda francs)

		1982-1986 ^b
Investment in the manufacturing sector (in millions of units of the national currency)	Total amount of identified investment	52,383
	Priority portion 1982-86	24,000
Share of manufacturing sector in total investment (%)	In relation to identified investment	22.7%
	In relation to the total priority portion	19.2%

b. Target year of current national development plan.

Rwanda (cont'd)

D.2.

Industry and Crafts

Table VII-3

(in percentages and millions of Rwanda francs)

	1982-1986 ^b
Self-financing plus external financing	19,688 = 82%
External financing only	11,000 = 46%

b. Target year of current national development plan.

SENEGAL

Table VII-1

A.

1978	1979	1980
7.7%	9.8%	10.7%

- B. Reform of the Investment Code and introduction of a value-added bonus as main incentive.
- . Amending the regulations for mobilizing and utilizing the PBE in order to restore the function of this levy as an incentive to reinvestment.
 - . Reorientation of internal savings resources towards industry.
- C. The resources of the Société Nationale d'Etudes et de Promotion Industrielles (National company for industrial studies and promotion) will be increased in order to promote new projects and to provide financial support for industrial projects in the form of participation or guarantees.
- . The resources of the Société Financière Sénégalaise pour le Développement de l'Industrie et du Tourisme (SOFISEDT) (Senegalese financial company for the development of industry and tourism) will be strengthened by credit lines.
 - . Stimulation of national savings.

Senegal (cont'd)

D.1.	Table VII-2				
	1975	1978	1979	1980	1985 ^a
Investment in the manufacturing sector (in millions of units of the national currency) (millions of francs CFA)	12,726	16,846	23,996	28,216	5,338
Share of manufacturing sector in total investment (%)	-	-	-	-	20.5

a. Planned or estimated.

D.2. (No reply on this issue).

SINGAPORE

A.	Table VII-1		
	1978	1979	1980 [*]
	29.6%	30.7%	29.6%

*/ Preliminary

B. Domestic financial resources are mobilized in a non-inflationary manner through the financial system. Besides the banking sector, the capital market is an important source of financial resource mobilization, raising a total of S\$2.6b in 1980. The Post Office Savings Bank and the Government administered Central Provident Fund (CPF) are important sources of finance for the public sector. The CPF is a compulsory savings scheme to which all employers and those employees earning more than S\$200/month must contribute.

C. The Development Bank of Singapore, owned jointly by the Government (49%) and private sector shareholders (51%), was established as a full bank in 1968. It plays a leading role in development finance, being active in the areas of investment banking and loan finance to the manufacturing sector, and property development. Plans are underway to expand the development financing activities of the Bank and to participate more actively in international lending.

Singapore (cont'd)

D.1.	S\$mn	Table VII-2			
		1975	1978	1979	1980*
Capital expenditure investment in the manufacturing sector (in millions of units of the national currency)		624	824	1427	1670
Share of manufacturing sector in total investment (%)		12.7%	13.9%	20.7%	18.8%

*/ Estimate.

D.2.	Table VII-3*	1975	1978	1979	1980
		72%	76%	79%	80%

*/ Estimates based on all foreign investment and investment of top 50 plus all pioneer local companies. Actual figures will be lower.

SRI LANKA

Domestic Savings

A.	Category	1978	1979	1980
		Rs. million		
1.	GDP at market prices	42,665	52,384	68,558
2.	External resources (net import of goods and services)	2,274	6,549	15,279
3.	Investment	8,554	13,527	24,466
4.	Domestic savings (3-2)	6,280	6,978	9,187
5.	Savings ratio (4 as % of 1)	14.7	13.3	13.4

B. Very attractive interest rates have been provided to encourage the savings. The rate prevailing today is 20% per annum. In addition, the interest paid by the National Savings Bank is subject to Income Tax Relief.

Sri Lanka (cont'd)

C. A loan scheme for small and medium-scale industries was recently launched with the assistance of the International Development Authority. This scheme is to provide refinance facilities for Small and Medium Industries whose investment is below Rs. 4 million.

D.1. Table VII-2
Origin of raw materials used in industry 1979-1980
(Value - Rs. million)

Category	Local		Foreign		Total		Percentage of foreign raw materials	
	1979	1980	1979	1980	1979	1980	1979	1980
1. Food, beverages and tobacco	723	637	667	1,403	1,390	2,040	48	69
2. Textiles, wearing apparel and leather products	74	101	752	1,347	826	1,448	91	93
3. Wood and wood products (including furniture)	47	51	20	16	67	67	30	24
4. Paper and paper products	82	87	129	130	211	217	61	60
5. Chemicals, petroleum, coal, rubber and plastic products	188	295	3,576	7,091	3,764	7,386	95	96
6. Non-metallic mineral products (except petroleum and coal)	66	61	101	112	167	173	60	65
7. Basic metal products	-	-	240	355	240	355	100	100
8. Fabricated metal products machinery and transport equipment	62	59	221	237	283	296	78	80
9. Products n.e.s.	16	11	23	29	39	40	59	73
TOTAL	1,258	1,302	5,720	10,720	6,987	12,022	82	89

Sri Lanka (cont'd)

Types of raw materials used in industry 1979-1980

Category	Agricultural		Mineral		Industrial		Total	
	1979	1980	1979	1980	1979	1980	1979	1980
1. Food beverages and tobacco	987	1,734	42	37	361	269	1,390	2,040
2. Textiles, wiring apparel and leather products	314	551	16	-	496	897	826	1,448
3. Wood and wood products (including furniture)	47	64	7	1	13	2	67	67
4. Paper and paper products	25	28	11	13	175	176	211	217
5. Chemicals, petroleum, coal, rubber and plastic products	191	238	3,231	5,146	339	2,002	3,764	7,386
6. Non-metallic mineral products (except petroleum and coal)	20	18	83	84	64	71	167	173
7. Basic metal products	-	-	168	273	72	82	240	355
8. Fabricated metal products, machinery and transport equipment	14	12	14	23	255	261	283	296
9. Products n.e.s.	12	2	3	-	27	38	39	40
TOTAL	1,610	2,647	3,575	5,577	1,802	3,798	6,987	12,022

D.2. (No reply on this issue).

SUDAN

Table VII-1

A.	1976/1977	1982/1983
	8.5	15.5

B. Establishment of branches of commercial and specialized banks in rural areas to tap local savings.

. Increasing interest rates for savings accounts.

C. The industrial bank capital is increased from LS.2 million up to LS.10 million.

. Credit facilities for the industrial activities through commercial banks are increased by a large reasonable amount.

D.1.

Table VII-2

	1974/1975	1976/1977	1982/1983	1994/1995
Investment in the manufacturing sector (in millions of units of the national currency)	143	163	231	1149
Share of manufacturing sector in total investment (%)	9	9	10	14.5
Share of enterprises in manufacturing investment (%)				
Private	-	-	28	-
Public	-	-	29	-
Mixed	-	-	43	-

D.2. (No reply on this issue).

THAILAND

A. Ratio of domestic savings^{a/} to GDP:

<u>Table VII-1:</u>	1978	1979	1980	1986 ^b
	23.8	23.1	21.3	29.0

a/ Including provision for the consumption of fixed capital.

b/ Target year of current national development plan.

B. The upward adjustment in deposit rate at financial institutions by 1% in October 1979, following 3% in January 1980 and an additional 1% in July 1981 and the introduction of a longer-than-one-year fixed deposit with higher interest rates.

- . The increase in interest rates on Government bonds and sale promotion of such bonds.
- . The lowering of minimum deposits at financial institutions.
- . The downward adjustment in personal income tax.

C. The status and organization of the small-scale Industrial Financing Organizations are being reconsidered.

- . The Industrial Finance Corporation of Thailand has expanded into the industrial service sector e.g. management consultant leasing so as to strengthen its lending position. It has also availed itself to more domestic sources of fund especially in the capital market.
- . The Bank of Thailand has agreed to provide long term loans for IFCT's baht lending.

D.1.

Table VII-2

	1975	1978	1979	1980
<u>1/</u> Investment in the manufacturing sector (in millions of baht)	1818	997	1207	3245
Share of manufacturing sector in total investment (%)	71.6	41.2	33.4	55.6

1/ Promoted firms starting operation (data from the Board of Investment).

Thailand (cont'd)

D.2.	Table VII-3			
	1975	1978	1979	1980
	12.8	20.0	4.6	15.4

TOGO

A.	Table VII-1			Savings in millions of CFAF. Proportion of GDP
	1978	1979	1980	
	44,412	41,526	51,590	
	23%	19%	23%	

1980: estimates of the Savings Planning Department.
GDP: Plan estimates.
Savings in 1978 and 1979: data from National Income Accounts.

B. Formulation of a selective credit policy consisting in asking local banks to reserve certain percentages of their total volume of credits for a number of sectors with priority for development.

C. (No reply on this issue).

D.1.	Table VII-2		
	1978	1979	1980
Investment in the manufacturing sector (in millions of units of the national currency)	42,304	25,042	16,217
Share of manufacturing sector in total investment (%)	51%	39%	39%

D.2. (No reply on this issue).

TUNISIA

A.	Table VII-1			
	1978	1979	1980	1982 ^a
GDP at market price	2,478.5	2,858.0	3,315.0	3,700.0
Gross domestic savings	482.1	646.5	752.0	840.0
Domestic savings rate (% GDP)	19.2%	22.6%	22.7%	22.7%

a/ Target year of current national development plan.

- B. Control of spending to encourage savings.
- . Creation of National Savings Bank for housing.
 - . High bank interest rate.
 - . Stimulation of Stock Exchange activity.
- C. Creation of specialized Bank.
- . Management of certain funds by the Banks (Fund for Promotion of Decentralization, National Fund for Promotion of Cottage Industries, IBRD loan).

D.1.	Table VII-2 (in million Dinars)			
	1977	1978	1979	1981 ^a
Investment in the manufacturing sector (in millions of units of the national currency)	128.2	171.2	161.0	128.0
Share of manufacturing sector in total investment (%)	20.1	23.5	18.6	13.8
Share of enterprises in manufacturing investment (%)				
Private	43.8	60.3	63.2	65.6
Public	84.4	110.7	98.3	62.6

a/ Target year of current national development plan.

Tunisia (cont'd)

- D.2. Share of Tunisia-foreign investment in total investment in manufacturing.

Table VII-3

<u>1976</u>	<u>1978</u>
69.2%	75.4%

TURKEY

Table VII-1

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1983^a</u>
A.	21.5	21.8	21.7	22.3

Source: SPO.

a/ Planned or estimated.

- B. In accordance with the "January 1980 Stabilization Programme", new measures were taken to increase domestic financial resources. In the money market determination of interest rates was left to the market forces. This policy, with the help of the tight monetary measures, increased domestic savings considerably.
- C. Competition was introduced on the money market, and new entries were allowed to the banking community. At the same time banks were asked to increase their issued capital which aimed to strengthen financial institutions. Also, measures were taken to regulate activities of financial intermediaries. Specialist public and private banks were encouraged to assist the development process. New "Merchant Banks" were established to facilitate export activities.

Turkey (cont'd)

D.1.	Table VII-2				
	1975	1978	1979	1980	1983 ^{a/}
Investment in the manufacturing sector (in current prices, bil. Turkish Lira- TL)	32.3	61.7	109.1	233.1	106.0
Share of manufacturing sector in total investment (%)	30.2	23.7	26.3	27.1	27.4
Share of enterprises in manufacturing investment (%)					
Private	53.4	54.8	43.2	40.1	42.1
Public	46.6	45.2	56.8	59.9	57.9

a/ Planned target in 1978 prices.

Source: SPO

D.2. (No reply on this issue).

UNITED REPUBLIC OF CAMEROON

- A. (No reply on this issue)
- B. (No reply on this issue).
- C. Activities of the "Société nationale d'Investissement" (National Investment Corporation);
 - . Development of business banking activities;
 - . Restructuring of the Cameroonian Development Bank.
- D. (No reply on this issue).

UPPER VOLTA

A. On the basis of:

- . An increase in population of 1.6 per cent/year from 1960-1979
- . An increase in GDP of 0.3 per cent/year from 1960-1979.

The table of GDP will be as follows:

Table VII-1

	1978	1979	1980	1981	1982	1983	1984	1985	1986
Population	5.1	5.60	5.69	5.78	5.87	5.96	6.05	6.15	6.25
GDP (in millions of US\$)	988.82	1008.00	1027.27	1046.64	1066.11	1055.67	1105.33	1127.00	1148.75
I (in millions of US\$)	84.308	107.7	-	-	-	-	-	-	-
Manufacturing sector									
Gross Domestic Savings (in millions of US\$)	48.05	61.389	-	-	-	-	-	-	-
Gross Domestic Savings/GDP	0.04	0.06	-	-	-	-	-	-	-

Note: 1981 is the final year of the current plan.
The next plan will cover 1982-1986.

B. Strategies: Establishment of financial institutions for mobilizing resources or savings:

END (National Development Bank).
CNDI (National Deposit and Investment Fund).

Programmes: Establishment of supervisory institutions for industrial and handicraft development:

DGIA (General Directorate for Industry and Handicrafts).
OPEV (Office for the Promotion of Industry in Upper Volta).

They will pursue a policy aimed at self-sufficiency in food by giving priority to industrialization based on local raw materials.

Upper Volta (cont'd)

- C. The principal measures taken are designed to strengthen the operational and supervisory capacities of these institutions:
- . By restructuring the BND and CNDI;
 - . By increasing the share of capital of BND; and
 - . By providing them with a study and project evaluation fund.

The operation of the supervisory bodies will be improved by:

- . The establishment of a Participation Fund within OPEV, for the purpose of building confidence among national investors and facilitating their access to credit by reassuring banks that projects will be soundly managed.
- . The establishment of the FADI (Industrial Development Aid Fund), for the purpose of making the DGIA more operational through independence of action.

This set of measures is completed by the activities of the Fund for the Voltaization of Capital.

D.1.

Table VII-2

	1976	1977	1978	1979
Investment in the manufacturing sector in millions of units of CFA francs	20,494.8	30,031.9	21,077.1	26,928.2
Share of manufacturing sector in total investment (%)	(Source DGIA) Information supplied to the IMF in 1981.			

D.2. The following evaluation was made from a sample of 25 enterprises:

Share capital	Number	Foreign %	State and private citizens of Upper Volta
50 million	12	44.73	55.27
50 to 200 million	16	41.9	58.1
200 million and above	7	44.00	56.00

Foreign-held capital amounts to approximately 43 per cent of company share capital.

Source: DDIA.

Note: The State's holding is usually of foreign origin, thus increasing dependence on capital from abroad.

URUGUAY

A. Ratio of gross domestic investment to GDP.

<u>Table VII-1:</u>	1978	1979	1980
	0.19	0.22	0.24

B. The Industrial Investment Promotion Act, Circular 1031 of the Central Bank of Uruguay, which sets forth the conditions for financing investment projects in industry, agro-industry, tourist infrastructure, etc.

- . Total liberalization of the financial market.
- . System of advanced sales of foreign currencies for exporting.

C. Domestic credit agreements with IBRD and other international financial institutions.

- . Agreement with the Central Banks of Brazil, Argentina and Chile.

D.1. Table VII-2 (in millions of new pesos)

	<u>1975</u>	<u>1978</u>
Investment in the manufacturing sector	161.5	809.3
Share of manufacturing sector in total investment (%)	14.82%	16.37%
Share of enterprises in manufacturing investment (%)		
Private	96.16%	93.86%
Public	3.84%	6.14%

D.2. (No reply on this issue).

VENEZUELA

	<u>Table VII-1</u>		
A.	1978	1979	1980
	28.3	32.7	31.9

Venezuela (cont'd)

- B. The State will allocate part of its resources to finance private projects regarded as having priority for industrial development. The basic criteria in selecting such projects will be the following: the production of essential consumer goods in the food, building materials and pharmaceutical industries; import substitution and the export of capital goods and intermediate mechanical and chemical products; the processing of Venezuelan natural resources (especially agricultural); the incorporation of domestic technology in project and product design and in national equipment; competitiveness with foreign products within the framework of the common external tariff proposals. Particular emphasis will be placed on ensuring that enterprise ownership is democratic and domestic.
- C. The system of State financing for industry will be reorganized so as to introduce a central authority responsible for applying economic and management principles in the coordination, planning, evaluation and monitoring of the activities of the financial institutions making up this system. The State enterprises will redouble their efforts to increase their credit capacity.

D.1. Table VII-2 (in millions of bolivars)

	1978	1979	1980	1985 ^a	1985 ^b
Investment in the manufacturing sector	4,964	2,385	5,225	17,458	17,458
Share of manufacturing sector in total investment (%)	7.0	4.4	8.1	5.8	5.8

a/ Planned or estimated.

b/ Target year of current national development plan.

D.2. Table VII-3 (in percentages)

	1978	1979	1980
	11.2	32.6	14.8

YUGOSLAVIA

A. Ratio of domestic savings to GDP*/

Table VII-1:	1978	1979	1980
	13.9	13.1	10.6

*/ Material cost exclusive.

B. The manufacturers and the consumers of certain products are linked through self-management agreements on an income basis and in this way significant investment resources are obtained:

- . Resources for financing major infrastructural projects (electric power sources, road network and water management facilities) have been obtained through the policy of public loans;
- . Resources of financing the development of certain organizations of associated labour have been obtained through internal loans;
- . By improving the conditions for household savings (increased interests on deposits) the net saving gains have been channelled to investment in the social sectors.

C. (No reply on this issue).

D.1. Table VII-2 (1980 prices)

	1975	1978	1979	1980	1985 ^a
Investment in the manufacturing sector (in millions of units of the national currency)	46.784	106.927	129.074	165.694	191.000
Share of manufacturing sector in total investment (%)	39,1	38,5	36,4	37,2	40,6
Share of enterprises in manufacturing investment (%)	44,0	39,9	40,0	39,9	45,0

D.2. (No reply on this issue)

ZAIRE

Table VII-1

A. 1978
18.8%

B. The Executive Council is considering this point with a view to mobilizing domestic financial resources to finance its development programme.

C. The Executive Council is studying ways and means of strengthening the role of small and medium-scale enterprises in the framework of a new policy for promoting the country's industrial development.

D.1.

Table VII-2
1975 1978 1979

	1975	1978	1979
Investment in the manufacturing sector (in millions of units of the national currency)	1.1	0.3	21.7
Share of manufacturing sector in total investment (%)	100	6.3	22.3
Share of enterprises in manufacturing investment (%)			
Private	100	100	100

D.2. (No reply on this issue).

ZIMBABWE

A.

Table VII-1

1978	1979	1980	1985 ^a	1984-1985 ^b
17,7	12,9	10,7	20,3	20,3

a/ Planned or estimated.

b/ Target year of current national development plan.

Zimbabwe (cont'd)

- B. The share of domestic savings in GDP is expected to increase from 15 per cent in 1980-81 to almost 20 per cent in 1983-84. The contribution of the private sector to domestic savings is expected to be predominant. Within the private sector, the share of the savings will increase from 74 to 77 per cent of total private domestic savings.
- C. The Government will establish a national development bank, the Zimbabwe Development Bank, very early during the plan period. Its main function will be to mobilize external and domestic financial resources to finance economic development projects in all sectors of the economy through state owned enterprises and joint ventures with domestic and foreign institutions and enterprises. Additionally there is already an Industrial Development Corporation which helps in financing industrial development.

D.1.

Table VII-2

	1975	1978	1979	1980	1985 ^a	1984-85 ^b
Investment in million Z\$ manufacturing (GFCF) sector (in millions of units of the national currency)	117	45	51	104	322	310
Share of manufacturing sector in total investment (%)	25,0	13,5	13,4	20,9	22,7	22,7

GFCF: Gross Fixed Capital Formation.

D.2. (No reply on this issue).

VIII. EXTERNAL RESOURCE REQUIREMENTS

Governments were invited to supply information on the following topics:

- A. 1. Current (specify year) public external debt (in current United States dollars):
2. Current (specify year) external debt service (in current United States dollars):
- B. Extent of foreign financial resource inflows for manufacturing sector foreseen in current development plans or elsewhere (please specify years after 1980):
- C. Industrial branches in which direct foreign investment is planned or desired or in which production capacity could be expanded as a result of redeployment from more advanced countries.
- D. Ways in which the UNIDO System of Consultations, investment promotion, redeployment, licensing and other activities may be of assistance in bringing about this planned or desired foreign investment.
- E. Other relevant topics. *

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE :

ARGENTINA

A.1. Estimates as at 30 June 1982 in millions of current dollars.

Public sector: 21,297

Public sector: 15,282

36,579

Source: Information supplied by the Central Bank on 6 August 1982; Boletín del Ministerio de Economía / Bulletin of the Ministry of Economic Affairs/ No. 454 of 16 August 1982.

A.2. The Central Bank estimated the amount of debt service in the form of interest at \$US 2,530 million for the second half of 1982, equivalent to \$US 5,060 million annually.

* Most countries did not reply on this issue.

Argentina (cont'd)

- B. Evolution of foreign investment (capital inflows) in all sectors except petroleum, in constant 1979 dollars:

Table VIII-1

1978	\$US 147,070,529
1979	\$US 196,115,136
1980	\$US 428,388,206

Source: Memorandum of the Ministry of Economic Affairs (29 March 1976 to 29 March 1981), Volume 1, page 139.

- C. (No reply on this issue).
- D. The practice that has been followed in working with the System of Consultations is regarded as satisfactory. Argentina has taken part in a number of these Consultations and is currently organizing the Second Consultation on Agricultural Machinery, which will be held at Buenos Aires in 1983.

BAHAMAS

- A.1. 45.8 million (1981)
- A.2. 8.4 million (1981)

The Bahamas also maintains internal debt in foreign currencies. This occurs as local banks with foreign parent companies grant foreign currency loans to The Bahamas Government. Hence the following figures may prove useful:

- 1981 - Public External Debt - \$45.8 million
- 1981 - Public Internal Debt in Foreign Currency - \$41.7 million
- 1981 - Interest paid on External Debt - \$1.5 million
- 1981 - Interest paid on Internal Debt in Foreign Currency - \$1.5 million
- 1981 - Repayment of Principal of External Debt - \$6.9 million
- 1981 - Repayment of Principal of Internal Debt in Foreign Currency - \$6.4 million.

Bahamas (cont'd)

- B. (No reply on this issue.)
- C. (No reply on this issue.)
- D. (No reply on this issue.)

BANGLADESH

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. Foreign investment is permitted in collaboration with both public and private sectors. Foreign equity participation is welcome to those industries where technical know-how is not locally available; technology involved is complicated, capital outlay is high, raw materials are entirely local and production is export-oriented. Foreign technical collaboration without equity participation is allowed in all types of industries. By and large, in the case of new investments, foreign investors are to provide the entire foreign exchange requirement of the projects for import of plant and machinery.
- D. UNIDO has already organised one Solidarity Meeting and one Investor's Forum in Bangladesh to expedite industrialization. UNIDO should continue and step up its efforts in this direction. The establishment of the proposed Bank for Industrial Finance will be an important contribution.

BENIN

- A.1. 170.85 million (1978)
- A.2. 4.16 million (1978)
- B. (No yet available).
- C. Chemical industries
 - . Food industries
 - . Engineering and metalworking industries
 - . Building materials industries.

Benin (cont'd)

- D. Preparation and assistance with preparation of bankable project proposal dossiers;
- . Dissemination of precise information relating to technologies appropriate to local conditions and to the costs and terms of acquisition;
- . Arrangement of contacts between potential foreign investors and nationals with a view to the implementation of joint-venture projects;
- . The furnishing of advice to the industrial partners.

BOLIVIA

A.1. US\$ 3,321.1 (1980)

A.2. US\$ 3,641.8 (1980)

B. (No reply on this issue.)

C. Foreign investment for industrial development would be necessary for the following branches: iron and steel, mechanical industries, petrochemicals and agro-industries, to take advantage of existing mineral and agricultural resources which will facilitate an accelerated and less vulnerable rhythm of development, diversifying exports and generating employment.

D. (No reply on this issue).

BRAZIL

(in millions of US)

A.1. US\$ 37,270 (1980)

A.2. US\$ 13,013 (1980)

B. (Table VIII-1)
(in millions of US\$)

	1980
Direct foreign investment <u>1/</u>	2,070
Grants, loans and credits <u>1/</u>	13,144

1/ Total revenue for the entire economy.
Source: Central Bank of Brazil.

Brazil (cont'd)

C. (No reply on this issue).

D. (No reply on this issue).

BURUNDI

A.1. 13.5 million (1981)

A.2. 5.9 million (1981)

B.

	Amount (current \$US)			
	1980	1983	1985	1987
Direct foreign investment	55.5	142.8	175.1	170.3
Grants, loans and credits	1,147.5	3,126.3	3,834.5	3,730.0
TOTAL	1,203.0	3,269.1	4,009.6	3,900.3

C. The Government encourages foreign investment in the areas declared to have priority. It will accord priority to processing of local raw materials, import substitution and export promotion through production of finished products made from imported semi-finished products, provided they create both employment and added value. Finished products should be competitive in both quality and price with the corresponding imported products.

D. Through more frequent contacts and a more substantial commitment by UNIDO. Strengthening of assistance to the Centre for Industrial Promotion and the Ministry of Trade and Industry will benefit industrial promotion in Burundi.

CHILE

A.1. Amount of the public external debt, 1980:

\$ 4,720 million.

Source: Banco Central de Chile

A.2. External debt servicing in the medium and long-term:

\$ 2,360.9 million.

Source: Banco Central de Chile

B. The information relevant to this point is that related to foreign investment, authorized in accordance with Law 600 as appended. The bringing into being of these authorized investments is reflected by the entry of foreign capital for the industrial sector on dates subsequent to their authorization.

Authorized Foreign Investment
Economic Activity: Industry

Year	No. of Projects	% of Total Projects	Value (thousands of dollars)	% Total of Investment
1974 - 1980	195	35.2	372,521	9.1
1980	43	25.4	77,200	33.1

Source: Foreign Investment Committee, Chile.

C. In view of the present situation in the industrial sector, the possibilities of the external market and the availability of resources, the branches of industry which have the best prospects for development are: agro-industry, especially wine and spirits, fruit, vegetables, malted barley, beans, mushrooms and agricultural products, the fishing industry, especially fish meal, oil and frozen products, and the canning industry, the forestry industry, the perishables industry and the building supply industries.

D. UNIDO, through its Investment Promotion Services, provides technical, marketing and administration assistance, and assistance in the granting of licences, etc. These services make it possible to put those who need the above-mentioned services in touch with industrialists in developing countries who are interested in providing them.

At the present time Chile is making the greatest possible use of the UNIDO infrastructure in order to attract investments.

CHINA

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).

COMOROS

- A.1. US\$ 145,000,000 (1982)
- A.2. US\$ 790,206 (1982) (end 1981)
 US\$ 916,800 July 1982
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).

COSTA RICA

- A.1. approximately 2.7 billion (1981)
- A.2. approximately 400 million (1981)
- B. (No reply on this issue).
- C. Investment is mainly desired for those industrial activities which contemplate the predominant use of domestic natural resources. In this context, an effort is being made to give a greater impulse to agro-industry and to all industries which sustain or support the agricultural and stock-raising sector, namely, fertilizers and chemical products and machinery and equipment.

Costa Rica (cont'd)

- D. We believe that strict co-ordination by UNIDO, on the basis of national interests in the area of industrial and agricultural development, with international financing institutions and international technical co-operation organizations will enable UNIDO to formulate a strategy and programme of assistance to Costa Rica permitting an appropriate and effective transfer of foreign investment that will contribute to the country's economic development.

CYPRUS

- A.1. US\$ 301 million (1980) (industrial liabilities to I.M.F.)
A.2. US\$ 45.8 million (1980) (total service payments)

* Foreign Government Debt Service Ratio: 4.3

Note: Public here refers to government only.

- B. (No reply on this issue).
C. Foreign investment is desired in those branches in which local capital is not sufficient.
D. UNIDO may disseminate this information to industrialists in developed countries who are thinking of relocating their businesses or are interested in joint ventures.

*/ Ratio of total service payments to export goods and services.

EQUADOR

- A.1. 624,949,000 (1980)
A.2. 115,504,000 (1980)

Ecuador (cont'd)

B.

Table VII-1
Amount (current \$US
1980

Direct foreign investment	22,584,000 ^{1/}
Grants, loans and credits	21,780,000 ^{2/}

^{1/} Corresponds to the authorised Foreign Direct Investment of the manufacturing sector on the part of the MICEI.

^{2/} Refers to credits.

C. Production of intermediate and capital goods, as well as in the agricultural and mineral industry sectors, with the introduction of new applicable technologies into the country, basically orientated towards creating the possibility of employing existing labour.

- The promotion of new joint companies of a productive or service nature, with the co-participation of subregional capital, in those fields in which foreign technology is required.

D. Direct advisory participation in the signing and operation of suitable agreements, which rationalize the work of promotion in a selective manner, with foreign participation in investment projects in the industrial sector.

- The National Committee for Industrial Promotion will have to be in direct contact with the UNIDO consultative system for the administration, control and programming of planned selective foreign investment in respect of investment advertising.

EL SALVADOR

A.1. \$US 477,595,000

A.2. \$US 39,123,000

B.

Table VIII-1
Amount (current \$US)

	1978	1979	1980	1981 ^{a/}
Direct foreign investment	1,735,070	2,343,946	233,800	160,000

^{a/} Up to October 1981.

El Salvador (cont'd)

- C. The agro-industry subsector.
- D. (No reply on this issue).

ETHIOPIA

- A.1. 682,315,459 (30 June 1980)
- A.2. 31,087,923 (repayment during 1979/1980)
- B. (No reply on this issue).
- C. Explicit policies in connexion with foreign investment are being worked out. Pending that, however, the Government may consider on a case-by-case basis foreign investment in selected areas for reasons of technology acquisition, export marketing arrangements and transfer of capital resources.
- D. (No reply on this issue).

GUATEMALA

- A.1. \$US 697,634.8 (1981)
- A.2. \$US 59,766.7 (1981)
- B. (No reply on this issue).
- C. Within the short term 1982 Plan and the future 1983-86 Industrial Development Plan there are lists of industrial projects to be developed by the National Finance Corporation, which could be interested in private investment, whether domestic or foreign.
- D. (No reply on this issue).

GUYANA

- A.1. \$US 852,587 (1981)
- A.2. \$US 9,581 (1981)
- B. (No reply on this issue).
- C. Guyana Glass Works Limited
Forestry
Fishery
Mining
Other areas would be decided on the basis of the merits of the project.
- D. The UNIDO System is of specialized assistance and may be of better help if programmes of different types could be discussed with the respective Government and Private Sector Agencies before the actual assistance arrives.

HONDURAS

- A.1. \$US 650 million (1980)
- A.2. \$US 65 million (1980)

Source: CONSUPLANE, Public Sector.

- B. Table VIII-1
 1979-1983
- Foreign funds: 513.2 million 1978 lempiras.
- C. Wood industry
- . Meat production and packing
 - . Chemical products
 - . Metalworking and engineering
 - . Paper
 - . Agro-industry
 - . Fish and other marine products
 - . Tobacco and manufactured products.

Honduras (cont'd)

D. Formulation of a policy for improved promotion of projects to be implemented in the period 1982-1983.

- . Market research identifying priority types of projects on the world financial markets.

It is felt that machinery for improved communication between UNIDO and governments on industrial promotion could be beneficial for countries with less developed economies. Such contacts or the channelling of investment from abroad or from the industrialized countries and the use of patents could serve to give an enormous boost to our industrial development; a possibility might be joint ventures. This would fit in well with United States President Reagan's new policy of channelling economic co-operation and aid through the private sector.

INDIA

A. 1. and A. 2.	1980-81 (R.E.)		1981-82 (B.E.)	
	(Rs. crores)	(million \$)	(Rs. crores)	(million \$)
1. External debt (Net):	818.4	1034.6	1002.2	1264.4
i) Gross	1226.2	1550.2	1421.0	1796.4
ii) Repayments	407.8	515.6	420.8	532.0
2. Loan from IMF Trust Fund	534.6	690.7 ^{*/}	-	-
3. Interest payments	235.6	297.8	249.5	315.4
i) Loans	234.5	296.5	246.7	311.9
ii) Trust Fund borrowings	1.1	1.3	2.8	3.5
4. Debt servicing	643.4	813.4	670.3	847.4
i) Repayments				
ii) Loans				
iii) Trust fund borrowings				

^{*/} As per the statement of Department of Accounts and Expenditure, Reserve Bank of India.

R.E.: Revised Estimates.

B.E.: Budget Estimates.

India (cont'd)

- B. The Sixth Five Year Plan put the net inflow of external resources to the public sector plan at Rs. 9,929 crores as under:

	(\$ million)
Net Aid	7444.8
Other inflows from abroad	5107.4
	<hr/>
	12552.2
	<hr/>

Note: The assumed order of net inflow of foreign resources of Rs. 9929 crores constitutes about 10.2 per cent of the total public sector outlay.

- C. Government's policy towards permitting foreign equity participation is both flexible and selective. Ordinarily, the preference is for minority participation not exceeding 40 per cent but higher equity participation is also allowed. Such participation has to be justified having regard to factors such as the priority of the industry, the nature of the technology involved and whether it will enable or promote exports, and the alternative terms available for securing the same or similar technology transfer. As per Foreign Exchange Regulation Act 1973, our policy has been that foreign holding in manufacturing, commercial and trading companies should be brought down to at least:
- . 74 per cent in the case of high priority industries listed in Appendix I of the Industrial Licencing Policy 1973. This includes 19 groups of select industries.
 - . 51 per cent in the case of industries predominantly engaged in the manufacture of sophisticated items or exporting their products.
 - . 40 per cent in the case of other manufacturing trading and commercial companies.
- D. India has actively participated in the consultation meetings on important industrial sectors, convened by UNIDO from time to time; these consultation meetings are primarily intended for restructuring of world industrial production. UNIDO's system of consultation and other activities provide a useful forum for technical and economic co-operation among member countries. UNIDO investment promotion service needs to be strengthened in India so as to facilitate more effective transfer of technology among the developing countries and to attract foreign investment and to facilitate joint ventures in India and abroad.

INDONESIA

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. Woodworking industries
 - . Petrochemicals
 - . Machine tools
 - . Pulp and paper
 - . Leather and leather products
 - . Vegetable oils
 - . Engineering industries
 - . and other manufacturing industries.
- D. The System of Consultations constitutes a very useful system towards industrial redeployment, transfer of technology and investment from developed to developing countries, training of industrial manpower with regard to the co-operation among developed and developing countries, technical co-operation among developing countries, etc. The Consultations which tend to be a negotiation require active participation of the private sectors in developed and developing countries.

IRAQ

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).

KENYA

- A.1. The required information is not readily available. However, and 2. it was stated in the Budget Speech 1981/82:

"The Government is not excessively burdened at present by external debt At present, our debt servicing ratio - the amount of export earnings which goes to repay our external debt as a proportion of total export earnings - stands at 15 per cent, compared to 12 per cent in 1979. It is expected that this will rise to 17 per cent in calendar year 1981the Government is in the process of working out a detailed external borrowing plan within which all Government external borrowing will be monitored and supervised"

- B. (No reply on this issue).

- C. Industrial branches in which foreign and local investment is planned or desired include the following:

- . Agro-based processing industries: Medicinal and aromatic plants (including cinchona and turpentine), utilization of slaughter house by-products, processing of citrus fruits for exports, pineapple processing, fish canning and fishing and marine fish processing.
- . Chemicals and chemical products: Caustic soda, alcohol from sugar-cane juice, PVC, LPDE, sodium chloride, basic pesticides and carbon black.
- . Automatic rubber products: Window channels, weather strips, mud flaps, moulded mats, radiator holes, battery containers, medical rubber products, rubberized fabrics, hot water bottles, bottle caps, tubing etc.
- . Metals and engineering industries: Precision grey iron foundry and mini-integrated steel plant.
- . Non-metallic mineral products: Expansion/re-location of African Diatomite Industries Ltd.; ceramics products and bricks and tiles.
- . Textile industry: Ready-made garments.
- . Projects for which only appropriate machinery is required: Animal feeds, plastic dolls and balls, mosquito coils, wooden clothes pegs, wooden toys, engineering workshop, agricultural implements, concrete roofing tiles, charcoal stoves, toilet rolls, knitted pullovers and textile machine parts.

A number of existing firms are also interested in diversifying and expanding their production.

- D. Efforts are being made with the assistance of the UNIDO Team in the Ministry of Industry to promote the investment.

LESOTHO

- A.1. \$US 187,200,000 (1981/82)
- A.2. \$US 7800,000 (1981/82)

B.

Table VIII-1
Amount (current \$US)

	<u>1981</u>	<u>1982</u>
Grants, loans and credits	2,200,000	4,000,000

- C. Food processing
 - . Wood and mohair scouring, spinning and weaving
 - . Blanket production
 - . Leather tanning
 - . Sandstone cutting and shaping
 - . Developing and expanding technical units and technical training schools respectively.
 - . Developing leather manufacturing.
- D. Consultations: Establishing the Industrial Development Centre.
 - . Investment: The UNIDO is taking action for a Solidarity meeting aimed at stimulating the financial and technical assistance to Lesotho.
 - . Providing technical training courses to develop skilled labour and supervision.

MADAGASCAR

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. All industrial branches in which the major projects regarded as having priority depend for their execution on investments that exceed local capacity:
Examples: Energy industry (hydro-electric power stations, bituminous sandstone, coal, etc.); heavy industry, etc.

Madagascar (cont'd)

- D. The following may be of assistance in bringing about the planned or desired foreign investment:
 - . The UNIDO System of Consultations: if it determines on the spot the real needs and the corresponding and appropriate ways of meeting them, and if the System proceeds quickly to implementation and not to studies and expert missions;
 - . Redeployment: if the industries to be transferred really meet the country's financial and technical needs and provided that the technical decisions are not incompatible with the fundamental options open to the country;
 - . Licencing: provided that it is not tied to conditions which the country cannot meet.

MALAWI

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).

MALTA

- A.1. \$US 82,859,813 (1980)^{1/}
- A.2. \$US 4,728,860 (1980)
^{1/} includes interest and sinking fund contributions.

B.

<u>Table VIII-1</u>
<u>Amount (current \$US)</u>
<u>1980</u>

Direct foreign investment	25,925,000 ^{2/}
Grants, loans and credits (included above)	

^{2/} Mostly in the manufacturing sector.

- C. In the current plan it is stated that a number of sectors and products have been identified in which Malta offers considerable production and locational advantages. The sectors include structural and fabricated metal products; electrical,

Malta (cont'd)

electronic and mechanical equipment; communications equipment, electrical appliances for domestic and industrial use; professional and controlling equipment and photographic and optical articles. The products falling within these sectors include tools, moulds, dyes, pumps, valves, motors, machine tools, surgical instruments, quality cutlery, stainless steel kitchenware, scissors, padlocks, hinges, locks and other builders' hardware, precision instruments, control and measuring apparatus, pharmaceutical products and engineering products.

D. (No reply on this issue).

MAURITIUS

A.1. US\$ 488.63 m (May 1982)

A.2. US\$ 58 m (1981/82)

B. (No reply on this issue).

C. Electronics

. Precision assemblies.

D. The Government of Mauritius is interested in those activities. In which specific way could the UNIDO system of assistance and consultation help this country? Could we have some information on the subject?

MEXICO

A.1. US\$ 38,812,800,000 (1980*)

*Source: Annual Report of Bank of Mexico

A.2. US\$ 7,779,000,000 (1980**)

** Source: Annual Report of Bank of Mexico and Monthly Bulletin of Economic Information of S.P.P. (amortizations).

Mexico (cont'd)

B.

	<u>Table VIII-1</u> <u>Amount (current \$US)</u>
	<u>1980</u>
Direct foreign investment	1,285,700,000

Source: Statistical Yearbook for 1981, Directorate-General of Foreign Investment and Transfer of Technology.

- C. Capital goods for particular industries such as the oil, electricity, iron and steel, food, agricultural, mining and construction industries; secondary petrochemicals and chemicals; general equipment with diesel engines and/or electric motors; valves and compressors; and basic infrastructure, including basic heavy processes and machines and tools such as lathes, milling machines, boring machines, presses and grinders.
- D. (No reply on this issue.)

NIGER

- A.1. CFAF 27 billion (1979-83)
- A.2. 396.7 m (1981)
- B. (No reply on this issue).
- C. Crop-raising and grazing industry
. Building materials industry.
- D. (No reply on this issue).

NIGERIA

A.1. US\$ 12,738.7 million (1980)

A.2. US\$ 8,754.7 million (1980)

B. (No reply on this issue).

C. Agro-allied and food processing

- . Building materials
- . Manufacture of motor vehicle component parts
- . Agriculture implements and tractors
- . Machine building industries
- . Electronic industries
- . Electrical industries.

D. UNIDO will be consulted as necessary.

OMAN

A. (No reply on this issue).

B. (No reply on this issue).

C. (No reply on this issue).

D. (No reply on this issue).

PAKISTAN

A.1. Debt disbursed and outstanding: US\$ 8,765.027 million
(as at 30th June 1981)

. Undisbursed balance: US\$ 2,579.261 million
(as at 30th June 1981)

A.2. Long-term credits: US\$ 598,940 million
(during July 1980 - June 1981)

. Short-term credits: US\$ 345,947 million
(during July 1980 - June 1981)

Pakistan (cont'd)

B.	<u>Table VIII-1 (million Rs)</u>	
	1979-80	1980-81
Direct foreign investment	3305	6074
Grants, loans and credits	1851	3766

- C. Capital goods industry
- . Agro-based industries
 - . Mineral based industries
 - . Export oriented industries
 - . Import-substantial industries.
- D. In the field of preparation of industrial feasibility profiles and market research.

PANAMA

- A.1. 2,210.7 (1980) (in million B/.)
- A.2. 241.90 (1980) (interest in million B/.)

B.	<u>Table VIII-1</u>			
	<u>Amount (current \$US)</u>			
	1980	1981	1982	1983
Direct foreign investment	-843.56	-919	-1,002	-1,092

- C. Planned: Forestry resources
Mining resources
Marine resources
- . Desirable: Metal industries
Assembly industries
Light electronic industry (cocktail cabinets, toasters, etc.).
- D. (No reply on this issue).

PERU

- A.1. 6,043.3 (1980)
- A.2. 1,428.3 (1980)
- B. (No reply on this issue).
- C. Production of mass consumer goods.
- . Manufacture of capital goods, mainly for the improvement of agricultural production and productivity.
- D. Extensive use of UNIDO's System of Consultations with regard to the following topics:
- . Development of the System of Consultations into a permanent instrument with the necessary level of funding to allow it to perform effectively;
 - . The extension of the System's area of interest so as to include all important industrial branches;
 - . The adoption, at the regional level, of effective steps to ensure the application of consultation recommendations.

REPUBLIC OF KOREA

- A.1. US\$ 6,531 million (1980)^{1/}
- A.2. US\$ 2,988 million (1980)^{2/}

^{1/} Including public loans used by private sector.

^{2/} For debt with a maturing over 1 year.

B.	<u>Table VIII-1 (Million \$US)</u>		
	1980	62-80	1959-80
Direct foreign investment	68.2	1,100.6	-
Loans ^{1/}	2,934	-	18,150

^{1/} Public and commercial loans.

Republic of Korea (cont'd)

- C. Production capacity will be expanded in the following areas with the redeployment from more advanced countries.

<u>Sector</u>	<u>Unit</u>	<u>1980</u>	<u>1986</u>
Machinery	\$billion	8.9	32.3
Automobiles	1,000 units	360	637
Shipbuilding	1,000 G/T	4,000	6,000
Electronics	\$billion	2.9	12.2
Iron and steel	Million M/T	9.3	15.5

- D. (No reply on this issue).

ROMANIA

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).

RWANDA

- A.1. \$US 170 million (1980)
- A.2. \$US 11.2 million (1980)

B.

	<u>Table VIII-1</u>
Industry and crafts	1982-1986
Direct foreign investment	US\$ 45 million
Grants, loans and credits	US\$ 120 million

- C. (No reply on this issue).
- D. Preparation of feasibility studies.

SENEGAL

A.1. 240 billion francs CFA (1981)

A.2. 42 billion francs CFA (1981)

B. Table VIII-1
Amount (current \$US)
1985

Direct foreign investment	500 million
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C. (No reply on this issue).

D. The UNIDO System of Consultations should ensure that projects for which UNIDO seeks financing are followed up to final implementation.

SINGAPORE

A.1. US\$ 457.8 million (1980)

A.2. US\$ 19.4 million (1980)

B. Table VIII-1
Amount (current \$US)
1980

Direct foreign investment	3654.9 m
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Grants, loans and credits	3.9m
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C. Foreign investment is planned and desired in all manufacturing sectors.

D. (No reply on this issue).

SRI LANKA

FIAC = Foreign Investment Advisory Committee
LIAC = Local Investment Advisory Committee

A. Industry

Investment approvals in industry outside greater Colombia Economic Commission 1980-1981

Category	Number of Units				FIAC Foreign Invest-ment (Rs. Mn.)		Total Investment (Rs. Mn.)				Employment Potential (Nos)			
	FIAC		LIAC		1980	1981	FIAC		LIAC		FIAC		LIAC	
	1980	1981	1980	1981			1980	1981	1980	1981	1980	1981	1980	1981
Food, beverages and tobacco	8	13	40	22	527	178	589	229	34	32	1,080	872	587	1,323
Textiles, wearing apparel and leather products	12	8	168	78	16	30	43	55	51	22	1,384	1,906	3,786	2,546
Wood and wood products (incl. furniture)	2	-	4	)	1	-	6	-	1	)	52	-	46)
Paper and paper products	3	2	52	)	6	3	24	20	17	)	161	84	1,389)
Chemicals, petroleum, coal, rubber and plastic products	12	15	162	127	183	100	385	210	105	88	1,757	937	3,165	2,083
Non-metallic mineral products (except petroleum and coal)	-	6	66	43	-	89	-	235	44	22	-	596	2,005	1,130
Basic metal products	-	-	16	8	-	-	-	-	3	2	-	-	272	124
Fabricated metal products, machinery and transport equipment	10	13	155	109	226	232	361	362	64	67	1,215	1,164	2,699	2,435
Manufactured products n.e.s.	19	6	36	16	90	9	117	50	18	3	1,336	290	1,422	320
TOTAL	66	63	699	458	1,049	642	1,585	1,161	337	254	6,985	5,849	15,371	10,641

Sri Lanka (cont')

Investment approvals in industry within greater Colombo Economic Commission 1980-1981

Category	Number of Units				Foreign Investment (Rs. Mn.)				Total Investment (Rs. Mn.)				Employment Potential (Nos)			
	Approvals		Contracted		Approvals		Contracted		Approvals		Contracted		Approvals		Contracted	
	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981	1980	1981
Food, beverages and tobacco	4	1	2	-	46	174	25	-	81	454	45	-	2,538	1,651	1,239	-
Textiles, wearing apparel and leather products	11	4	5	2	429	210	755	111	578	292	934	173	8,638	5,129	10,582	2,914
Wood and wood products (including furniture)	1	-	1	-	1	-	1	-	2	-	2	-	250	-	250	-
Chemicals, petroleum, coal, rubber and plastic products	8	4	2	3	126	113	44	43	233	150	86	71	1,512	362	615	661
Non-metallic mineral products (except petroleum and coal)	1	1	-	1	5	18	-	18	8	35	-	35	106	649	-	649
Fabricated metal products, machinery and transport equipment	9	4	3	1	480	343	377	33	634	527	488	42	4,643	2,502	3,572	237
Manufactured products n.e.s.	14	4	10	3	228	122	98	120	337	225	134	221	4,611	1,115	3,954	798
Total	48	18	23	10	1,315	980	1,300	325	1,873	1,683	1,689	542	22,298	11,408	20,212	5,259

B. (No reply on this issue.)

C. Electronic industries
 Agro-based industries
 Mineral-based industries.

Sri Lanka (cont'd)

- D. UNIDO could assist Sri Lanka to find prospective foreign investors to invest in Sri Lanka. In addition, UNIDO could assist Sri Lanka by supplying data regarding potential for redeployment of industries in Sri Lanka. Besides assistance in marketing of manufactures and semi-manufactures abroad in which Sri Lanka needs assistance.

SUDAN

- A.1. LS. 362.5 m (1980)
- A.2. LS. 135.3 m (1980)
- B. (No reply on this issue).
- C. Textile industries
 . Leather industries
 . Exploration or petrol and petro-chemical industries.
- D. All these UN organizations and its special agencies, could collaborate with the Sudan in identifying the investment plan priorities and expose them to interested foreign investors, and act as a media and a reliable source of information and co-sponsored between the two sides in all matters related to the Sudan Investment priorities and foreign interested partners.

THAILAND

- A.1. US\$ 4,000.2 m (1980)
- A.2. US\$ 1,254.7 m (1980)
- B. (No reply on this issue).
- C. Policies and guidelines for foreign investments indicated in the Fifth National Five Year Plan, the Government will undertake the following actions:
- . Establishing a specific governmental agency to conduct the promotion, selection and controlling of investment, as well as technology transfer and investment registration from foreign countries.
 - . Foreign investment sources will be expanded in order to avoid the reliance upon limited sources.

Thailand (cont'd)

- . Technology transfer and skill up-grading will be made to the labour so as to be able to participate in foreign investment business.
- . Foreign investment sources came from three continents, namely Asia, Europe and America. Among three continents of foreign investors Japan ranks number one followed by the United States, United Kingdom, Taiwan and Hong Kong respectively.
- . List of industrial branches in which local and foreign investment is planned or in which the production capacity is to be expanded as a result of redeployment from more advanced countries are:

Agro-based industries:

- . Business opportunities for the establishment of industries of this kind are fruit canning or preservation, vegetable canning or preservation, flour, processing and preparation of cereal grains, confectionery products (e.g. biscuits, crackers, sweets, etc.), maize processing for glucose, starch, oil, etc., essential oils for cosmetic industry and industrial use, breeding and raising of poultry, breeding and raising of hogs, meat canning and processing, spices such as processed ginger, pepper, onion, garlic, frozen seafood, bee raising and bee products, bamboo products, rattan work, mulberry tree plantation and sericulture, seed multiplication facility, commercial farming, oil palm plantation, cashew-nut plantation.

Minerals, metals and ceramics

- . Business opportunities for the establishment of industries of this kind are mining and mineral processing industries, integrated steel works, sponge iron, ferro-alloys, metal and metal alloy products, manufacture of components for pre-fabricated buildings, small non-agricultural hand tools and hardware, agricultural hand tools, metal containers for food canning and preservation, pottery and porcelain ware, ceramic products for household and industry.

Chemicals

- . Business opportunities for the establishment of industries for: tannery, leather products, pulp from indigenous raw materials, perfume and cosmetic industry, petrochemical products, salt-based industry (e.g. soda ash), chemical products, manufacture of plastic products, fungicides and insecticides, weed killers and plant hormones, photographic chemicals.

Thailand (cont'd)

Engineering and electrical

- . Business opportunities for the establishment of industries of this kind are industrial machinery, road building and construction machinery, wood working machinery, motor compressor units for refrigerators or air-conditioners, agricultural machinery and equipment (e.g. grass mowers), standard machine tools and components, household appliances, gas or gasoline, medical instruments or equipment.
- D. It is our firm belief that the System of Consultation will be of great help in laying the foundation-stone of our national industrialization if member countries, especially industrialized countries, lend their co-operative hands.
- . As for the investment promotion, many criteria should be taken into consideration such as political stability, favourable investment climate, just and equitable sharing of benefits, suitability in investment in compliance with national economic and social development, investors should be guaranteed from being nationalized. Thailand is offering these optimistic and favourable offerings. We welcome foreign investment with satisfying benefits.
 - . As regards the redeployment of industry we welcome this action with certain conditions that obsolete and pollution-creating industries must be strictly avoided, labour-intensive industries are preferable, industries with suitable technology are welcomed, industries are advised to locate outside the metropolitan areas where rich natural resources are found, transnational as well as multi-national corporations are favourably accepted to play their roles in investment in the country, complicated obligations such as limited export quota or export prohibition from firms should be eradicated, quality and standard of such industrial products must be the same as origin, transfer of technology and know-how must be done on a fair ground, new industrial products must be strictly protected from being imitated by means of patent.

TOGO

- A. (No reply on this issue).
- B. (No reply on this issue).

Togo (cont'd)

C. Development of natural resources:

- . Mines and mining industries;
- . Food-processing industries.

D. (No reply on this issue).

TUNISIA

A.1. 1,297.0 MD (1980) at current prices.

A.2. 151.0 MD (1980) at current prices.

B. (No reply on this issue).

C. Mechanical engineering industries.

D. (No reply on this issue).

TURKEY

A.1. US\$ 20.0 billion (1980)

A.2. US\$ 4.6 billion (1980)

Note: Debt service = exports + other invisibles

$$4.6 = 2.9 + 1.7$$

B.

Table VIII-1
Amount (current \$US) (in millions)

	1980	1981 ^{a/}	1982 ^{b/}	1983 ^{c/}
Direct foreign investment	35	75	400	500
Grants, loans and credits	3123	2830	3150	3130

Source: SPO

a/ Total foreign financial resource inflows.

b/ Estimated total.

c/ Planned total.

Turkey (cont'd)

- C. Turkey is very flexible to the foreign investors. All forms of direct foreign investments are welcomed, provided that it is reasonably new and meets some needs of the national economy. Foreign Investment Department of the State Planning Organization considers each case on its own merits.
- D. Although everything has been done to attract foreign capital, it seems that it is hesitant to come up to 1980, the amount of total foreign capital entered into the domestic economy is around 228 million U.S. dollars. That is why every form of assistance to attract foreign capital into the Turkish economy will be very useful.

UNITED REPUBLIC OF CAMEROON

- A.1. 434 thousand (1981)
million CFA francs.
- A.2. (No reply on this issue.)
- B. (No reply on this issue.)
- C. Heavy industries;
. Chemical industries;
. Mining industries;
. Capital goods industries;
. Food industries.
- D. (No reply on this issue).

UPPER VOLTA

- A.1. \$US 399.8 (1981)
- A.2. \$US 11.94 (1981)

Upper Volta (cont'd)

B. Table VIII-1 (Amount (current \$US))

	<u>1977-1979</u>	<u>1980</u>	<u>1981</u>
Grants foreign investment	27.9	6.29	3.72

- C. Since development plans are more than 90 per cent financed by foreign capital, most industrial branches can benefit by direct foreign investment. However, in view of the initiation of a policy of food self-sufficiency, investments in agro-industry are desired most.
- D. The UNIDO System of Consultations, by circulating information on the opportunities available in Upper Volta for foreign investment, and the system of solidarity meetings between developing countries, are helping Upper Volta to find foreign partners to finance some of its projects.

URUGUAY

- A.1. \$US 1,664.6 million (on 30.6.1981)
- A.2. \$US 269.6 million (1980)
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. By supplying regular periodical information regarding the investment opportunities requested by foreign enterprises.

VENEZUELA

- A.1. 9,954,890,000 (1980)
- A.2. 954,000,000 (1980)

Venezuela (cont'd)

B.

Table VIII-1 Amount (current SUS)
(in millions)

	1980	1981
Direct foreign investment	63.5	141.4
Grants, loans and credits	3,239.3	-

- C. In the industrial sector, the priority areas for foreign investment are:
- . Blast-furnace steelmaking;
 - . Manufacture of special steels;
 - . Machinery, equipment and parts for the petroleum, petrochemical, construction and electric power industries;
 - . Electronic devices of a professional and scientific nature;
 - . Manufacture of wood pulp;
 - . Rubber;
 - . Industrial chemicals, pharmaceuticals and petroleum by-products;
 - . Motor industry.

There is a possibility of participation by foreign investors in the industries assigned to Venezuela under the sectoral development programmes of the Andean Pact.

- D. Through its Department of Foreign Investment, the Venezuelan Government is in permanent contact with the UNIDO System of Consultations with a view to evaluating the terms of technology transfer contracts, licences for the use of patents and trademarks, technical assistance and the compensation paid in licencing agreements of this kind, taking into account the full range of economic factors. Petroleum, banking, insurance and tourism are not covered.

YUGOSLAVIA

- A. (No reply on this issue).
- B. (No reply on this issue).

Yugoslavia (cont'd)

- C. (No reply on this issue).
- D. The UNIDO-organized global System of Consultations could be even more beneficial to countries which have embarked on the road to industrialization, if it could succeed in strengthening the conviction of the developed countries how necessary major structural changes in existing international economic relations, which in their present form adversely affect the developing countries in particular. This means that the promotion of investment, redeployment, licensing and other activities shall have a positive effect if they contribute to eliminating the present numerous discrepancies between the developed and the developing countries, i.e. if they give their full contribution to the establishment of a new international economic order.

ZAIRE

- A.1. 4,800 (1980)
- A.2. 685 (1980)
- B. The manufacturing sector plays no part in the 1981-93 Mobutu Recovery Plan.
- C. The present problem of the manufacturing sector is under utilization (30 to 50 per cent of installed capacity) owing to shortage of raw materials and spare parts. The main concern of the Executive Council is to revive this sector.
- D. See C.

ZIMBABWE

- A.1. \$US 678,7 million (1981)
- A.2. (No reply on this issue.)
- B. (No reply on this issue.)
- C. Transport equipment;
Metals and metal products;
Chemicals and petroleum products.
- D. UNIDO can assist in the organization of studies, including studies on ill effects of foreign investment, and identification of areas where foreign investment can be helpful.

IX. TRADE IN MANUFACTURING

Governments were invited to supply information on the following topics:

- A. Specific data on trade in manufactures: figures at current prices in the national currency, specifying units:

Total exports	Total imports
Exports of manufactures	Imports of manufactures
Estimated share of manufactured exports destined for other developing countries (%)	Estimated share of manufactured imports originating in other developing countries (%)

- B. Measures taken to increase exports of manufactured goods.
- C. Specific measures taken to establish or improve existing institutional machinery for the promotion of industrial exports.
- D. Other relevant topics.*

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE :

ARGENTINA

A.

	<u>Table IX-1</u> (in millions of \$US)				
	1976	1977	1978	1979	1980 ^{1/}
Total <u>exports</u>	3,916	5,655	6,399	7,813	8,021
Manufactures of industrial origin <u>2/</u>	813	1,090	1,314	1,446	1,824
Proportion (Per cent)	20.8	19.3	20.5	18.5	22.8

^{1/} Provisional figures.

^{2/} The classification "manufactures of industrial origin" used by the Secretariat of Trade excludes the traditional manufactures of agricultural products (meat, fats and oils, sugar, skins and hides, processed fibres, food waste and others) but includes petroleum derivatives. In general, the trend is similar to that of the international classification but a few percentage points higher (3 to 5, according to past years).

* / Most countries did not reply on this issue.

Argentina (cont'd)

Table IX-1
(in millions of \$US)

	1976	1977	1978	1979	1980
<u>Total imports</u>	3,034	4,165	3,834	6,711	10,541
Imports of manu- factures <u>1/</u>	687	1,389	1,411	2,217	4,646
- Capital goods	662	1,316	1,299	1,791	3,108
- Consumer goods	25	73	112	426	1,538
Share of manufactures in total imports	22.7	33.4	45.1	33.0	43.2

1/ The customary Argentine classification is the following:

- Capital goods
- Fuels and lubricants
- Raw materials, inputs and intermediate goods
- Consumer goods.

A special classification adopted by the Secretariat of Trade made it possible to obtain these two totals, which probably account for the bulk of manufactures.

B. (No reply on this issue).

C. (No reply on this issue).

BAHAMAS

A.	Table IX-1 (B\$000)			
	1975	1978	1979	1980
Total exports	2,216	2,118	3,495	4,836
Exports of manufactures	46	54	-	-
Total imports	2,482	2,482	3,985	5,507
Imports of manufactures	167	247	-	-

Bahamas (cont'd)

- B. The Bahamas Agricultural and Industrial Corporation is charged with promoting development by assisting Bahamians and by seeking out and encouraging foreign developers. The Corporation will also assist in the marketing both domestically and for export, of agricultural, fisheries, and handicraft products.
- C. Establishment of the Bahamas Agricultural and Industrial Corporation.

BANGLADESH

A.

	1975-76	1976-77	Table IX-1 (in million US\$)		
			1977-78	1978-79	1979-80
Total exports	380	404	494	599	759
Total imports			1978-80 : 4292		

- B. Government has taken steps in the following spheres:
- . Setting up of export oriented industries;
 - . Undertaking programme for product development;
 - . Exploring new market abroad through vigorous sales and publicity drive;
 - . Further widening of the product base.
- C. A number of facilities and incentives for export oriented industries have been offered. The following incentives will be further added:
- . The commercial banks will provide up to 90% of requirement of working capital against irrevocable letters of credit;
 - . The financing institutions will reschedule repayment of liabilities of export oriented industries on a more liberal basis;
 - . The present facility under the Export Credit Guarantee Scheme will be given more extensively to the export oriented industries;
 - . A system of national payment of import duty and sales tax will be adopted for export industries on selective basis in phases. In the proposed system, records of raw materials and packaging materials imported and the national duty and taxes payable would be kept pending against exporters' accounts in a suspense register by the Customs Department. The exporter's liability would be removed on production of proof of export within a stipulated time period.

Bangladesh (cont'd)

- . The list of exportable items for Export Performance Licence as also the basis of entitlements will be revised in the light of the joint study being carried out by the Bangladesh Bank and the Export Promotion Bureau.
 - . A proposal is under consideration to provide insurance coverage against loss of production on account of power failure, limited for the present to export industries.
- D. The Export Processing Zone is being reactivated and the authority has already been constituted. A vigorous campaign to attract foreign as well as Bangladeshi investors to set up industries in the Zone will be soon mounted. The Zone is expected to act as a catalyst to foreign investors.

BENIN

A. Table IX-1 (in millions of CFA francs)

	1975	1978	1979	1980
Total exports	6.79	5.76	7.3	7.9
Export of manufactures	2.25	1.9	2.41	2.6
Total imports	42.1	60.2	59.5	65.3
Imports of manufactures	27.95	39.9	38.6	42.36

- B. The provisions of the Investment Code in respect of plants manufacturing export goods enable these to be relatively competitive (a single export tax of 2 per cent, exemption from or deduction of some taxes).
- C. A project for the establishment of a Benin Centre for Foreign Trade is currently being discussed in the Ministry of Trade.

BOLIVIA

A. Table IX-1 (in millions of Bolivian pesos)

	1978	1979	1980
Total exports	723.7	859.5	1,035.9
Exports of manufactures	52.5	84.8	126.6
Estimated share of manufactures exports destined for other developing countries (%) (ALADI)	53.7	48.5	42.7
Total imports	807.8	962.8	813.8
Imports of manufactures	532.4	613.3	526.5
Estimated share of manufactured imports originating in other developing countries (%) (ALADI)	29.0	31.0	

B. Incentives for exporters in the Investment Law.

- . The new Law on Promotion of Non-Traditional Exports has been devised to diversify and increase exports by such means as Drawbacks, import-export contracts, tax rebate certificates (CERTEX) and the extension of excise duties.

C. The new Law on Promotion of Exports includes fiscal incentives such as:

- . Refund of customs duties on imports of inputs for industrial exports (Drawbacks);
- . Exemption from indirect taxes on inputs purchased in Bolivia for industrial exports;
- . Fiscal incentives in the form of certificates or bonds (CERTEX) which are used to pay taxes or can be transferred to other undertakings for this purpose. The incentive varies from 14 to 35%, depending upon the national added value;
- . Exemption from excise duties, university taxes, municipal sales taxes, etc.

BRAZIL

A.	Table IX-1 (in millions of \$US)			
	1975	1978	1979	1980
Total exports	8,670	12,659	15,244	20,132
Exports of manufactures	2,585	5,083	6,700	9,029
Estimated share of manufactured exports destined for other developing countries (%)	48	44	48	52
Total imports	12,210	13,683	18,084	22,961
Imports of manufactures	8,080	7,266	8,208	9,811

Source: CACEX.

B. (No reply on this issue).

C. (No reply on this issue).

BURUNDI

A.	Table IX-1					
	1975	1978	1979	1980	1985 ^a	1987 ^b
Total exports	3,789.7	5,546.6	8,246.4	8,359.3	15,502.2	24,482.0
Exports of manufactures	129.6	213.6	265.9	401.9	2,260.4	6,692.1
Estimated share of manufactured exports destined for other developing countries (%)	-	10	10	12	15	20
Total imports	4,219.7	9,930.6	12,225.0	18,815.8	39,508.5	53,938.7
Imports of manufactures	2,509.1	3,988.1	6,681.0	6,340.0	16,482.1	20,334.0
Estimated share of manufactured imports originating in other developing countries (%)	15	18	15	25	30	30

a/ Planned or estimated.

b/ Target year of current national development plan.

Burundi (cont'd)

- B. Setting up of manufacturing industries to supply the CEPGL (Economic Community of the Great Lakes Countries) market. Burundi's export capacity will be enhanced by improvements in quality and the diversification of products.
- C. The Centre for Industrial Promotion might become an institution for promoting exports. Search for markets for Burundi products with the help of multilateral institutions and by the establishment of commercial offices and participation in fairs and exhibitions abroad.

CHILE

A.	Table IX-1		
	1975	1978	1979
Total exports	7,822.8	77,908.2	142,853.7
Export of manufactures	1,943.4	26,400.1	52,127.6
Total imports	8,403.3	102,705.8	175,378.9
Imports of manufactures	5,343.6	85,458.3	145,450.07

Note: 1980 provisional figures only.

: There are no projected figures for 1985 and onwards.

: Figures in millions of pesos for each year.

Source: Banco Central de Chile

In general the system of classification used is that of SITC (Standard International Trade Classification) of the United Nations, edition 2.

- B. In setting out demands for a realistic rate of exchange, which and stimulates exports via prices, an essential element is fixed
- C. for the development of the external market.
- . Other measures to promote exports are the return of the value added tax (V.A.T) in the case of goods exported, the creation of market information systems, through support institutions like PROCHILE, the training of professionals in international marketing the speeding up of export formalities in the Banco Central de Chile and the undertaking of programmes of investigation and market studies.
 - . Opening-up to foreign trade has also meant that the country specializes strongly in areas with comparative advantages.

CHINA

A. Table IX-1 (in billion RMB Yuan)

	1975	1978	1979	1980
Total exports	14.3	16.8	21.2	27.2
Total imports	14.7	18.7	24.4	29.1

B. China's present exports are mainly primary products, such as agricultural and side products and raw materials, and light industrial and textile products. This structure of exports can not meet the requirements for the development of national economy. With the development of production in future, this structure of China's exports shall be directed towards industrial manufactured goods of higher added value so as to earn more hard currencies for the country. Having a better opportunity to expand, the light and textile industries are in a better position to provide more for export. With a comparative sound foundation, the machine building industry has a great potentiality for providing products for export, provided that its present enterprises be streamlined, and production and technology improved.

C. (No reply on this issue).

COMOROS

A. Table IX-1

	1975	1978	1979	1980
Total exports	2,036	2,099	3,728	2,363
Total imports	4,974	4,329	6,135	6,719

B. The present policy of the Government is to develop the manufacturing sector so as first to cover national needs before undertaking any export programmes.

C. (No reply on this issue).

COSTA RICA

A.

Table IX-1

	1975	1978	1979	1980	1985 ^a
Total exports	493.3	864.9	934.4	951.6	<u>1/</u>
Exports of manufactures	136.6	224.1	252.5	374.6	
Total imports	694.0	1165.7	1449.1	1490.3	
Imports of manufactures	317.4	458.3	582.9	728.6	

1/ Preliminary figures of the Department of International Transactions.

- B. A permanent Industrial Product Exposition Centre is to be established for the promotion of exports.
- . Within the legal framework of the Central American Common Market, fiscal incentives are to be rationalized to bring about improvements in industrial productivity and efficiency.
 - . Industrial estates, where industries exporting to third markets will be set up, are to be established.
 - . Transnational companies are to be ensured non-discriminatory treatment.
 - . There is to be a review of the stimuli to industrial investment, national and Central American production incentives and commercial contracts and agreements with the countries of the Central American region and the rest of the world, for the purpose of improving industrial productivity and contributing to the promotion of exports. To this end, Law No. 5162, on export promotion and regulation, whose principal objective is to promote non-traditional Costa Rican Exports, has been enacted.
- C. Continued support will be given to the efforts of the Technological Institute of Costa Rica and the universities. Also participating in this effort are the Ministry of Economic Affairs, the National Council for Scientific and Technological Research, the National Industrial Development Fund, the Central Bank of Costa Rica and the Costa Rican Development Corporation. The efforts of these institutions have a bearing on point B. Above.

CYPRUS

A.	Table IX-1			
	1978	1979	1980	1981
Total exports	-	161,870	188,035	-
Exports of manufactures	69,921	86,285	107,275	126,297
Estimated share of manufactured exports destined for other developing countries (%)	-	53%	57%	-
Total imports	-	37,603	424,292	-

B. The Export Credit Guarantee Scheme, tax incentives and others are some of the measures taken to increase exports.

C. (No reply on this issue).

ECUADOR

A.	Table IX-1 (Million of dollars current FOB)				
	1975	1978	1979	1980	1985 ^a
Total exports	1,018.0	1,529.2	2,171.4	2,529.5	4,871.4
Exports of manufactures ^{1/}	-	107.8	111.7	181.7	711.2
Total imports	1,006.0	1,704.0	2,080.0	2,203.5	3,766.0
Imports of manufactures ^{2/}	-	1,376.3	1,722.4	1,787.0	2,139.4

^{1/} The figures do not include products of the fishing industries, or preparations of banana, cocoa, coffee and others.

^{2/} The figures do not include oil derivatives by compensation or other non-durable consumer goods.

B. Extension of the signing of bilateral agreements, multilateral agreements and international markets which facilitate the widening of the international market, under the co-ordination and control of the MICEI and of the C.F.N. Export Promotion Fund.

- Direct participation of the MICEI in promoting exports of manufactured products of metal, straw hats, abacá fibre, etc.

- Enquiry into the country's range of exports in order to be able to meet the demands of the international markets to be undertaken by MICEI.

Ecuador (cont'd)

- C. Implementation of a financing mechanism which will allow specialization of the Export Promotion Fund (FOPEX) of the National Finance Corporation, since this is the only body which grants credit for non-traditional goods.
- . Proposal to establish a system of credit security for the exportation of non-traditional industrial products.

EL SALVADOR

A.	Table IX-1			
	1975	1978	1979	1980 ^{a/}
Total exports	1,283.4	1,577.4	2,579.3	2,618.0
Exports of manufactures	357.0	564.6	653.9	654.4
Estimated share of manufactured exports destined for other developing countries (%) ^{1/}	89.8	93.6	92.1	93.3
Total imports	1,495.1	2,559.9	2,529.9	2,443.0
Imports of manufactures	1,150.1	1,998.2	1,893.3	1,513.8
Estimated share of manufactured imports originating in other developing countries (%)	23.8	23.7	26.3	41.4

Source: Statistical Yearbooks of El Salvador.

^{1/} Exports to Central America and Panama only have been considered.

^{a/} Provisional exchange rate: \$US1 = 2.50 Salvadorian colons.

Note: The figures in the table refer to trade in manufactured goods, covered by sections 5 to 8 of the Uniform Central American Tariff Nomenclature (NAUCA).

B. Export promotion in the direct form of:

- . Consultancy services to producing firms;
- . Contracts with foreign importers;
- . Channelling of foreign demand to domestic exporters;
- . Technical assistance to exporting firms (mainly through courses and seminars);
- . Preparation of market surveys (by country or by product, as required);
- . The organization of trade missions (like the latest one to Tapachula, Mexico, in June 1980 for the purpose of establishing contacts with business, commercial and industrial circles);

El Salvador (cont'd)

- . Participation in trade fairs and exhibitions (Like the Berlin Fair "Partners for Progress" in September 1981 and INIERFER in Guatemala in November of that same year);
 - . Contacts with foreign investors.
-
- . The promotion of exports through the establishment of special instruments, such as:
 - . The Pre-Export and Export Credit Guarantee Fund, whose purpose is to guarantee the loans granted by public financing institutions to exporting firms. Despite the short time it has been in operation (since the beginning of 1981), the Fund has been used to provide guarantees for five firms for a total amount of 75,000 colons.
 - . The establishment, through the Centre for the Promotion and Commercial Development of Exports (under the Ministry of Foreign Trade), which acts as the intermediary and buyer vis-à-vis the direct producer, of a marketing agency for non-traditional export products, such as agricultural, food, manufactured and artisanal products.
 - . Export Credit Insurance to cover political and other unusual risks on the part of the importing country, as well as the commercial risks connected with operations of this kind and not covered by other kinds of insurance. Despite the great benefits this kind of insurance would bring to the task of export promotion, it has yet to be introduced in El Salvador.
-
- C. In 1974, for the purpose of meeting the policy goals in respect of the encouragement and promotion of non-traditional exports, the Government, through the Export Promotion Act, established the Salvadorian Institute of Foreign Trade (ISCE). To that same end, in November on that year, an accord was enacted (Acuerdo No. 772) conferring on the Institute the responsibility for the administration of the Free Zone (an export promotion instrument).
 - . ISCE continued normal operations until, under Decree No. 68 of 20 December 1979, the Ministry of Foreign Trade was established to formulate and put into effect a new foreign trade policy reflecting the structural changes that had taken place in the country's economy.
 - . This latter decree served as the basis for Decree No. 9 of 17 January 1980, under which the Ministry's area of competence was laid down, and also for Accords No. 1 (of 27 May 1981) and No. 2 (of 14 August 1981) covering its internal organization and assignment of staff, respectively. The Ministry's operation dates from that time.

El Salvador (cont'd)

- . The new structure conferred on the Centre for the promotion and Commercial Development of Exports the functions which its very name implies. As complementary measures, the following bodies were also established: the General Advisory Office, the Juridical Consultancy and Legal Affairs Office, the Department of Foreign Trade Planning, the Department of Exports and Imports and the Department of Services and Transfer of Capital and Technology; in other words, a complete system was created to promote non-traditional industrial and agricultural exports.

- D. Even though the Central American Agreement on Fiscal Incentives for Industrial Development (of 31 July 1962) is not an instrument specifically designed to increase exports, it does provide for a series of fiscal incentives to investment by national industry, namely, the duty-free import of machinery and equipment, raw materials, semi-finished products and packaging, and industrial fuels; exemption from taxation on income, profits, assets and capital. The amounts exempted depend on the category into which the beneficiary enterprise falls.

- . A number of similar incentives are granted under the "Export Promotion Act" to domestic industrial enterprises classified as net exporters, mixed enterprises (which export part of what they produce to Central America and the rest outside the region), and commercial export firms. The purpose of these incentives is to promote the production of goods intended for sale outside the national market.

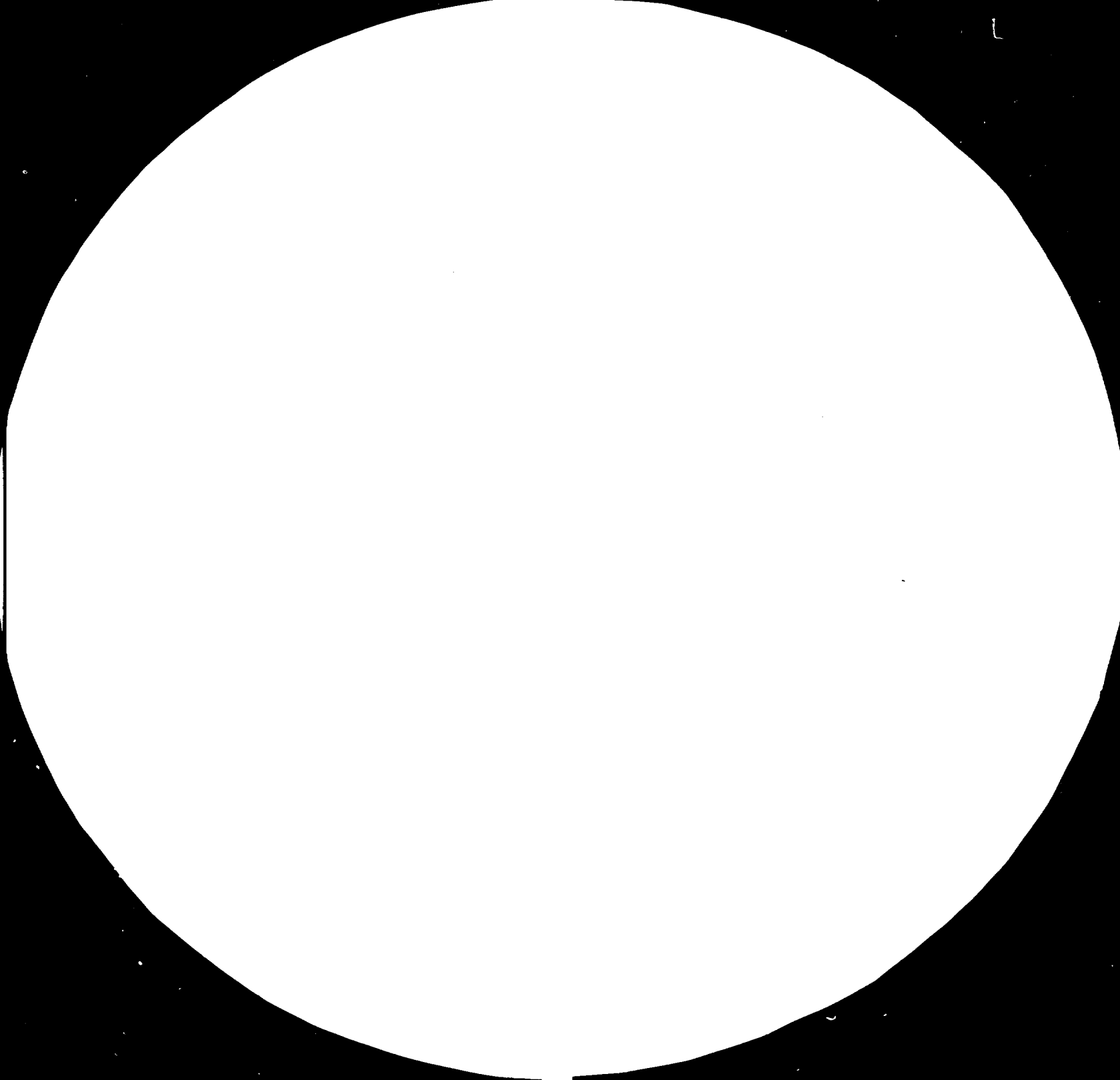
- . El Salvador has also established a system of industrial and commercial export free zones where industrial and commercial export companies can set up business and operate, along with enterprises, whether domestic or foreign, in related areas. All these operators are entitled to a series of tax exemptions and are required to pay only for such items as rental fees, water, etc.

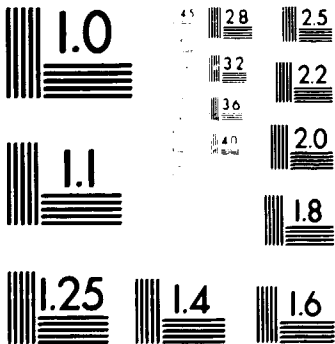
- . In addition, there are special lines of export and pre-export credit which are administered by the country's Central Reserve Bank through the Mortgage Bank and the commercial banking institutions. Although every year customers are taking advantage of these facilities, unfortunately the percentage of credits destined for non-traditional products is low vis-à-vis the total financing (19 per cent in 1979 and 36 per cent in 1980). Independently of this series of national incentives to investment, production and export activity, El Salvador also offers certain natural incentives, such as its abundant industrial manpower. In addition, the country has an adequate infrastructure for transport and communications, by land, air or sea with Central America and other countries, while its geographic location and access to the Pacific Ocean make marketing easier.

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MICROCOPY RESOLUTION TEST CHART
 NATIONAL BUREAU OF STANDARDS
 STANDARD REFERENCE MATERIAL 1010a
 (ANSI and ISO TEST CHART No. 2)

ETHIOPIA

A.

	Table IX-1 (in Birr)			
	1975	1978	1979	1980
Total exports	448706100	639599400	873223700	878533500
Estimated share of manufactured exports destined for other developing countries (%)	20	45	38	50
Total imports	613095200	1080824300	1174569000	1493298900
Imports of manufactures	447948900	826764600	818964900	956826000
Estimated share of manufactured imports origina- ting in other developing countries (%)	9	13	12	11

Note: 1 USS = 2.07 Birr

B. One of the major objectives of the ten year plan is to diversify export products and their destinations so as to broaden the foreign exchange earning. Encouragement will be given to activities which will enhance the foreign exchange earning capacity of the country.

C. Ref. 10 "B" above.

GUATEMALA

A.

	Table IX-1					
	1975	1978	1979	1980	1985 ^a	1982 ^b
Total exports	624	1112	1191	1515	2493	1737
Exports of manu- factures	342	405	431	647	883	740
Total imports	732	1262	1429	1544	2274	1802
Imports of manufactures	617	1149	1278	1318	1941	1530

a/ Planned or estimated.

b/ Target year of current national development plan.

Guatemala (cont'd)

- B. GUATEXPRO, as an executive body, carries out joint missions with the private sector with the object of opening new markets for national products, such as, for example, the Caribbean, China, Portugal, Italy and Argentina. In addition this institution is supported by the commercial attachés in the Guatemalan Embassies abroad, which carry out investigations to identify new markets.
- C. The 1979-82 National Industrial Development Plan indicates the encouragement and restructuring of GUATEXPRO to support the promotion of industrial exports, for which purpose the Institution has made an internal administration appropriation and is working so that in future it will be a supporting organization for the financing of national exports.

GUYANA

A.

Table IX-1* (GS Million)

	1975	1978	1979	1980
Total export goods	858	754	746	992
Exports of manufactures	43,925	50,787	51,018	60,767
Total imports	811	711	810	1,010
Imports of manufactures	654	512	468	624

* Imports do not include fuel and edible oil.

- B. Export Development Fund (EDF) was established in 1981.
- . Concession and preference is given to export oriented undertaking.
- C. Export Promotion Unit has been established in order to boost our exports from traditional and non-traditional sectors.

HONDURAS

A.

Table DX-1 (millions of current lempiras)

	1975	1978	1979	1980	1981
Total exports	585.9	1,252.0	1,357.8	1,535.6	1,555.1 ^{1/}
Industrial exports	211.0	359.4	418.2	522.1	527.6 ^{2/}
Total imports	1,162.5	1,493.4	1,731.3	1,996.4	1,870.5 ^{1/}
Industrial imports	1,023.0	1,321.7	1,527.0	1,762.8	1,539.7 ^{2/}

Source: Central Bank and CONSUPLANE.

^{1/} Estimated figures for the whole year.

^{2/} Actual figures to November 1981.

B. Bilateral trade agreements with countries in Central America and elsewhere.

- . The Law on Tax Incentives for Industrial Development (Draw-back).
- . The Small-Scale and Medium-Scale Industry Development Law.
- . The creation of industrial estates.
- . The preliminary draft of an Export Promotion Law.

C. Special legislation contemplating the granting of incentives for the export of non-traditional products is now being studied.

- . The preliminary draft of a law for the establishment of an Export Promotion Centre as a semi-autonomous State institution responsible for carrying out activities designed to promote exports of industrial products.
- . A revision of the industrial protection system in order to favour industries producing capital goods, intermediate industries, and industries promoting exports.

INDIA

A.	Table IX-1 (Rs. crores)			
	1975-76	1978-79	1979-80	1984-85 ^a
Total exports (excluding re- exports)	4025.92	5708.04	6388.63	9,878
Exports of manufactures	2049.02	3580.19	3826.99	5,450*
Share of manu- factured exports destined for other developing countries (%)	18.6	35.0	26.9	-
Total imports	5264.78	6810.64	9021.75	13,850
Imports of manufactures	2369.98	3721.15	4413.76	7,736**
Share of manufactured imports originating in developing countries (%)	15.3	11.5	18.8	-

a/ Estimated and planned.

*/ The estimated figure of export of manufactures relates to tobacco manufactured, processed food, sugar, jute manufactures, leather products (including footwear), cotton piece goods, apparel hosiery, etc., man-made fibre fabrics, coir and coir manufactures, iron and steel, engineering goods, chemicals and allied products and, gems and jewellery only at 1979-80 prices.

**/ The estimated figure of import of manufactures relates to crude oil and petroleum products, chemical fertilizers, rock phosphate and sulphur, steel (mild), major non-ferrous metals, cement, newsprint and edible oils only at 1979-80 prices.

B. The major measures taken by the Government to increase exports of manufactured goods include:-

- . Exclusion of production for export for the purpose of "licensed capacity" and "dominance".
- . Permission to allow production of new articles for export where there is a variation of the article, an industrial unit is licensed to manufacture.
- . Favourable treatment to the technology imports for export production which involves lumpsum payment of royalty.
- . Free trade like treatment to all 100% export oriented units.

India (cont'd)

- . To allow automatic expansion to an expanded list of industries for the purpose of increasing production for exports.
 - . Selective relaxation in restrictions imposed on new industrial undertakings in metropolitan cities to such units which produce for exports.
 - . Consequently on submission of the report of the Duty Draw-back Committee, the procedures for duty drawback have been simplified and rationalised to avoid delays in the disbursement of duty drawback.
 - . The scope of section 35 B of the Income-tax Act which allow weighted deduction in the computation of taxable profits, has been widened.
 - . 14 groups of export oriented industries in the Free Trade Zones have been allowed complete tax holiday for an initial period of five years, in view of other fiscal concessions.
 - . Import policy for 1981-82 which has been designed to provide greater impetus to exports contain the following major elements:
 - A new scheme for trading houses has been introduced.
 - The Duty Free Scheme for REP licences has been substantially modified to make it more responsive to the needs of the exporters.
- C. Continuous efforts are being made to promote a sound, diversified and steadily expanding industrial export base. To this end, several institutional agencies have been set up which cater for the growing and complex needs of the industrial export sector. The more important among these agencies are listed below:
- . Export Promotion Councils:
 - . Export Promotion Councils, which are basically organizations of manufacturer exporters themselves, have been established for each of the major commodity groups which assist the members in exploring markets abroad by undertaking market studies and by disseminating market intelligence, in marketing new products in new markets by organizing trade delegations, trade fairs and exhibitions, and also act as a link between the exporting community and the government.
 - . At present export promotion councils are in operation for the following seventeen commodities or commodity groups:
 - . apparels (ready-made garments)
 - . basic chemicals, pharmaceuticals and cosmetics
 - . cashew kernels
 - . chemicals and allied products
 - . cotton textiles
 - . engineering goods
 - . finished leather and leather manufactures

India (cont'd)

- . gems and jewellery
 - . handlooms
 - . semi-finished leather
 - . plastics and linoleums
 - . processed foods
 - . shellac
 - . silk and rayon textiles
 - . spices
 - . sports goods, and
 - . wool and woolens
- . Trade Development Authority:
- . The Trade Development Authority (TDA), an official agency, has been in operation since July 1970, whose prime function is to act as a catalyst between Indian exporters and foreign buyers in selected markets and in this process it provides a package of intensive and personalised export services to its members right from the stage of export intention to actual exports at a single point under its umbrella. Some of the more important activities taken up by the TDA are identification of new product lines of international market relevance and dissemination of full information on these products to potential overseas buyers, organization of trade fairs and exhibitions in foreign countries in association with export promotion councils, chambers of commerce and industry. The TDA provides special assistance to small-scale industries in raising the quality of the products to international standards.
- . Projects and Equipment Corporation of India Ltd. is a specialised public sector organization engaged in promoting export of engineering and railway equipment, including turnkey projects.
- . State Trading Corporation of India:
- The State Trading Corporation of India (STC) is a major public sector organization which undertakes exports on its own and also provides exporting services to private export organizations. This corporation was initially set up to take up the export of certain selected canalised items and to establish trade links with similar state trading agencies in overseas countries. Over the years, as part of its long range plan of diversification of the export structure and exploration of new overseas markets and also of price support operations entering into direct buying and selling activities to assist the primary/small-scale producers, the Corporation has been successful in promoting the exports of a wide variety of manufactured goods, e.g., jute goods, finished leather, foot wear, ready-made garments, construction materials, dry cell batteries, etc.

India (cont'd)

- . Federation of Indian Export Organizations:
 - . The Federation of Indian Export Organizations (FIEO) was set up by the Government of India for the promotion of trade ties between India and other countries. The Federation co-ordinates and supplements the activities of other trade promotion organizations like Export Promotion Councils and Commodity Boards and assists them in collection and dissemination of export market intelligence and in sponsoring trade delegations, trade fairs and exhibitions etc.
- . Export Inspection Council:
 - . The Export Inspection Council is a statutory body set up in January 1964 to adopt measures for the introduction and enforcement of quality control and compulsory pre-shipment inspection of various exportable commodities.
- . Indian Institute of Foreign Trade:
 - . The Indian Institute of Foreign Trade (IIFT) was set up for developing programmes of training, research and market studies. Its principal activities are: (i) training of personnel in modern techniques of international trade, (ii) organising research in problems of foreign trade, (iii) organising marketing research, area surveys, commodity survey and (iv) dissemination of information arising from its activities relating to research and market studies, etc.
- . Standing Committee on Export Finance:
 - . A Standing Committee on Export Finance was set up in the Reserve Bank of India in 1975 mainly to serve as a forum for discussing the various aspects of export credit and assist in the formulation of an appropriate export credit policy. The Committee takes initiatives in particular directions and anticipates as well as looks into the problems arising out of implementation of export credit policies. It provides suitable guidelines for a co-ordinated approach to problems requiring consideration by more than one institution or department, the formal decisions and commitments in individual cases being made by the institutions concerned. An Export Credit Cell in the Department of Banking Operations and Development of the Reserve Bank of India serves as a secretariat of the Committee.

India (cont'd)

- . Export Credit and Guarantee Corporations: (EOGC)
 - . The Export Credit and Guarantee Corporation (EOGC) which has been in operation since January 1964 is an important part of the infrastructure serving the exporting community. Over the years the corporation has evolved a comprehensive and wide ranging set of insurance policies (namely standard policies, contract policies, specific policies, and construction works policies and policies for buyers' credit and lines of credit) bank guarantees (covering pre-shipment and post-shipment of guarantees and performance guarantees), overseas investment insurance scheme and exchange fluctuation risk (bid) cover and exchange fluctuation risk cover schemes.
 - . At present there are two exchange cover schemes in force since 1980. The schemes envisage inter alia to extend protection against exchange fluctuation risk at the bid stage as well as for deferred receivables up to the maximum period of 15 years. In addition to the four currencies covered under the existing RBI long term forward cover scheme viz. Pound Sterling, US Dollars, Deutsche Mark and Japanese Yen, two more currencies, Swiss Franc and French Franc will be covered by the EOGC's scheme. Provision has also been made to extend cover in respect of other convertible currencies at the discretion of the corporation. It is expected that these schemes would benefit considerably the exporting community engaged in exports on deferred payment terms, project exports, construction etc. and strengthen their hands to compete effectively in overseas market.
- . Schemes of Recognition of Trading Houses:
 - . Export Houses will continue to play an important role in export marketing and development. In order to expand their role in foreign trade, particularly for promoting exports of products manufactured in the small-scale sector, a new scheme of Trading Houses has been evolved. According to the Scheme Export Houses which have demonstrated export capabilities as laid down, and have facilities for testing and quality control will be eligible for recognition as Trading Houses. One of the conditions for renewal of the Recognition Certificate as Trading House which is valid for a period of three years is to show an annual average growth in exports of minimum 15%.
- . Industrial Development Bank of India:
 - . The Industrial Development Bank of India (IDBI) established in July 1964 is an apex development finance institution of the country. A distinguishing feature of the IDBI's functions is that it provides a wide range of financial facilities in the form of bid bonds, guarantees and term credit for export of goods and service on deferred terms

India (cont'd)

to suit individual requirements. To this end, IDBI has been operating a variety of schemes for the promotion of exports of engineering and capital goods. The main export promotion schemes operated by the IDBI are (i) oversease buyers' credit, (ii) lines of credit to overseas financial institutions, (iii) guarantees (iv) overseas investment finance schemes, (v) direct financial assistance to exporters, (vi) refinance of export credits, (vii) pre-shipment credit scheme.

- . In view of the growing importance of exports of capital goods, turn-key projects and construction work, a Working Group consisting of the representatives of the Reserve Bank of India, Export Credit Guarantee Corporation and the concerned commercial bank with the IDBI as the focal point has been set up to grant expeditious clearance under a single roof to various aspects of such proposals of exports on a deferred payment terms.

EXIM BANK:

- . Recognising the critical role of exports in our developmental efforts and taking note of the growing competition in international markets and the increasing complexity of the foreign exchange markets, it has been decided to set up an Export-Import Bank to act as a focal point and devote concentrated attention to the needs of the exporting community and the necessary legislation for the purpose has already been enacted.
- . The more important functions assigned to the Export-Import Bank of India are: (a) financing of exports from and imports into India and also third countries, (b) financing of Indian joint ventures abroad as also granting of loans and advances to any individual in India in respect of his equity contribution in the joint ventures. (c) financing of export or import of machinery and equipment on lease basis, (d) undertaking and financing of research/surveys for promotion of international trade, (e) planning, promoting, developing and financing export-oriented concerns, and (f) collecting, compiling and disseminating market and credit information in respect of international trade. The Bank would also co-ordinate the working of institutions engaged in financing export and import of goods and services.

INDONESIA

A.

	Table IX-1 (Billion rupiah)			
	1975	1978	1979	1980
Total exports	2,947	5,834	9,744	14,241
Exports of manufactures	-	210	534	-
Total imports	1,979	2,777	-	-
Imports of manufactures	1,517	2,924	-	-

B. - Granting of Export Certificate to selected export commodities.

- Export credit facilities.

C. Establishment of National Agency for export Development.

IRAQ

A.

	Table IX-1 (M.I.D)	
	1975	1978
Total exports	35.6	62.9
Exports of manufactures	0.3	0.7
Total imports	1244.8	1473.6
Imports of manufactures	504.7	787.6

B. - The State Organization for Export is the proper authority, engaged and specialized in the process of exports of manufactured goods.

- Measures to increase exports of manufactured goods were the establishment of funds for draw back of these goods.

C. (No reply on this issue).

KENYA

A.	Table IX-1 (K£ million)			
	1975	1978	1979	1980*/
Total exports	238.0	295.7	412.8	513.8
Exports of manufactures	40.0	48.3	53.1	-
Total imports	362.6	661.1	620.2	936.1
Imports of manufactures	336.7	613.9	581.3	-

*/ Provisional.

Source: Economic Surveys and Statistical Abstracts.

- B. As stated earlier, an important objective of the industrial policy is to increase exports and also to develop new industries which are mainly reliant on local raw materials and which can sell part of their output in external markets. Besides diversification of exports, the other objectives for the development of external trade are to improve the quality of the export products and promote exports to an increasingly larger number of countries. The measures outlined in the Plan to build up a firm basis for diversified export trade of both manufactured and agricultural products are:
- . Export Compensation Scheme - the existing scheme is to be suitably modified to encourage larger exports.
 - . Export Tax - a special tax is to be imposed on certain types of exports which constitute raw materials for industry in order to encourage promotion of export-oriented industries.
 - . Export Credit Guarantee Scheme: A scheme is already under consideration.
- The government is actively supporting international and regional efforts and agreements for promotion of trade particularly the UNCTAD and Lome Convention. The Government has recently signed the Preferential Trade Agreement, which comprises several African countries. The bilateral agreements are being reviewed and expanded. The Kenya External Trade Authority is organising and participating in trade fairs in different countries. The devaluation of the Kenyan Shilling is another important measure taken for promotion of exports.
- C. The Kenya External Trade Authority which is the Central organization with overall responsibility for promoting and co-ordinating the activities for furtherance of exports, has been strengthened. The activities include marketing, trade fairs, exhibitions, publicity, dissemination of technical information, training, assistance in packaging and designing and formulation of policies and schemes.

LESOTHO

A.

Table IX-1 (Maloti in ,000)

	1975	1978	1979	1980
Total exports	9,240	27,692	37,698	37,562
Exports of manufactures	3,317	2,673	7,806	10,622
Total imports	117,273	237,015	303,612 ^{*1/}	-
Imports of manufactures ^{*1/}	93,516	177,974	126,299	-

^{*1/} Manufactured goods include both manufactures classified by material and miscellaneous.

^{*1/} Provisional.

B. -The exports are mainly to EEC countries. Lesotho is signatory to Lomé Convention and GSP scheme.

-Establishment of Trade Promotion Unit in co-operation with International Trade Centre (ITC).

C. Same as B.

MADAGASCAR

A.

Table IX-1 (Millions of current Malagasy francs (FMG))

	1975	1978	1979	1980
Total exports	64,635	87,213	93,829	73,436
Exports of manufactures	9,012	12,157	11,699	10,221
Estimated share of manufactured exports destined for other developing countries (%)	22	22.9	21	20
Total imports	78,046	81,726	135,319	84,748
Imports of manufactures	45,324	47,824	78,543	49,211
Estimated share of manufactured imports originating in other developing countries (%)	29	29.5	28	27.5

Madagascar (cont'd)

- B. Efforts to improve quality and to make prices competitive;
- Granting special advantages to industries which export
(e.g.: exemption from export tax on finished products;
exemption from import tax on raw materials, etc.).
- C. (No reply on this issue).

MALAWI

A.

	Table IX-1 (K'000)				
	1975	1978	1979	1980	1985 ^a
Total exports	106,283	150,269	184,900	225,985	564,962
Exports of manufactures	8,900	10,100	10,900	11,800	16,520
Total imports	218,663	284,747	324,838	356,200	534,300

- B. Statistics provided in the Industrial Development Programme Guidelines considered an overall annual industrial growth target of 8% attainable in the next 5-10 years. This requires a value-added increase of K165 million for the manufacturing sector to 1990 on an estimated base of K145 million in 1980.
- C. A statutory body called Malawi Export Promotion Council has been established to promote all kinds of exports, including industrial exports originating from Malawi.

MALTA

A.

	Table IX-1 (€M million)					
+ S.I.T.C. Rev.1	1975	1978	1979	1980	1985 ^a	1985 ^b
Total exports	63.9	131.9	152.2	166.7	234.6	(1980 prices)
+ Exports of manufactures	49.7	114.6	132.0	147.0	213.8	(1980 prices)
Estimated share of manufactured exports destined for other developing countries (%)	14.5	13.3	12.5	11.7	-	-
Total imports	144.4	221.5	272.0	323.7	408.3	(1980 prices)
Imports of manufactures	88.3	148.6	189.2	217.0	127.8 ^c	(1980 prices)
Estimated share of manufactured imports originating in other developing countries (%)	7.4	6.7	6.5	6.0	-	-

a/ Planned or estimated.

b/ Target year of current national development plan.

c/ Consumption goods.

B. (No reply on this issue).

C. (No reply on this issue).

MAURITIUS

A.

	Table IX-1			
	1975	1978	1979	1980
Total exports	1,839.9	1,987.1	2,382.1	3,261.2
Exports of manufactures (excluding sugar and tea)	208.1	500.5	637.1	892.8
Total imports	1,995.3	3,076.4	3,634.4	4,721.4
Imports of manufactures	1,216.3	1,865.6	2,089.1	2,579.8

Mauritius (cont'd)

- B. Through negotiated market quotas and bilateral and multi-lateral agreements.
- C. The government feels that assistance in this field is urgently required.

MEXICO

A.

	Table IX-1 (Millions \$US)			
	1975	1978	1979	1980
Total exports	3,062.4	6,063.1	8,798.2	15,307.5
Exports of manufactures	1,524.5	2,574.0	2,936.0	3,378.7
Estimated share of manufactured exports destined for other developing countries (%)	26.2	15.4	14.5*	18.5*
Total imports	6,582.3	7,713.8	11,985.6	18,572.3
Imports of manufactures	5,581.1	6,871.4	10,563.5	16,088.8
Estimated share of manufactured imports originating in other developing countries (%)	10.6	10.5	8.3*	8.1*

*/ Prepared from data in "Boletín Mensual de Información Económica de S.P.P. Vo. V, No. 2, Feb. de 81".

Source: Boletín Mensual de Indicadores de Comercio Exterior, 1950-1980 IMCE.

- B. The Mexican government's industrial policy in this respect has been to foster productivity, with a view to achieving quality and price levels capable of capturing and retaining external markets, and to pursue a trade policy under which national production is more effectively geared to those markets.
- C. In contrast with unfair practices in international trade, the Mexican government acts on the basis that any institutional system for promoting exports must be founded on genuine competitiveness and prices which will enable it to capture and maintain new markets for its products. The Mexican Institute for Foreign Trade (IMCE) is responsible, among other things, for ensuring the link between national production and external markets.

NIGER

A.

	Table IX-1			
	1978	1979	1980	1983 ^a
Exports of manufactures	1,985	2,865	6,045	11,565
Imports of manufactures	4,271	6,041	7,292	12,465

a/ Target year of current national development plan.

B. (No reply on this issue).

- C. Creation of a Trade Promotion Directorate;
- . Restructuring of the Chamber of Commerce;
 - . Niger Enterprise Promotion Office.

NIGERIA

A.

	Table IX-1 (Millions of Nairas)			
	1975	1978	1979 ^{1/}	1980 ^{2/}
Total exports	4,925.5	6,064.4	10,836.8	15,077.0
Exports of manufactures	-	664.5	414.8	666.4
Total imports	5,152.5	8,211.7	7,472.5	9,658.1
Imports of manufactures	3,923.6	6,102.3	5,730.4	7,291.5

1/ Provisional.

2/ Estimates.

- B. Proposed establishment of industrial free zones (export processing zones). An allocation of ₦ 50 million has been made to the project in the current development plan. Some of the commodities that have potentials for export development include oil, gas and petrochemical products, iron and steel based manufactured goods, glass products, aluminium based products, plastic products, electrical and electronic equipment, pulp and paper products and beer.

Nigeria (cont'd)

- An export promotion council has been established to encourage production for export.
- Incentives are granted for production geared for exports.

- C. - Establishment of the Nigerian Export Promotion Council.
- Implementation of the Export Credit Guarantee Fund.
 - Proposal for the establishment of industrial free zones.
 - Establishment of overseas trade and investment promotion offices.

OMAN

A.	Table IX-1			
	1975	1978	1979	1980
Total exports (Oil)	488.1	521.8	745.6	-
(non-oil)	1.1	3.3	4.7	4.6
Estimated share of manu- factured exports destined for other developing countries (%)		Negligible		
Total imports	264.3	327.2	430.5	598.2
Imports of manufactures	172	231	287	398
Estimated share of manufac- tured imports originating in other developing*/ countries (%)	36	47	47	54

*/ Developing countries considering Asia and Africa.

- B. - Exemption of locally manufactured products from any export taxes or duties according to the law of organization and encouragement of industry.
- Grants and loans for industrial companies gives preference to export oriented industries.
- C. (No reply on this issue).

PAKISTAN

A. Table IX-1 (Billion Rs)

	1975-76	1978-79	1979-80	1980-81
Total exports	11.25	16.93	23.41	29.28
Exports of manufactures	6.02	10.15	11.54	13.93
Total imports	20.01	36.39	46.93	53.54
Imports of manufactures	10.80	20.22	27.75	27.50

B. A number of incentives have been provided to exporters such as relate to export duty excise, duty on manufactured exportable goods, sales tax relate, income tax relate at 55% of export sales and credit facilities to exporters.

C. - The provision of additional compensatory rebates:

Compensatory rebates on the following items have been allowed with effect from the dates shown:

. Sports	}	1 January 1981
. Surgical goods and instruments		
. Cutlery items	}	1 July 1981
. Leather goods		
. Carpets		

- Specific measures concerning individual industries such as carpets, leather and garments:

. Carpets

- . Compensatory rebate at 12 1/2 per cent has been allowed on the export of carpets with effect of 1 July 1981.
- . A market Development Exercise on carpets has been included in phase II of the Integrated Export Promotion and Market Development Project.
- . To promote sale promotion efforts for the exports of carpets, it has been decided that for working out the taxable income of Pakistani companies engaged in exports of carpets, expenditure in connection with advertisement abroad and on supply free samples shall be allowed at 1-1/3 times the actual expenditure.

. Leather

- . Compensatory rebate at 12 1/2 per cent of FOB value has been allowed on the export of leather goods with effect of 1 July 1981.
- . Import duty at 85 percent previously levied on the import of wet blue goat and sheep leather has been fully withdrawn.

Pakistan (cont'd)

. Garments

The industry has been given the following concessions for the import of various items at enhanced rates against export of 100 per cent cotton garments, indigenous synthetic fabric or local fabric garments under BMR Scheme:

- . The limit of one-half per cent on pins has been removed.
- . Polypropylene bags have been added to the list of RMR within the limit of 7 per cent.

. Marble Industry

Duty free import of machinery for balancing and modernization has been allowed to the marble industry.

. Gem stone industry

- . The gem stone corporation has been allowed to import machinery required for cutting and polishing of gem stones.

. Service Abroad

Exception of income derived by rendering technical services abroad to a foreign enterprise has been extended to non-company tax-payers also.

. Setting up of an Export House

The government has approved of setting up an "Export House" to provide various facilities to small-scale producers. Rules for these export houses are being framed now.

. Abolition of Price Checks

The price checks imposed by the Export Promotion Bureau and the minimum export prices enforced formerly by the Custom Department in the case of surgical and sports goods were abolished with effect of 1 February 1981.

. Engineering Goods

Export of engineering goods is facing tough competition. To create a market for their export, it has been decided that for working out taxable income of domestic companies engaged in export of engineering goods, expenditure incurred in connection with advertisement abroad and on supply of free samples shall be allowed at 1-1/3 times the amount of actual expenditure.

- . The following industries have been permitted to import additional machines free of duty for balancing, modernization and replacement:

. Sports goods industry:

- . Hot stamping machines (hydraulic/pneumatic).
- . Deflating machines for footballs:

Pakistan (cont'd)

- . Boot and shoe making industry
 - . Midsole sliding machines
 - . Wedge sliding machine
 - . Pounding machine
 - . Toe and heel press
 - . Hydraulic vulcanising press for making outsole LYA or micro cellular sheets
 - . Stiffner moulding machine
 - . Conveyor with sulphuretting case.
- . Surgical goods industry and cutlery industry:
 - . Drop forging hammers/pneumatic dye, forging hammers along with accessories.
 - . Friction spindle press/stamping press/hydraulic cold dye, sinking presses along with accessories.
 - . Spart erosion machine along with accessories.
 - . Surface grinder/tool and cutter grinder along with accessories.
 - . Electric/gas furnaces, vacuum/conveyor belt type plant along with accessories for heat treatment.
 - . Hardness testing machine along with accessories.
 - . Precision horizontal knee type milling machine.
 - . Sand blasting machine with accessories.
 - . Precision horizontal hand-lever milling machine.
 - . Stamping and marking machine.
 - . Screw making and revetting machine.
 - . Copying machine.
 - . Welding plants.
- . The removal of present export ban for certain agricultural products:

The Cabinet in its meeting held on 9 June 1981 decided in principle to allow the export of 15 vegetables from the country subject to the finalization of details with regard to:

- . determination of quantitative restrictions and export surpluses.
- . the public and private agencies to be used or set up for purposes of export of vegetables.

PANAMA

A.

Table IX-1

	1975	1978	1979	1980	1985 ^a
Total exports	280,222	244,235	291,506	326,486	575,381
Estimated share of manufactured exports destined for other developing countries (%)	9.06	19.86	14.88	17.06	-
Total imports	815,568	844,856	980,032	1136,830	2387,748
Estimated share of manufactured imports originating in other developed countries (%)	30.86	30.66	-	-	-

a/ Planned or estimated.

- B. Exemption from export duty.
- . Exemption from tax on income from exports.
 - . Exemption from import duty on all items used in the manufacture of products intended for export.
 - . Financial aid (loans to cover export costs).
- C. Specific measures taken to establish institutional machinery include the setting up of the Centre for the Promotion of Investment and Exports and subsequently the Bureau for Foreign Trade.
- . The formation of an Institute for Foreign Trade is planned, with a view to the promotion of industrial exports.

PERU

A.

Table IX-1
(Millions of soles at current prices)

	1975	1978	1979*	1980*
Total exports ^{1/}	51,455	302,742	783,358	1,114,143
Exports of manufactures ^{2/}	4,013	59,337	151,188	237,312
Estimated share of manufactured exports destined for other developing countries (%)	-	25 ^{3/}	-	-
Total imports	95,691	249,678	437,872	892,942
Imports of manufactures	71,602	202,495	-	-
Estimated share of manufactured imports originating in other developing countries (%)	5.5 ^{3/}	6 ^{3/}		

*/ Tentative.

1/ Exports and imports of goods f.o.b.

2/ Exports of manufactures f.o.b., excluding exports of fishery manufactures (fish meal and oil) and refined metals.

3/ Estimated percentage of export/import of manufactured goods destined for/received from the countries of the Latin American Free Trade Association (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Uruguay, and Venezuela).

Source: Cuentas Nacionales del Peru 1950-1980.

B. Enactment of the Law for the Promotion of Non-Traditional Export Products (November 1978).

C. Under the legislation enacted by the government during the last three years to promote industrial exports, the Fund for the Promotion of Non-Traditional Exports (FOPEX) operates as an economically, administratively and technically independent organization subject to domestic public law, whose sole function is to offer services for the promotion of non-traditional exports.

Peru (cont'd)

FOPEX has available the following resources:

- . 10 per cent of the yield of the additional 1 per cent ad-volorem c.i.f. tax, levied on goods imported into the country, the amount being automatically credited to the Fund each month by the Industrial Bank of Peru;
- . 2 per cent of the value of the tax refund certificates (CERTEX), transferred to the Fund at the time each certificate is honoured;
- . The revenue generated by the Fund's own services, including the use of the commercial information system and the Fund's commercial offices abroad.

REPUBLIC OF KOREA

A.	Table IX-1 (millions US\$)					
	1975	1978	1979	1980	1985 ^a	1986 ^b
Total exports	5,081	12,711	15,055	17,505	44,000	53,000
Exports of manufactures	4,290	11,389	13,490	15,824	41,100	49,700
Total imports	7,274	14,972	20,339	22,292	50,050	59,350

a/ Planned or estimated.

b/ Target year of current national development plan.

- B. Reducing the domestic inflation rate to below the 10% level by 1986.
- . Improving the productivity and quality of commodities through encouraging competition within domestic markets and introducing greater foreign competition.
 - . Stimulating the expansion of export capacity through giving strong support to fixed investment in industries with a comparative advantage such as machinery industries, electronics industries, etc.
 - . Improving the export incentive system through shifting emphasis in export incentive schemes from short-term export credit to indirect support such as investment in technology and manpower development.
 - . Reducing indirect costs involving exports through cutting red tape and simplifying rules and regulations.
- C. (No reply on this issue).

ROMANIA

A. Table IX-1 (Millions lei)

	1975	1978	1979	1980
Total exports	26546.9	36821.3	43466.6	53890.0
Exports of manufactures (%)	55.1	57.6	53.7	53.3
Total imports	26548.5	40618.9	48792.0	59006.2
Imports of manufactures	46.1	48.7	43.3	35.0

Note: \$1 = 4.97 lei in foreign currency.

B. In order to increase exports of manufactured products a number of measures have been adopted with the aim of improving the quality of products and their level of processing, creating units and sections specialized in production for export, better market research, and organizing marketing networks with their own services. A series of measures has also been taken, aimed at improving the organization of export-import enterprises and international economic corporation, and for the application of co-determination by the workers, and economic and monetary financial self-management for each economic unit.

C. (No reply on this issue).

RWANDA

A. Table IX-1 (Millions of Rwanda francs)

	1975 ^{1/}	1978 ^{1/}	1979 ^{1/}	1980 ^{2/}	1985 ^{a/2/}	1986 ^{b/2/}
Total exports (fob)	7,471	8,095	17,213	12,402	12,347	13,589
Total imports (cif)	9,616	16,592	17,855	25,666	29,110	30,590
Imports of manufactures	4,052	8,056	8,969	10,859	-	-

1/ Constant 1976 prices.

2/ Constant 1980 prices.

a. Planned or estimated.

b. Target year of current national development plan.

Rwanda (cont'd)

- B. The objective of the Plan is to:
- . Establish new industries yielding surplus production for export so as to offset imports of raw materials;
 - . Add greater value to the country's exportable natural resources, especially ores.
- C. Agreements reached within the framework of the Economic Community of the Great Lakes for the development of trade within the subregion.

SENEGAL

A.

	Table IX-1 (Millions of francs CFA)			
	1975	1978	1979	1980
Total exports	99,101	95,259	113,900	100,800
Exports of semi-manufactures and manufactures	29,272	37,433	43,239	39,546
Total imports	124,616	170,314	197,979	222,256
Imports of manufactures	57,929	72,298	86,666	86,572

- B. Establishment of the industrial free zone with the objective of promoting export industry.
- . The completion of studies on, and the search for financing for, certain projects (ICS-SOTFYKA) will make for a substantial increase in sales of manufactured goods.
- C. Institution of an export subsidy on some products.
- . Simplification of administrative measures.
 - . Tax and Customs incentives.
 - . Assistance in the matter of credit, and sea transport credit insurance.
 - . With the Senegalese Foreign Trade Centre, existing Senegalese enterprises should promote the development of exports, provided that the industrial countries maintain a liberal policy towards exports of manufactures from developing countries, particularly the African, Caribbean and Pacific (ACP) countries.
 - . Gradual establishment of Customs unions within WAEC and ECOWAS, which should bring about substantial development of trade between Senegal and its West African partners.

SINGAPORE

A.

Table IX-1 (S\$m)

	1975	1978	1979	1980
Total exports	12,757.9	22,985.5	30,947.1	41,452.3
Exports of manufactures	9,030	16,299.2	22,224.3	31,073.7
Total imports	19,270.4	29,601.3	38,334.4	51,344.8
Imports of manufactures	11,476.8	17,448.6	22,201.3	29,083.9

- B. Given the lack of raw materials, Singapore has to rely on the manufacturing and services sectors for export earnings. The industrial strategy of restructuring towards high value-added skill-intensive sectors and the emphasis on increasing productivity and competitiveness in the world market are aimed at achieving the long-term growth of manufacturing exports.
- C. The Trade Development Section of the Department of Trade was established to keep up with the external marketing requirements of the manufacturing sector.

SRI LANKA

A.

Table IX-1
Composition of Exports

Category	Rs. Million					SDR Million				
	1976	1977	1978	1979	1980	1976	1977	1978	1979	1980
1. Tea	2,100		6,401		6,170		355		284	
		3,503		5,722		216		327		287
2. Rubber	890		2,021		2,590		93		124	
		931		2,491		92		103		120
3. Coconut	502		1,271		1,234		47		84	
		496		1,699		52		65		57
3.1 Kernal products	390		972		754		32		64	
		335		1,298		40		50		35
3.2 Other	112		299		481		15		20	
		161		401		12		15		22
4. Minor agricultural crops	204		723		840		34		41	
		335		825		21		37		39
5. Industrial exports	750		1,944		5,496		88		186	
		941		3,737		77		99		255
5.1 Textile and garments	70		481		1,814		13		55	
		143		1,108		7		25		84
5.2 Petroleum products	500		945		2,999		56		96	
		597		1,926		51		48		139
5.3 Other	197		518		682		19		35	
		201		703		18		26		32
6. Gems	261		531		458		30		24	
		293		498		27		27		21
7. Other	108		315		485		12		15	
		134		305		11		16		23
Total exports	4,815		13,206		17,273		659		759	
		6,638		15,273		495		674		803

B. The following incentives have been provided for exporters of manufactured products:

- . Five year tax holiday
- . Duty rebate scheme
- . Credit for export at reduced interest rates
- . The setting up of the Greater Colombo Economic Commission which provides a complete package of incentives for exporters such as duty free import of raw material, packing material, plant and machinery, and tax holidays on profits extending up to 8 years.

Sri Lanka (cont'd)

- C. The organization known as Export Development Board was set up under an act of Parliament to be the focal point to promote exports.

SUDAN

A. Table IX-1 (in million LS.)

	1975	1978	1979	1980
Total exports	152.2	202.3	232.7	271.3
Exports of manufactures	10.5	17.0	12.0	22.6
Total imports	359.9	449.5	477.3	788.2
Imports of manufactures	221.9	246.5	308.6	465.6

- B. The new economic programme is geared towards increasing exports
- . Export tax is reduced
 - . Devaluation of the Sudanese Pound to boost export and make Sudanese products more competitive in the world market.
- C. (No reply on this issue).

THAILAND

A.

Table IX-1 (Million of baht)

	1975	1978	1979	1980	1986 ^{a/}
Total exports	45,007	83,065	108,179	133,197	444,952
Exports of manufactures	7,278	20,682	28,248	36,286	-
Estimated share of total exports destined for other developing countries (%)	30	39	36	40	-
Total imports	66,835	108,899	146,161	188,686	528,536
Imports of manufactures	42,915	67,366	86,354	95,388	-
Estimated share of total imports originating in other developing countries (%)	26	33	37	34	-

a/ Target year of current development plan (1982-1986).

B. In the early 1960s, Thai exports consisted almost entirely of primary commodities. A decade later the manufacturing sector had developed to the extent that locally-made products were competing in world markets. Thereafter, export-oriented industries began gaining prominence. Part of this shift resulted from a widespread concern in the early 1970s over limited demand in the domestic market. Also, conducive circumstances in the world markets at that time called for a shift in policies from producing for domestic markets to producing for export. The textile boom which started in 1972 came basically in response to export potential. The import quota on Japanese goods imposed by the U.S. enabled Thai textiles to capture a large share of the market. The sugar boom which began in 1974 was in response to the sudden increase in the world prices. Production of other items such as food products, animal feed, chemical products, pharmaceuticals, iron and steel products, and electrical components also grew in response to domestic and foreign demand.

On the export side, Thailand's manufactured exports contributed about 2.4 per cent of total export earnings in 1957. This had risen to over 17 per cent by 1976. Within the manufactured exports group, the share of basic manufactured goods rose from 1.4 per cent to 10.6 per cent, and that of machinery and transport equipment increased from zero to 2.3 per cent, while the export of miscellaneous manufactured goods increased from less than one per cent to 4 per cent during the same period.

Thailand (cont'd)

- . On the whole, Thailand's manufacturing sector's performance has been impressive. With its ability to expand and adapt to world market conditions, the country can look forward to further diversification and growth and to resultant increased prosperity.
- . Considering the favourable atmosphere in export of four major products, namely industrial, minerals, fisheries and agricultural products seem to make stable national economy and there should be trade surplus. But as a matter of fact the importation of crude oil and machineries as well as luxurious items bring about trade deficits which from time to time steadily increase. Therefore in the current Fifth Plan the Government aims to reduce the trade deficit by solving existing problems and obstacles so as to accelerate the increase volume of export products. At the same time effective actions must be taken in order to reduce import volume.
- . In order to increase exports of manufactured goods, the Government set its goal in export by the application of following measures:

Export projection

- . Overall products export projected to be increased at the average rate of 22.3% per annum.
- . Restructuring the export of agricultural, industrial, minerals and fishery products will be made to obtain an average rate of total export value of 41, 36, 8 and 4% per annum respectively.
- . Expansion and market access will be made to the countries in Middle East, Eastern Europe, Northern Europe, Africa and America so as to achieve more value in export.

Export Policy

- . The government will revise and amend related laws, rules, regulations and measurements which create problems and the obstructions of export, including co-ordination among related agencies concerned, in order to facilitate the large volume of export.
- . More export items will be encouraged in compliance with the national agricultural and industrial production, including the encouragement of pricing and quality competition.
- . Existing markets will be maintained and at the same time new markets will be expanded, particularly to the high buying power markets. This should be done in correlation with trade negotiation which will be of great use in exporting and utilizing the assistance from international trade organizations.

Thailand (cont'd)

. Measurements for export acceleration

- . Revision of the existing export promotion law to gain more export.
- . Revision of existing regulations in order to ease the export procedure and at the same time tariff, tax and other forms of charges will be collected on reasonable ground.
- . Development of institutions for export promotion belonging both to public and private sectors.

C. In the Fifth National Economic and Social Development Plan the Government aims to develop the institutions for export promotion belonging to both public and private sectors by the following means:

- . The establishment of the Export Credit Insurance Corporation so as to reduce the risk of financial institutions as well as to ease the process on export.
- . Setting up a center for the Development of Packing Process as to facilitate export and to comply with international standards.
- . Center for Export Processes Training will be provided.
- . Encouragement to stimulate the private sector to form a group in various types for exporting purposes.

TOGO

A. Table IX-1 (Millions of CFA francs)

	1975	1978	1979
Total exports	26,962	54,237	46,432
Exports of manufactures	1,520	10,332	9,517
Total imports	37,270	100,898	110,208
Imports of manufactures	36,012	99,748	108,691

B. Establishment of a department responsible for promoting exports (Foreign Trade Promotion Division) within the Ministry of Trade.

Togo (cont'd)

C. Establishment of a National Centre for Foreign Trade.

- The "Togo 2000" trade fair, a commercial centre for exports and the promotion of trade and industry in the member States of ECOWAS and the EEC.

TUNISIA

A.

Table IX-1 (1000 D)

NSI	1977	1978	1979	1980
Total exports	398,246	726,724	468,417	904,800
Exports of manufactures	130,220	197,950	152,629	-
Total imports	782,466	1156,768	899,730	1427,400

B. Promulgation of law 72-38 of 27 April 1972, relating to export industries.

- Law No. 81-56 of 23 June 1981 (Art. 15) provides for taxation at a reduced rate of 20% on profits made on exports. Profits are calculated on the basis of export turnover.

C. In order to encourage exports, Law 81-56 of 23 June 1981 provides for taxation at a reduced rate of 20% on profits made on exports.

- Profits are calculated on the basis of export turnover.
- It is also proposed to relax the bonded warehouse system by abolishing the charge prescribed under the regulations and replacing it by a basic charge.
- A proposed guaranteed export credit system is also being investigated.

TURKEY

A.

Table IX-1
(at current prices, in million US\$)

	1975	1978	1979	1980	1983 ^{a/}
Total exports	1,401	2,288	2,261	2,910	5,400
Exports of manufactures	503	621	785	800	3314
Total imports	4,739	4,599	5,069	7,667	7,400
Imports of manufactures	3,742	3,415	3,966	4,764	5,200

a/ Planned, at 1978 prices.

Source: SPO.

- B. New incentives have been introduced in order to increase exports of manufactured goods. These are: credit facilities with the right to import necessary inputs to improve the quality, foreign currency allowances from export earnings, etc. Above all, tight monetary policies which forced domestic firms to seek external markets.
- C. Existing export promotion institutions were centralized to achieve better co-ordination and efficiency. All sorts of formalities, which are required for exporting goods, have been simplified. Necessary financial institutions are also encouraged to deal with new financial activities. New incentives were introduced to marketing and research firms.

UNITED REPUBLIC OF CAMEROON

A.	Table IX-1			
	1975	1978	1979	1980
Total exports	112,252	191,010	198,905	296,981
Exports of manufactures	-	36,746	78,175	83,095
Estimated share of manufactured exports destined for other developing countries (%)	-	7.23	7.3	6.3
Total imports	126,557	216,436	250,356	311,953
Imports of manufactures	110,508	-	218,821	260,833
Estimated share of manufactured imports originating in other developing countries (%)	-	12	9	8.3

B. See under C.

C. Cameroon has an institutional structure destined to promote and strongly activate industrial exports. It comprises:

- . Centre national du commerce extérieur (National Centre for Foreign Trade);
- . Cameroonian economic missions abroad;
- . Participation in international fairs;
- . Chamber of Commerce and Industry.

UPPER VOLTA

A.

Table IX-1

	1975	1978	1979	1980
Total exports	9,368.7	16,240	9,599.9	19,071.4
Exports of manufactures	864	1,464	1,973.1	2,012.8
Estimated share of manufactured exports destined for other developing countries (%)	21	28	37	-
Total imports	32,386.1	63,916.2	51,075.1	75,613.6
Imports of manufactures	16,657	25,983	31,073	47,635.4
Estimated share of manufactured imports originating in other developing countries (%)	28.5	21.5	27	-

B. Project to set up a standardization and quality control centre.

- . The centre will be an invaluable tool for marketing our manufactures by ensuring that they meet required quality standards and will, therefore, be competitive in export markets.

C. General Directorate for Foreign Trade.

- . National Foreign Trade Office: promotion of trade relations.
- . General Directorate for Industry and Handicrafts: preparation of an investment code for industrial promotion. Units admitted to A3 status enjoy exemption from excise and customs duty and may export their products after satisfying local requirements.
- . Chamber of Commerce for Industry and Handicrafts: establishment of infrastructures for facilitating the sale of products on foreign markets, support for exporters, studies, etc.

URUGUAY

A.

Table IX-1 (thousands of \$Us)

	1975	1978	1979	1980
Total exports	383,847		788,134	
		686,053		1,058,549
Exports of manufactures	Between 85 and 90% of the total			
Total imports	556,474		1,230,821	
		774,322		1,727,252
Imports of manufactures:				
Consumer goods			203	
Capital goods			278	
Intermediate goods			1,244	
			<hr/>	
			(including	
			petroleum and	1,727 (in millions of
			distillates)	dollars)
Estimated share of manufactured imports originating in other developing countries (%)				50 to 60 per cent

- B. Permanent trade missions and State financing for the opening of foreign markets;
- . Simplification of procedures and reduction of administrative costs;
 - . Refunding of indirect taxes;
 - . Advanced sale of foreign currencies;
 - . Reform or unification of the tax system so that taxes do not burden.
- C. Permanent trade officers have been appointed by the General Directorates of Foreign Trade in some cities of strategic importance for Uruguay's foreign trade.
- . Refund of taxes.

VENEZUELA

A. Table IX-1 (in millions of bolivars)

	1975	1978	1979	1980	1985 ^a	1985 ^b
Total exports	37,708.0	39,437.5	61,456.4	82,529.0	130,300.0	130,300.0
Exports of manufactures	716.0	1,026.9	2,081.0	3,108.7	14,323.0	14,323.0
Total imports	22,827.0	45,501.0	41,251.6	47,636.7	94,600.0	94,600.0
Imports of manufactures	12,382	22,442	37,509	43,000	45,385	45,385

- B. There is to be a revision of the Export Incentives Act with the aim of bringing export incentives into line with the level of protection afforded for import substitution. This will be accompanied by such arrangements as reference and adjustment prices for the incentives. The industries in which export activity is to be promoted on a priority basis are the metal-working and engineering industry and the chemical industry.
- . The government will encourage exports by domestic manufactures through the Export Financing Fund (FINEXFO).
- C. The Foreign Trade Institute will co-ordinate the work of revising the Export Incentives Act.
- . The export licensing system will be done away with, except where it applies to manufactures subject to price control or regarded as having strategic importance.
 - . The Export Financing Fund Act will be revised and the Fund itself will be given strong backing by the government.

YUGOSLAVIA

A.

Table IX-1
(mil.din.) (1\$ - 27,3 din.)

	1975	1978	1979	1980
Total exports	111.171		185.470	
		154.725		245.086
Exports of manufactures	101.223		173.746	
		144.439		231.407
Estimated share of manu- factured exports destined for other developing countries (%)	(19.615)*		(28.741)*	
		(28.209)*		(39.967)*
Total imports	199.331		347.249	
		246.576		373.955
Estimated share of manu- factured imports origin- ating in other developing countries (%)	(30.672)*		(52.017)*	
		(36.467)*		(70.145)*

* / Developing countries on the whole.

- B. Measures are taken to promote exports of manufactured goods by returning part of customs duty receipts and of other import dues to the exporters as incentives. Export incentives are extended through a special institution - the Self-Management Community of Interest of Yugoslavia for Relations with Foreign Countries which comprises both exporters and importers who have equal decision-making rights.
- C. As mentioned above under (B), a Self-Management Community of Interest for Economic Relations with Foreign Countries has been set up and is active in promoting exports; it comprises representatives of all those engaged in the field of foreign trade.
- . The taxation system also allows for certain tax exemptions for exported goods. Financial resources are marshalled to the Yugoslav Bank for International Relations with the objective of stimulating credit-based industrial exports. Incentives, such as relief from local taxes of other dues, are also provided by some communes, however, the effect of these measures, even though beneficial, is limited both as regards its scope and the territory on which they are applied.

ZAIRE

A.	Table IX-1		
	1975	1978	1979
Total exports	445.2	311.4	313.6
Total imports	661.7	850.7	1,327.2

B. See VIII C.

C. (No reply on this issue).

ZIMBABWE

A.	Table IX-1 (Z\$ - million)			
	1975	1978	1979	1980
Total exports	531,3	609,3	715,7	909,2
Exports of manufactures	171,7	204,9	254,6	331,9
Estimated share of manufactured exports destined for other developing countries (%)	-	-	-	36.9
Total Imports	461,9	403,7	549,3	809.4
Imports of manufactures	275,7	191,9	247,5	397,1
Estimated share of manufactured imports originating in other developing countries (%)	-	-	-	40,1*

*/ Based on figures covering August-December 1980.

B. The production of manufactured goods is being increased at a higher rate (11%) than that of overall growth (8%). It is intended to improve the competitiveness of exporters through opening the economy. More international co-operation within the SADC region is also being encouraged.

C. (No reply on this issue).

X. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

Governments were invited to supply information on the following topics:

- A. Arrangements for technical and economic co-operation with other developing countries at the bilateral, regional and inter-regional level, including regional and subregional integration schemes, and arrangements for joint negotiations with developed country entities.
- B. Joint ventures and industrial projects involving financial or technical co-operation with other developing countries, directly or through lending institutions.
- C. Co-operation programmes for the exchange of experience and skills as well as for the establishment or improvement of centres for industrial training and management and focal points for R and D in developing countries.
- D. Co-operation through intercountry energy plans and research centres for new techniques in energy.
- E. Special co-operation plans and programmes for the benefit of least developed, land-locked, island and most seriously affected developing countries.
- F. Other relevant topics.*

INFORMATION RECEIVED FROM DEVELOPING COUNTRIES IN RESPECT OF THE ABOVE:

ARGENTINA

- A. Bilateral technical and economic co-operation agreements in force with the developing countries:

Africa:

Egypt

- . Agreement on economic and technical co-operation, signed at Cairo on 26 June 1977 and ratified by Act No. 22,012.

Gabon

- . Agreement on economic and technical co-operation, signed on 30 October 1977 and ratified by Act No. 21,942.

* Most countries did not reply on this issue.

Argentina (cont'd)

Morocco

- . Agreement on Commercial, Economic and Technical Co-operation, signed at Tunis ^{1/} on 22 May 1977 and ratified by Act No. 21,987.

Libya

- . Agreement on Economic and Technical Co-operation, signed at Buenos Aires on 27 April 1979.

Equatorial Guinea

- . Agreement on Economic and Technical Co-operation, October 1980

Congo

- . General Agreement on Co-operation, signed on 28 October 1980.

. Asia:

Israel

- . Argentine-Israeli Mixed Economic Commission, Buenos Aires, 4-7 August 1980. Official record of the Second Meeting of the Mixed Economic Commission.

Lebanon

- . Agreement on Economic and Technical Co-operation, signed at Beirut on 29 June 1977.

Syrian Arab Republic

- . Agreement on Economic and Technical Co-operation, signed at Damascus on 2 July 1977.

. Europe:

Romania

- . Agreement on Economic and Technical Co-operation, signed at Bucharest on 21 July 1978 and approved by Act No. 22,361 of 26 December 1980.

. Latin America:

Colombia

- . Agreement on Co-operation in Scientific Research and Technological Development, February 1972.

Brazil

- . Agreement on Scientific and Technological Co-operation, May 1980.

^{1/} Translator's note. Sic in original.

Argentina (cont'd)

Ecuador

- . Agreement on Scientific and Technological Co-operation, signed at Quito on 26 January 1972.

Bolivia

- . Agreement on Economic Co-operation, signed at Santa Cruz de la Sierra on 30 October 1976.
- . Agreement on Industrial Complementarity, signed at Santa Cruz de la Sierra on 30 October 1976.
- . Agreement on Cultural, Scientific and Technical Co-operation, signed at Buenos Aires on 17 January 1972.

Peru

- . Agreement on the Bases of Economic Co-operation, signed in March 1977.
- . Basic Agreement on Scientific and Technological Co-operation, signed in May 1974.

Nicaragua

- . Framework Agreement, signed at Buenos Aires on 14 December 1954.

Venezuela

- . Basic Agreement on Technical Co-operation, signed at Caracas on 29 February 1972.
- . Basic Agreement on Economic, Industrial, Technological and Commercial Co-operation, signed in Caracas on 13 May 1977.

Mexico

- . Agreement on Scientific and Technical Co-operation, signed on 12 December 1973 and 20 July 1974 and approved by Act No. 21,027 of 4 September 1975.

Cuba

- . Agreement on Economic Co-operation, signed on 24 August 1973.

El Salvador

- . Agreement on Scientific and Technical Co-operation, signed at Buenos Aires on 5 June 1971.

Uruguay

- . Agreement on Economic Co-operation, signed on 20 August 1974.

Guatemala

- . Agreement on Economic Co-operation, signed on 27 August 1980.

Argentina (cont'd)

- B. Financial co-operation has been pursued under financial agreements: for example, the opening of a line of credit from Government to Government for purposes of export promotion. Specific examples include the credit extended by the Romanian Foreign Trade Bank to the Central Bank of the Argentine Republic and the credit extended by Argentina through the Central Bank to the Republic of Honduras (Financial Agreement signed at Buenos Aires on 20 August 1981).
- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

BAHAMAS

- A. Membership or association with the following regional and inter-regional organizations:
 - . Inter-American Development Bank (IDB);
 - . Caribbean Development Bank;
 - . Caribbean Community (CARICOM)
 - . Party to ACP/EEC - (Convention of Lomé I and II).
- B. Inter-American Development Bank - \$500,000 loan for South Andros Fishing Co-operative.
 - . CDB - Credit Line - \$3 million for use in funding industrial, agricultural, tourism and small business credits.
- C. (No reply on this issue).
- D. The Government is presently reviewing all proposals which appear capable of producing energy from new and other renewable sources, such as the sun, wind, water and crops.
 - . It is expected that the Bahamas will become signatory to the San José Agreement in 1982.
- E. (No reply on this issue).

BANGLADESH

- A. Bangladesh has technical and economic agreements with the following countries:-
- . Indonesia
 - . Malaysia
 - . Democratic People's Republic of Korea
 - . New Zealand
- . A memorandum of understanding on technical co-operation was signed between the Government of the People's Republic of Bangladesh and India on December 1981.
- . A transit agreement was signed between Bangladesh and Nepal in 1976
- . An agreement on a Joint Economic Commission between Bangladesh and Nepal was signed on 14 January 1978.
- . An agreement on Economic and Technical Co-operation was signed between the Government of Bangladesh and the Government of the People's Republic of China in 1978.
- . An agreement on Scientific and Technical Co-operation between China and Bangladesh was signed in 1978.
- B. China is financing and giving technical co-operation to the following two industrial projects in Bangladesh:
- . Potash Urea Fertilizer Factory; and
 - . Sunderban Textile Mills Corporation.
- . Pakistan is financing one sugar plant in Bangladesh.
- C. Under the yearly programme experience and skills are exchanged between China and Bangladesh by visiting experts. The visits take place according to the scientific and Technical Co-operation Agreement signed between China and Bangladesh.
- . Bangladesh has such programmes with Malaysia and Indonesia in the form of draft proposals which are yet to be finalised.
- D. (No reply on this issue).
- E. Nepal is a land-locked country and under the agreement signed on 2 April 1976, Bangladesh is giving transit facilities to Nepal.

BENIN

A. At the bilateral level:

Economic and technical co-operation agreements with China and Korea.

At the regional and interregional level:

Agreements or treaties establishing:

- . The Council of the Entente;
- . The West African Development Bank;
- . The West African Monetary Union;
- . The Economic Community of West African States.

B. Co-operation with:

- . Nigeria: The Onogbolo Cement Works;
Savé Sugar Company
- . Libya: Benin-Libyan Fishing Company
Benin-Libyan Mining Company
- . China: Two current projects:
Textile factory;
Cigarette and match making factory

C. Participation at the regional level in regional centres for the promotion of the industrial sector in Africa: African Regional Centre for Technology (Dakar) and African Industrial Design and Manufacturing Centre (Ibadan).

D. Benin contributes to all co-operation with African regional and sub-regional centres for research on new and renewable sources of energy.

- . The National University of Benin maintains links with these centres.
- . A map of solar radiation distribution is currently being drawn up by Ghana, Togo and Benin (joint study).
- . Benin is part of the Union of Producers, Conveyors and Distributors of Electric Power in Africa (UPDEA) and participates in projects to establish interconnected electrical networks.

E. The FARAH plan to make foreign sources of finance aware of projects in Benin.

- . The UNSO plan for the control of desertification.

BOLIVIA

- A. Bolivia's present international trade relations are as follows:
- . Trade agreements aimed at initiating or increasing trade between countries.
 - . The Latin American Integration Association (ALADI), whose aim is the gradual creation of a Latin American common market.
 - . The Cartagena Agreement, which has a similar aim to that of ALADI, with special treatment for the relatively less developed countries (Bolivia and Ecuador).
 - . Quenca del Plata (Plata Basin) and URUPABOL, whose purpose is to develop trade among member countries.
- B. Technical and financial assistance to mechanical engineering undertakings with a view to improving their products for export purposes. The Concerns requesting assistance are as follows:
- . Cadenas Andinas de Transmisión, Metal Leon Ltda, Fensa Bolivia, Tecnoeléctrica Tarija, Cablebol y Fabe. All of them require on-the-spot advice for export purposes and financial assistance via more flexible credit for working capital and purchases of machinery.
- C. Bolivia is aware of the existence of co-operation programmes for the exchange of experience and skills between European countries and the United States, and would like to take part in them in order to create its own industrial base capable of supporting self-sustaining development, with greater use of its productive resources, particularly foreign currency and capital. The best way of achieving this objective is by co-operation agreements and international co-operation, gearing its machinery and procedures to the needs of a developing country like Bolivia.
- D. In response to the need for greater energy resources and in order to satisfy the demands arising from continuous economic and social development, Bolivia's plans include the exploitation and extension of industrial hydrocarbon plants and research into unconventional sources such as solar, geothermal and wind energy. The INER and COBOEN have begun research in the field jointly with international bodies. Projects for hydro-power plants (BALA and ICLA) are also being studied.

Bolivia (cont'd)

- E. The international development strategy makes provision for mitigating the trade problems of land-locked developing countries, such as Bolivia.
 - . In this connection, United Nations resolution 31/177 established a special fund for land-locked and island developing countries and recommended that the developed countries should pay greater attention to the special limitations affecting land-locked countries and to their need for additional assistance to overcome those limitations.
 - . Bolivia hopes that the fund can help to solve the problem and promote any action leading to a satisfactory solution to the problems arising from Bolivia's land-locked situation, until such time as the serious historical injustice done to Bolivia is put right.

BRAZIL

(No reply on this Chapter).

BURUNDI

- A. The Economic Community of the Great Lakes Countries (CEPGL), comprising Zaire, Rwanda and Burundi.
 - . Development of the Kagera Basin (OEBK), which includes Burundi, the United Republic of Tanzania, Rwanda and Uganda.
- B. The purpose of the two organizations mentioned above (CEPGL and OEBK) is joint planning in the area occupied by the countries concerned. For example, the CEPGL countries have just sponsored the construction of a glass-making and bottle factory in Burundi. The CEPGL Development Bank is currently looking into community projects for possible financing.
- C. Burundi takes part in seminars and courses on industrial development organized by the other countries or by international organizations. Activities of this kind may also be organized by the University of Burundi or the Centre for In-Service and Further Training.
- D. Regional co-operation on energy will be centred on the following projects:
 - .. The Ruzizi II and Rusumo Falls (Kagera) hydroelectric dams;
 - .. Akanyaru methane gas deposits and peat bogs.

Burundi (cont'd)

- E. Burundi is a land-locked country, situated 1,600 km from the Indian Ocean and 2,000 km from the Atlantic Ocean.
- . Various activities have been planned in co-operation with neighbouring countries:
 - . Modernization of the Dar-es-Salaam-Kigoma railway, purchase of ferry boats, strengthening of Kigoma and Bujumbura bridges;
 - . Construction of Bujumbura-Muyinga and Kobera-Rusumo (Tanzania) routes; Kigoma (Tanzania) - Rumonge-Bujumbura-Bugarama (Rwanda) Link. This route will provide a link-up with the Trans-African railway.

CHILE

- A. With reference to the International Technical Co-operation this consists in the contributing, on the part of international organizations and countries, of science, technique, experience and financial resources.
- . This technical assistance operates through multi- and bi-lateral sources. In the multi-lateral field are found the F.A.O., U.N.D.P. and other agencies outside the U.N.D.P. The United Nations Development Programme and the agencies of the United Nations system are amongst the main sources of International Technical Co-operation which Chile receives. The F.A.O. is the main organization not dependent on U.N.D.P. and provides technical co-operation through the following programmes: FEMCIEOC account (Education, Science and Culture), ECOSOC (Economic and Social), and the Mar Del Plata account. With reference to the bilateral ones, our country has signed International Technical Co-operation agreements with 25 countries.
- B. Approved projects which terminate in 1981

Project	1981	1981
	Approved	Proposal
CHI/71/550 - Bacteriological	240,753	240,753
CHI/76/006 - ICIRA	142,780	135,737
CHI/76/014 - Hotel training	18,110	45,000
CHI/77/002 - Agricultural engineering	326,567	326,567
CHI/78/004 - Marine contamination	88,860	163,119
CHI/79/001 - Uranium, Phase II	151,600	151,600
Sub-total	<u>968,670</u>	<u>1,062,776</u>

Chile (cont'd)

. Approved projects which continue beyond 1981

Project	1981	1981	1982	1983
	Approved	Proposal		
CHI/76/003 - Forestry	382,153	382,153	403,800	143,270
CHI/77/001 - CONARA	741,995	515,816	284,827*	-
CHI/79/002 - Air navigation plan	1,051,877	987,868	164,317	400,000
CHI/79/004 - Investment analysis	1,127,122	1,149,419	1,083,512	1,089,520
CHI/79/008 - Foreign policy	155,593	155,593	100,000*(1)	-
CHI/79/011 - Investment promotion	234,600	251,800	167,900	-
CHI/79/012 - Stock market	155,000	60,400	107,600*	76,885*
CHI/79/013 - Cultural heritage	105,780	77,432	83,072	10,843
CHI/79/007 - Export promotion	144,976	144,976	-	-
CHI/79/009 - Support tech. co-op act.	174,683	174,683	100,000*	100,000*
Sub-total	4,273,779	3,900,140	2,495,028	1,820,518

Notes: * our estimate

(1): Possible extension to a second phase.

. Projects with preparatory assistance which continue in 1982

(Internal working document of the UNDP/
Santiago, Chile)

Project	1981	1981	1982	1983
	Approved	Proposal		
CHI/80/001 - Red meat	39,177	39,177	100,000*	100,000*
CHI/80/002 - Fishing	170,500	129,300	76,000	-
CHI/80/005 - Voc. tech. educ.	35,900	35,900	-	-
Sub-total	245,577	204,377	176,000	100,000

Note: * Project envisages additional US\$ 2,000,000 for cost-sharing.

Chile (cont'd)

. Projects in the pipeline

Project	1981 Proposal	1982	1983	1984	1985	1986
CHI/81/001 - Biological sciences	117,500	164,225	107,245	-	-	-
- Wind energy (Patagonia)	30,000	-	-	-	-	-
- Mini-power stations	-	20,000	-	-	-	-
- (Civil aviation)	-	323,184	1,144,787			23
			1,551,034	671,399		
- Wind energy (Pascua Island)	-	50,000	-	-	-	-
Sub-total	147,500	1,658,279	671,399			-
		557,409	1,144,787			23

Note: * Project envisages additional US\$ 2,000,000 for cost sharing.

Summary

(Internal working doc. of the UNDP/Santiago, Chile)

	1981 Proposal	1982	1983	1984	1985	1986
Projects which end 1981	1,062,776	-	-	-	-	-
Projects which continue	3,900,140	1,820,518				
		2,495,028				
Prep. assistance which continues	204,377	100,000				
		176,000				
In pipeline	147,500	1,658,279	671,399			
		557,409	1,144,787			23.3
Charges, projects now finished	27,707					
TOTAL	5,342,500	3,578,797	671,399			
		3,228,437	1,144,787			23.3
Ceilings	4,500	2,880	3,040	3,200	3,360	3.3

6 June 1981

UNDP PROJECTS IN HAND AND COMPLETED (8.1981)

CODE	NAME	NATIONAL	COUNTERPART	EXECUTIVE AGENCY	PERSONS RESPONSIBLE	
					ODEPLAN	PNUD
CHI/69/535	Investigation of hydraulic resources in the R. Grande	Water Board MOP SERPLAC IV Region		AEOCT/MU	Paulette R.	T. Reich
CHI/71/550	Extension and improvements Bacteriological Inst.	Public Health Institute		O.M.S.	Eduardo Q.	E. de Carazo
CHI/76/003	Forest investigation and Development	CONAF		F.A.O.	Francisco B.	T. Reich
CHI/76/006	ICIRA "Fruit Fly"	OCEPA		F.A.O.	Paulette R.	T. Reich
CHI/76/008	Support for nuclear electricity programme	C.CH.E.M.		O.I.E.A.	Paulette R.	T. Reich
CHI/77/001	CONARA administrative reform and regional development	CONARA		D.T.C.D.	Paulette R.	E. de Carazo
CHI/77/002	Agricultural engineering	University of Concepción		F.A.O.	Eduardo Q.	E. de Carazo
CHI/78/004	Fight against marine contamination	State Office of Maritime Territory and Merchant Navy		O.C.M.I.	Francisco B.	E. de Carazo
CHI/79/001	Prospecting for uranium Phase I and II	C.CH.E.M.		O.I.E.A.	Eduardo Q.	E. de Carazo
CHI/79/002	Air navigation plan	Aeronautics State Office		O.A.C.I.	Eduardo Q.	E. de Carazo
CHI/79/003	Biological sciences	Catholic University University of Chile University of the South University of Concepción		UNESCO	Eduardo Q.	E. de Carazo

Chile (cont'd)

CHI/79/004	Analysis of investments	ODEPLAN
CHI/79/007	Promotion of exports	PROCHILE
CHI/79/009	Support for activities of co-op. tech. development	Government Chile, COEPLAN
CHI/79/010/ 011	Promotion of investments	PROCHILE
CHI/79/012	Development, stock market	Superint. of Insurance
CHI/79/013	Cultural heritage	Department of Libraries Archives and Museums
CHI/79/014	Hotel training	INACAP
CHI/80/001	Development of red meat subsector	ODEPA
CHI/80/002	Fishing development	Subs. of Fishing
	Pre-project Non-conventional energy	

D.T.C.D.	Eduardo Q. and J.E. Castro	
UNCTAD/GATT/ CCI	Eduardo Q.	T. Reich
D.T.C.D.	Francisco B.	E. de Carazo
UNIDO	Eduardo Q.	Silvia Burlet
BIRF/CFI	Eduardo Q.	T. Reich
UNESCO	Eduardo Q.	S. Burlet
O.I.T.	Alberto M.	T. Reich
F.A.O.	Eduardo Q.	
F.A.O.	Eduardo Q. Francisco B.	

Chile (cont'd)

- C. Through bi-lateral sources we have the arrival of experts to co-operate in projects connected with non-conventional energy, to be developed chiefly by the universities and by the National Energy Centre. The arrival of experts through bi-lateral sources and the U.N.D.P is also directed towards the Regional Secretariats of Planning and Co-ordination (SERPLAC).
- D. (No reply on this issue.)
- E. (No reply on this issue.)

CHINA

- A. Being a developing socialist country, China attaches great importance to, and actively promotes the economic and technical co-operation with other developing countries. China is still lagging behind in terms of its economy and technology. Therefore its strength falls short of its will. However, the Chinese people have spared some human, material and financial resources by practising frugality themselves with an attempt to assist in the construction in other developing countries, with whom China is prepared to further promote and expand its economic and technical co-operation. China is ready to join others in co-operative production, scientific research and design and in manufacturing given industrial products.
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

COMOROS

Consolidated reply given under this chapter:

- CHINA: Economic and Technical Co-operation Agreement.
Cultural Agreement.
- ALGERIA: Cultural Agreement.

Comoros (cont'd)

- KUWAIT: Cultural Agreement.
- MOROCCO: Economic and Technical Co-operation Agreement.
- SENEGAL: Technical Co-operation Agreement.
Draft Treaty of Friendship and Co-operation.
- EGYPT: Technical Co-operation Agreement
- MADAGASCAR: Cultural and Scientific Co-operation Agreement.

- . Cultural and economic co-operation agreements are being negotiated with the People's Republic of the Congo, Tunisia, the Republic of Korea, Turkey, etc.
- . At the regional level, OAU, the Islamic Conference and PTA (Preferential Trade Area for Eastern and Southern African States).
- . An agreement establishing a management institute for Southern and Eastern Africa.
- . An agreement establishing an African Regional Centre for Engineering Design and Manufacturing
- . An agreement establishing an African Cultural Institute
- . An agreement establishing a higher institute for African sport
- . The Comoros has joined the Pan African Postal Union
- . Pan African Information Union
- . An Islamic centre for technical education, vocational training and research
- . A research centre for art, history and Islamic culture
- . An institute for sports management

COSTA RICA

- A. Among the countries with which Costa Rica has concluded technical assistance and co-operation agreements are the following: the United States of America, Argentina, Spain, Peru, Germany, the Netherlands, Mexico, Liechtenstein, Canada, Romania, Great Britain, Northern Ireland, Israel, Ecuador, the Soviet Union and Czechoslovakia.
- B. The great majority of joint ventures involve financial or technical co-operation. These projects include: duty-free export zones, industrial estates, the Costa Rican Development Corporation (CODESA) enterprises and Namucar (Caribbean Multinational Shipping Company).

Costa Rica (cont'd)

- C. Technical information programmes of the Organization of American States: "Programa Mar del Plata".
 - . The National Apprenticeship Institute (INA) and the Technological Institute both function as industrial training and management centres.
 - . The universities (UCR, UNED, UNA, ITCR) and information offices of the ministries provide the focal points for research work in the country.

- D. There is a co-operation plan in the area of coal between Costa Rica and Japan. In addition, the country has similar arrangements with Mexico for petroleum exploration, and in the energy area with international organizations such as the United Nations, the World Bank and the International Development Association (AID).

- E. There is a programme with Panama and Honduras aimed at bringing these countries up to a competitive level within the Central American Common Market.
 - . Costa Rica is also a party to a number of bilateral agreements.

CYPRUS

- A. Cyprus has friendly relations with all countries and a number of bilateral trading agreements are in force. At present negotiations are carried out for a Customs Union with the E.E.C.

- B. (No reply on this issue).

- C. (No reply on this issue).

- D. (No reply on this issue).

- E. (No reply on this issue).

EQUADOR

- A. Execution: Agreement between the Ministry of Industries and Commerce and the German GTZ company for industrial promotion. Advice to the Ecuadoran-German Chamber of Industries and Commerce.

Study of trade in petrochemicals and fertilizers between CEPE and Japan.

Ecuador (cont'd)

Negotiation: Co-operation for the development of industrial projects with Japan and CENDES.

Technical co-operation offered by the Technical University of Liège, Belgium, for industrial development products.

- B. Development of metal casting, between the National Polytechnic and the Spanish Government.
 - . Ecuadoran foundry "ECUASIDER".
 - . Automobile industry corporation - CORDINAUTO.

- C. Bilateral negotiation: Moulding Centre, with the Spanish Government and the National Polytechnic.
 - . Centre for the development of the furniture and wood industry under the Ministry of Industries and Commerce with the co-operation of Spain.
 - . Management Training for light industry with the participation of CENAPIA and the co-operation of JAO PINHEIRO of Brazil.
 - . Improvement in the range of leather and leather goods with the Belgian Government under the MICEI.
 - . Technical assistance to light industry and crafts.

- D. Bilateral or Multilateral negotiation: Study of the planning and definition of the Electrification Master Plan between INECEL and the Government of the Federal Republic of Germany.
 - . Advice on energy balances from the National Energy Institute (INE) with the European Economic Community (EEC).
 - . Initial feasibility study for the supply of hydroelectric energy from the rivers Lita, Chambo and Zamora, between INECEL and the Japanese Government.
 - . Investigation and development in the field of energy with the participation of the National Polytechnic and the Government of the Federal Republic of Germany.
 - . Information system for the following and controlling investment projects between INECEL and the Government of the Federal Republic of Germany.
 - . Planning and systematizing the operation of maintaining the National Grid System between INECEL and the Federal Republic of Germany.
 - . Investigation of the charge, study of service costs and tariff design between INECEL and the government of the Federal Republic of Germany, as well as control of lists of assets in this sector and share revaluation. Agreement with AID to progress the development of alternative sources of energy with the National Energy Institute (INE). Peaceful use of atomic energy.
 - . Ecuadoran Atomic Energy Centre and Brazilian government.

Ecuador (cont'd)

E. (No reply on this issue).

EL SALVADOR

A. Industrial promotion

Technical assistance

Financing: UNDP/UNIDO

Responsible organization: Ministry of Planning

Amount: \$US 500,000

. Energy: CEL

Central American Isthmus Energy Programme; a regional project with the participation of Central America and Panama (United Nations).

. National productivity Centre (CENAP)

Information and technical assistance service for the development of enterprise management skills.

Financing: Organization of American States

Amounts: 1981 68,250 colons

1982 151,000 colons

1983 137,250 colons

. National productivity Centre (CENAP)

Technical assistance: Training of consultants for small-scale and medium-sized industry.

Financing: International Labour Organization

This assistance was received through the Vocational Training Committee, January-May 1981.

. National productivity Centre (CENAP)

Technical assistance: Development of the school for middle-level managers and executives.

Technical assistance currently being received from the Tahal Consulting Engineers, Ltd.

Among the agreements concluded with other developing countries, mention might be made of the Regional Integration Plan, which includes all the countries of the Central American region except Honduras, which has withdrawn. In addition, technical and financial co-operation agreements have been signed, inter alia, with Canada, the Federal Republic of Germany, Venezuela, Mexico, Argentina and Israel.

El Salvador (cont'd)

- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

ETHIOPIA

- A. Areas of co-operation among Southern and Eastern African countries and Ethiopia is in chemical (fertilizers, pesticides and insecticides, pharmaceuticals) and iron and steel industries;
 - . Tripartite Agreement between Ethiopia, Sudan and Kenya.
 - . Bilateral Agreement with Djibouti.
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. The Ethiopian National Energy Committee (ENEC) is a member of the World Energy Conference and of different regional organizations such as the African Solar Energy Committee and has supported the establishment of a regional solar energy institute for the East and Central African subregion. ENEC is ready to engage in inter-country co-operation relating to the energy field.
- E. (No reply on this issue).

GUATEMALA

- A. There are, currently, bilateral agreements with Argentina for the financing of this country's products which it exports to Guatemala. At regional level the Central American Economic Integration Process is continuing in strength, and at the present time it is seeking technical and financial co-operation with the European Economic Community. Apart from all this, the country is arranging co-operative agreements with public or private institutions, both domestic and international.
- B. A joint project for the production of paper-making pulp is being put into effect between the National Finance Corporation and the Santander Bank of Spain.

Guatemala (cont'd)

- C. There are technical co-operation agreements in existence through INTECAP for improving the quality of both plants and techniques in the field of automotive engineering and electric motors (Italy/INTECAP, Germany/INTECAP).
- D. The second stage of the Energy Program of the Central American Isthmus is currently being prepared; this sets out the co-operation which must exist between the countries involved for energy planning and the exchange of experience and technology on the energy question. This second stage will be channeled through the United Nations.
- E. There is a co-operative financial agreement between Mexico and Venezuela which promises to supply oil to the sub-region and some countries of the Caribbean under special financing conditions. Additionally, Mexico and Venezuela have offered technical co-operation in relation to hydrocarbons.

GUYANA

- A. Regional - CARICOM
 - . Bilateral - Cuba, Colombia, Brazil, India, Mexico, Caricom States.
- B. Suriname: Joint-ferry and joint-telecommunication projects (through lending institutions - EDF).
- C. Exchange of experiences and skills - through the Commonwealth Caribbean Technical Assistance Programme.
- D. UN Project: R+D into alternative forms of energy through the Institute of Applied Science and Technology.
- E. We do render occasional assistance to the island States of the Caribbean, Zambia, Zimbabwe and Namibia.

HONDURAS

A. General technical co-operation agreements

Bilateral

- . Federal Republic of Germany (18/4/1964)
- . Republic of France (13/1/1978)
- . Swiss Confederation (7/12/1978)
- . Government of Canada (3/9/1974)
- . United Mexican States (27/10/1966)
- . Government of Israel (2/2/1967)
- . Federal Government of Brazil (11/6/1976)
- . Spain (17/10/1972)
- . United Kingdom of Great Britain and Northern Ireland (27/10/1966)
- . Government of the United States (AID/12/1961)

Other bilateral agreements

- . Agreement on Scientific and Technical Co-operation with the Government of the Republic of Argentina.
- . Trade agreement with the Government of the Republic of Argentina (20/8/1981).
- . Financial agreement with the Government of the Republic of Argentina (20/8/1981).

Pending ratification

- . Basic agreement for Scientific and Technical Co-operation with the Republic of Chile (21/8/1981).
- . Trade agreement with the Republic of Chile (21/8/1981).

B. Cultural agreement and specific agreements for technical co-operation

Bilateral

- . Establishment of the Technical Preparation Centre in the city of San Pedro Sula, 14/6/1967, by the Alemán Government
- . Decree No. 33 - Cultural exchanges with Spain (15/11/1957).
- . Co-operation from the Government of Spain in matters of tourism (27/9/1972).
- . Cultural Agreement with Argentina (27/11/1964).
- . Cultural Agreement with Colombia (8/5/1962).
- . Cultural Agreement with Brazil (2/12/1957)
- . Technical co-operation in the cultivation of rice with the government of China (2/3/1971).
- . Cultural agreement with Korea (15/12/1970)
- . Agreement on Co-operation in Vocational Training with Spain (5/11/1971).
- . Bank of Experts - Canada (June 1977).

Honduras (cont'd)

C. General multilateral agreements for technical co-operation

- . United Nations (21/7/1967)
ILO, FAO, UNESCO, ICAO, ITU, WHO, WMO, UPU, IMCO
- . United Nations (9/7/1957)
- . United Nations - Special Fund (20/12/1960)
- . United Nations - Amendment to the General Agreement (8/11/1963)
- . OCAS (30/10/1965)
- . CARE (4/2/1959)
- . FAO
- . OAS
- . Inter-American Development Bank
- . Others.

D. Agreements on energy

Agreement with the Latin American Energy Organization

- . Geothermal energy through ENEE
- . Biogas through natural resources:
- . Mexico, Venezuela: Agreement on Technical and Financial Co-operation.
- . Agreement with Taiwan through ENEE.
- . Central American Research Institute for Industry through the Ministry of Economic Affairs.
- . Centre for Tropical Agriculture Research and Teaching (CATIE) with the Forest Development Corporation.

E. Regional co-operation agreements

Technical and financial assistance

- INCAP = Institute of Nutrition for Central America and Panama (Guatemala)
- ICAP = Central American Public Food Institute (Costa Rica)
- CLAD = Latin American Centre for Development Administration (Venezuela)
- ICATTI = Central American Institute for Industrial Research (Guatemala)
- FMCC = Central American Monetary Fund (Costa Rica)
- CATIE = Centre for Tropical Agriculture Research and Teaching (Costa Rica)
- SELA = Latin American Economic System (Mexico)
- CEMLA = Centre for Latin American Monetary Studies (Mexico)

INDIA

- A. Arrangements for technical and economic co-operation with other developing countries at the bilateral, regional and inter-regional level, including regional and subregional integration schemes and arrangements for joint negotiations with developed country entities.
- . India is a signatory to "GATT Protocol relating to Trade Negotiations among the Developing Countries" 1971. However, this is confined to exchange of tariff preferences and no technical co-operation is envisaged under this arrangement. There are two other Multilateral Agreements between India, Yugoslavia and Egypt and another, the Bangkok Agreement. As far as the Bangkok Agreement is concerned, it is confined at present to exchange of tariff preferences on selected items, among the participating countries, viz., India, Bangladesh, Sri Lanka, Republic of South Korea and Laos.
- B. Joint ventures and industrial projects involving financial or technical co-operation with other developing countries, directly or through lending institutions.
- . Joint ventures are an important instrument for the sharing of technology and economic co-operation between the developing countries. The current guidelines governing the setting up of joint ventures, have the following main features:
 - . Participation through the Indian Corporate Body having necessary manufacturing technical experience;
 - . Participation by Indian companies should be in accordance with the rules and regulations of the host country; and
 - . Mode of participation in the equity capital should normally be through exports of capital equipment and technology, but cash remittances will be permitted for the deserving cases.
 - . Ordinarily Indian participation should be in the form of export of indigenous plants and machinery required for the joint ventures. However, on merits, participation in one or more of the following forms may also be considered:
 - . export of know-how;
 - . capitalisation of service fees, royalties and other forms of payments;
 - . raising of foreign exchange loans abroad; and
 - . cash investment in equity.
 - . At the end of August 1981, there were 217 Indian joint ventures in 37 countries. Of these, 115 were in production and 102 were under various stages of implementation. South East Asia had the largest number (86) of Indian joint ventures followed by Africa (44), West Asia (26), South Asia (20), Europe (22), USA (16) and Oceania (3). India joint ventures are in diverse fields and cover a wide range of industrial products like textiles, light engineering goods, iron and steel products and hand tools.

India (cont'd)

- C. Bilateral S and T programmes exist between India and various countries for identifying co-operation and carrying out research projects of mutual interest. Many national institutions are carrying out training programmes in their respective fields, which are of international interest. A centre for transfer of technology has also been established in the country to act as a link between indigenous technological capabilities and other developing countries. The Government of India has also an arrangement to identify and depute concerned technical manpower to various developing countries on a request from them. The Government of India is actively pursuing the TCDC programme which envisages training of personnel from developing countries in India, deputing of Indian experts and setting up of joint ventures. India is participating in UNIDO's Technological Information Exchange Systems (TIES) which has been established with a view to promoting exchange of information among technology transfer registries in developing countries.
- D. The broad approach for the development of new and renewable sources of energy in the plan covers all important new and renewable sources of energy such as solar, wind, biomass, chemical and geothermal energy and their application in agriculture, transportation and other sectors. In order to give an impetus to the development of renewable sources of energy, a commission for additional sources of energy has been established in the Department of Science and Technology with full executive and financial powers. Apart from the formulating policies and programmes the commission will have following functions:
- . Plan, initiate, financially support, monitor and undertake integrated national research and development programmes involving government laboratories, public and private sectors companies and academic institutions that exist, also those which may come into being in the future, including those the Commission may set up, aimed at generating all the know-how necessary for production programmes in:
 - . development of appropriate technology for harnessing solar energy like solar thermal devices and systems based on the thermal effects of solar radiation and development of photovoltaic devices and systems for direct conversion of solar energy into electricity;
 - . development of wind energy;
 - . development of bio-mass and bio-conversion technology;
 - . development of decentralised energy systems; and
 - . other new areas as may be entrusted.
 - . Survey the R and D work done by various agencies with a view to co-ordinating their programmes and providing appropriate direction for Research and Development efforts keeping in view long term requirements.

India (cont'd)

- . Function as a national agency for international co-operation in the field of new and renewable energy sources.
- . To promote interface research and development with production, by amongst other measures:
 - . promoting the acquisition of technical capability and providing finances for design and engineering of pilot plants and prototype production facilities based on locally invented processes and designs and setting up such pilot plants and prototype facilities, wherever required for rapid commercialisation of new and renewable energy technologies
 - . taking special steps such as subsidies to ensure that the high cost of limited volume production which our needs call for, does not become an obstacle to start commercial manufacture of products based on local know-how.
- . Survey, plan and approve and undertake programmes in the public/private and small-scale sectors for production of materials, components, equipment and systems for commercial exploitation of know-how in areas of alternative energy sources in consultation with other ministries and industries.
- . Recommend to the Government various incentive measures for commercial use of the new and renewable energy technologies by industries.
- . Function as a data bank on all aspects of new and renewable energy sources and advice government on import of technology in the area of new and renewable sources of energy.
- . Be responsible for operating all necessary industrial and import licensing policy and procedures as far as the industries in the new area are concerned.
- . Develop and co-ordinate with other agencies scheme oriented to the needs of rural India keeping in view the rural sources of energy available and train manpower for operating decentralised systems of energy.

A wide ranging programme on the above lines encompassing both technology development and application is contemplated in the Sixth Plan.

- E. India's rapid stride in industrialization has been accompanied by a corresponding growth in technological and managerial skill, not only for efficient operation of highly complex and sophisticated industrial enterprises but also for their planning, design and construction. Today India is offering technical and economic assistance to many developing countries in diverse fields. Out of our UNDP/IPF, we have earmarked an account of \$5.8 million for Technical Co-operation among Developing Countries (TCDC). Under TCDC we are offering services of technical personnel along with an assistance of \$0.5 million to Mahaweli Development project in Sri Lanka. The extent of India's participation through technical and economic co-operation can be gauged from the list of UNDP/IPF/TCDC projects given below. The list is only illustrative:

India (cont'd)

Title and brief description of the project

- . International symposium on computer applications in large scale power system organised by the Institute of Engineers (India) Ltd., Calcutta. (Dept. of Power).
- . Round Table Conference on Employment Policies in developing countries - A case study of India organised by Indian Economic Association (Planning Commission).
- . Seminar/Workshop at the National Geophysical Research Institute (NGRI), Hyderabad, for exchanging views about the activities being carried out in the region in the field of geophysics to review the facilities available in the region and to establish a framework of co-operation (CSIR).
- . TCDC Symposium on Modern Metal Forming Techniques held by the National Physical Laboratory (CSIR).
- . International Symposium on Water Resources Systems held by the Water Resources Development Training Centre (WRDTC), University of Roorkee (Dept. of Education).
- . Training of 6 Cuban Engineers in the field of Eradication of Plague from sugarcane at the Indian Institute of Sugarcane Research Lucknow.
- . Inter-Regional Meeting on Safety in Production Transportation and Storage of Fertilizers to be organised by the Fertilizer Association of India-Funding of International Travel Cost of 14 participants from developing countries (Ministry of Chemicals and Fertilizers).
- . Participation of Indian Investment Centre in the Technology for People Fair, Geneva (Dept. of Commerce).
- . International Symposium/Training in Time and Frequency needs at NPL during February 1981.

INDONESIA

- A. Training offered to other developing countries, through the TCDC programme.
- B. Expansion of the Indarung Cement Factory in co-operation with India;
 - . Mini sugar plant in co-operation with Pakistan.
- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

IRAQ

(No reply on this Chapter).

KENYA

- A. The Government of Kenya maintains close and active relationships with the United Nations and all its specialized international and inter-regional agencies and institutions concerned with economic and technical development. These relationships help in keeping close contacts with developed as well as the developing countries. Contacts with the developing countries are strengthened further through periodical visits of Ministerial, official and non-official delegations, besides some bilateral and regional agreements.

- B. The Ministry of Industry encourages and assists suitable joint ventures and industrial projects, involving financial and technical collaborations with the private sector and parastatal institution in the developing countries.

- C. The main agencies engaged in promoting and facilitating exchange of industrial experiences and skills, training and R and D facilities are the Ministry of Industry, the National Council of Science and Technology, the Industrial Sciences Advisory Research Committee and the Kenya Industrial Research Development Institute. The recommendations of the recent National Symposium on Industrial R and D would help in improving the facilities further (referred to also under Chapter VI).

- D. Implementation of the recommendations of the recent U.N. Energy Conference held in Nairobi, would bring about greater co-operation.

- E. The Government is co-operating with the efforts being made for the purpose by the international agencies concerned with technological development of the least developed, land-locked, island and most seriously affected developing countries.

LESOTHO

- A. The Solidarity Meeting data. Number of countries invited;
 - . (Salisbury meeting) SADC;
 - . Conference of African Planning Experts held in Nairobi 12-20 April 1980.

- B. Will emerge as a result of the Solidarity Meeting planned for June 1982.

- C. (No reply on this issue).

- D. (No reply on this issue).

- E. (No reply on this issue).

MADAGASCAR (cont'd)

- A. Co-operation agreements with other developing countries such as Libya, Korea, China, Algeria, Iraq and India.
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

MALAWI

(No reply on this Chapter).

MALTA

(No reply on this Chapter).

MAURITIUS

- A. Mauritius assists several African countries in the development of sugar-cane-related technology. In addition, students from those countries are trained in Mauritius.
- B. A limited number of projects is co-financed on bilateral agreements.
- C. There are some exchange programmes and bilateral trade missions.
- D. A general policy exists which has to be implemented among the neighbouring African and Asian countries.
 - . UNIDO assistance is most welcome in the field.
- E. Mauritius contributes very humbly in providing assistance in the form of small nominal loans and offers a token amount of sugar as outright gifts to countries affected by the calamities of nature.

MEXICO

- A. Mexico and the Republic of Venezuela are jointly promoting and supporting the energy co-operation programme for Central American and Caribbean countries set up under the San José Agreement; initially the programme covers eight countries in the area. Agreements have been signed with a number of developing countries in Latin America and other regions and it is hoped to broaden the basis of international co-operation, as will be seen from the proposals for the World Energy Plan and the Charter of Economic Rights and Duties of States.
- B. Mexico has a 34 per cent share in the capital of the Petronor refinery in Spain, with a view to supplying a proportion of European clients.
 - . Mexico is also developing international co-operation in regard to fertilizers, iron and steel and oil production, particularly in Latin America.
- C. Mexico has signed agreements with 50 countries and during 1980 held 12 meetings for cultural and educational exchange.
 - . The government of Mexico has increased the number of its fellowships for foreign students, in particular from Central America and the Caribbean.
- D. As already mentioned, the Mexican government has paid special attention to co-operation in this field, as evidenced by the San José Agreement and the energy co-operation programme for Central American and Caribbean countries. Moreover, the United Nations General Assembly has approved a proposal by the Mexican government for a world energy plan - an effort to rationalize the exploitation, industrialization, marketing and use of energy and energy sources at the international level.
- E. The San José Agreement, mentioned above, is an example of this. Mexico's solidarity with developing countries suffering from critical situations is well known.

NIGER

- A. Niger belongs to several bilateral, regional and subregional Commissions.
 - . Bilateral co-operation with Togo, Benin, Upper Volta, Nigeria, Mali, Algeria, Morocco, Senegal, etc.
 - . Regional and Interregional Co-operation: W.A.E.C., ECOWAS, Lake Chad Basin Commission, Niger River Basin Authority, Lipatoko - Gourma Authority.
- B. The Islamic University.

Niger (cont'd)

- C. (No reply on this issue).
- D. Niger depends on Nigeria for its supplies of electrical energy, it also belongs to CRES (Regional Centre for Solar Energy).
- E. (No reply on this issue).

NIGERIA

- A. Nigeria has bilateral technical and economic co-operation arrangements with a number of developing countries including India, Brazil and Niger. Nigeria belongs to ECOWAS, the Chad Basin Commission and the River Niger Commission.
- B. Nigeria has joint ventures with a number of countries including Benin Republic, Senegal, Guinea and India with both sides providing the equity.
- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

OMAN

- A. Industrial Co-operation Committee within the framework of the G.C.C. (Gulf Co-operation Council).
 - . The Organization of Islamic Conference.
 - . The Arab League Organization.
- B. A copper melter - Sohar.
 - . A cement plant - Rusail - Muscat.
 - . Aluminium rolling mill - Bahrain.
- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

PAKISTAN

- A. Pakistan has always lent its support to the concept of national and selective self reliance through concrete and tangible forms of technical and economic co-operation among developing countries and played an active part in promoting this idea at all international forums. A Technical Assistance Programme has been introduced by the Government of Pakistan to assist other developing countries in the fields in which we have attained proficiency. However, the Pakistan Government's desire for participation in the industrial development of other developing countries is conditioned by our scarce capital resources.
- With a view to co-operating with the developing countries, on a co-ordinated basis, Pakistan has embarked upon a Technical Assistance Programme for TCDC which provides a sum of about Rs. 4.5 million in our budget allocation every year. This sum has been allocated to help meet the essential requirements of those 74 developing countries which have been co-operating with Pakistan in different economic and technical fields.
 - Pakistan has entered into scientific and technological co-operation agreements also with a number of developing countries. To further strengthen our economic and technical co-operation programmes with various developing countries, high powered joint commissions on bilateral basis have been set up with more than 11 countries.
- B. Pakistan has developed considerable experience and technical expertise in various industries. It can participate with other countries in fields such as construction industry, textile, packing, leather, paper, cement, fertilizer, engineering, machine tool industry, metal working industry, electric machinery and equipment and some chemical industries in which Pakistan has considerable industrial capacity. It can also participate in the processing of agricultural products such as edible oil, sugar, tobacco etc. There are firms in the private and public sector which are capable of rendering assistance to other developing countries in various subsectors. Besides, Pakistan is now producing some capital goods/machinery which mainly consist of sugar, cement, textiles (weaving and winding machinery) vegetable ghee, tannery, agricultural machinery and electrical equipment which could be made available to other developing countries. Joint ventures with other developing countries can be established both on bilateral and on triangular basis for which Pakistan's technical know-how machinery, raw materials and semi-processed goods could be made available, whereas capital exporting third countries could finance these projects. Machinery may also be supplied on short-term credit basis.
- Pakistan has already undertaken many joint projects with other developing countries both at home and abroad participating in many forms of co-operation. These countries are Egypt, Indonesia, Iraq, Iran, Ivory Coast, Kuwait, Lebanon, Malaysia, Sudan, Tanzania, Turkey, UAE, Zambia and Saudi Arabia. Some of the projects in these countries include concrete pipes and ties manufacturing plant, auto service units in Saudi Arabia,

Pakistan (cont'd)

packaging unit in Somalia, textile mill in Sudan, paper packaging unit and textile projects in Tanzania, engineering workshop and hotel industry in UAE. Besides, provision of management and consultancy services/preparation of feasibility reports on various projects in these countries have been provided by Investment Advisory Centre of Pakistan and other private entrepreneurs. Furthermore, under the auspices of the Regional Co-operation for Development (RCD) a number of projects have been undertaken in three member countries; Pakistan, Iran and Turkey.

- C. Pakistan is providing in-plant training facilities for all levels of technicians to other countries in many industries especially in textile, leather, engineering, cement and metal working etc. Pakistan has allowed its doctors, engineers, scientists, educationalists, training teachers and technicians to be drawn by other developing nations. Simultaneously, we have expanded our training facilities, and embarked upon skill development projects to make up the shortage of trained manpower in the country. It has also been co-operating in the field of agriculture, irrigation, consultancy services, transport and communications, industry and trade, manpower development railways, banking and educational exchange with the first country to establish a focal point in the Economic Affairs Division to co-ordinate TCDC, in response to recommendations of the United Nations Working Group on TCDC.
- . There are about 50 consultancy and other organizations working in Pakistan which are providing management and technical services for the preparation of feasibility studies in different fields of industrialization, investment banking, project formulation and appraisal, industrial estates and scientific research. These organizations can also assist in setting up the public sector to render assistance to the industrial sector. Some of these institutions are given below:
- . Investment Advisory Centre of Pakistan (IACP);
 - . Pakistan Industrial and Technical Assistance Centre (PITAC);
 - . Pakistan Standards Institutions (PSI);
 - . Central Testing Laboratories (CTL);
 - . Cotton Textile Industrial Research and Development Centre (CTIRDC);
 - . Leather Institute of Technology;
 - . Patent and Design Departments;
 - . Textile Industry Crafts Project.

Pakistan (cont'd)

- . Efforts are being constantly made to improve the scope of those institutions and to make them more useful for enhancing the collaboration in technical assistance programme.
- . Special fields in which Pakistan is capable of and has been offering technical assistance to the developing countries are grouped as under:
 - . Academic training facilities provided at educational establishments in the fields of engineering, general education, dentistry, pharmacy, medicine, accountancy, banking and in other educational fields.
 - . Specific training of personnel in various industrial fields in Pakistan.
 - . Provision of experts.
 - . Supply of services and equipment for relief operations.
 - . Grant of scholarships to students in the fields as mentioned above.
- D. (No reply on this issue).
- E. (No reply on this issue).

PANAMA

- A. Technical co-operation:
 - . The Federal Republic of Germany, Brazil, Republic of China, Spain, United States (AID), France, Great Britain, Italy, Israel, Japan and Venezuela.
 - . Economic co-operation:
 - . Spain, United States (AID), Japan.
 - . Scientific co-operation:
 - . France
- B. Technical co-operation:
 - . SELA (via the Committee for Action on Fertilizers during the constitution of the multinational company, MULTIFER, S.A.).
 - . Establishment of industrial estates (with the financial backing of AID).
- C. Bilateral agreements offer possibilities, but there are no such programmes.
 - . A preliminary plan exists for setting up management training centres for small companies.
 - . Focal points of research and development activities in developing countries.
 - . Various commissions and institutions exist under the Ministerial Laws and Technical Administrative Organization of Panama, namely:

Panama (cont'd)

- . Science and Technology Council
 - . University of Panama
 - . Proposed creation of the National Nuclear Energy Commission
 - . Institute for Research on Agriculture and Cattle Raising of Panama
 - . Office for International Technical Co-operation.
- D. Research on new techniques in energy.
- Plan for alternative sources of energy with A.I.D.
- . Intercountry energy plans:
 - . Plan for energy conservation with Trausenergy of France, operated by the World Bank.
 - . Energy Programming for the Central American Isthmus (PEICA), relating to the achievement of an energy balance.
 - . Studies on energy by ORI of the United States (organization of the energy sector); CESEN of Italy (study of substitutes and costs).
- E. Panama is not in a position to offer co-operation plans or programmes to less developed countries.

PERU

- A. Peru has concluded bilateral agreements with most of the Latin American countries, including those which are members of the Cartagena Agreement, in addition to which it also has agreements with the developed countries and those of the socialist group.
- . Subregionally and regionally, as a member of the Andean Group and the Latin American Economic System, Peru is a party to the agreements which these supranational institutions have entered into with other economic blocs of developed countries.
- B. Within the Latin American Economic System and the Andean Group, Peru participates in the operation of multinational enterprises (e.g. MULTIFER, a fertilizer marketing company) and also in the management of binational enterprises in line with the concept of developing complementary relations with the other members of the Andean subregion (Bolivia, Ecuador, Colombia, and Venezuela).
- C. At the governmental level, efforts continue to be made to develop co-operative programmes aimed at bringing about an exchange of experience, know-how, training and industrial research results with other developing countries, especially in the Latin American region. To this end, governmental agreements have been signed and mixed commission meetings are held on the average of once a year.

Peru (cont'd)

- D. As a member of the Latin American Energy Development Organization (OLADE), Peru takes part in that organization's programmes of energy development, research, and co-operation.

- E. Under these important co-operation programmes, Peru has been contributing, to the extent permitted by its own industrial development, to the solution of the problems facing the least developed of the developing countries in their efforts to industrialize.

- . To this end, Peru has taken part in the Solidarity Meetings of Ministers of Industry for Co-operation in the Industrial Development of Haiti (November 1979) and of the People's Republic of Bangladesh (December 1980). Peruvian co-operation with these countries has taken the form of technical assistance, capital participation and participation in mixed enterprises, mainly in the areas of paper and pulp (from bagasse), sugar production, the tinning and preservation of fish and shellfish, and the production of sponge iron.

REPUBLIC OF KOREA

- A. The Republic of Korea is a participating state in the First Agreement on Trade Negotiations among Developing Member Countries of the Economic and Social Commission for Asia and the Pacific (Bangkok Agreement), which has been signed and ratified by five countries (Bangladesh, India, Laos, Korea, Sri Lanka) with a view to promote the expansion and liberalization of trade within this region. According to the provisions in the agreement, the Korean Government applies concessionary tariff to the eighteen goods originating in all other participating states.

B. Joint ventures

(unit: thousand dollars)

<u>Year</u>	<u>No. of projects</u>	<u>No. of nations</u>	<u>Actual investment</u>
End-1980 (cumulative)	118	33	87,571

. Technical co-operation

Four projects at the end of 1979
Nine projects up to October 1981.

Republic of Korea (cont'd)

- C. The government has provided training for a total of 2,975 people from developing countries in such fields as agriculture and fisheries, mining and manufacturing industries, transportation and construction, education and public administration from 1965 to 1981. It also has dispatched no less than 88 technical experts in the fields of agriculture, fisheries and mining industries to these countries from 1967 to 1981.
- D. (No reply on this issue).
- E. (No reply on this issue).

ROMANIA

- A. At present Romania has commercial relations with over 100 developing countries, and out of a total of 203 government agreements for economic and technical co-operation signed by Romania 146 have been concluded with these countries. For example, 65 agreements for economic collaboration and co-operation, 5 agreements for the promotion and mutual guarantee of investments and 24 agreements for co-operation in the fields of geology, mining, petroleum, mechanical engineering, the chemical industry, agriculture, forestry economy and building.
- B. With a view to the continual improvement of the efficiency of international scientific and technological co-operation, Romania is paying special attention to improving forms of co-operation. In order to respond to complex and differing situations, resulting from the specific conditions of each partner and the possibilities and demands of this partner, Romanian enterprises envisage various forms and models.
 - . Of the forms of international scientific and technological co-operation promoted by Romania we should mention co-operation in the construction of economic objectives in these countries, the carrying out of geological and geographical prospecting, participation in exploration and exploitation of reserves of hydrocarbons and other useful ores, the setting up of mixed production companies in marketing and co-operation in preparing studies and projects for the economic and social objectives involving the developing countries, 24 mixed production and marketing companies in the fields of mining, mechanical engineering, forestry economy and building materials, light industry and agriculture (Morocco, Chile, Burundi, Central African Republic, Nigeria, Libya, Zaire and Peru).

Romania (cont'd)

- C. In addition to the construction of certain industrial objectives, Romania is granting to other developing countries technical assistance which does not depend on deliveries. Thus Romania has signed agreements with various developing countries under the terms of which it grants these countries technical assistance. A number of Romanian specialists are engaged in these countries as experts and consultants for UNESCO, WHO, UNDP and UNIDO as part of their collaboration in the multilateral plan between Romania and the various specialist bodies and institutions of UNO.

- D. Romania has achieved, in co-operation with various developing countries, a number of objectives intended to develop the domestic energy potential of these countries (construction of power stations, hydro-electric dams, transport lines, etc.) in the Philippines, Algeria, Iran and elsewhere.

- E. In co-operation with Romania economic objectives have been constructed in countries such as Bangladesh (a cotton mill); Tanzania (a ready-made clothing factory); Sudan (cotton mill); Central African Republic (2 mixed production companies for the timber industry and one mixed company for agricultural production) and Burundi (2 mixed companies for industrial activities).

RWANDA

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

SENEGAL

- A. Senegal has signed bilateral economic and technical co-operation agreements with several developing countries.
 - . With regard to regional and subregional integration, Senegal is a member of OMOG, OMS, WAEC and ECOWAS.
 - . There are arrangements with the developed countries, particularly the EEC countries.

Senegal (cont'd)

- B. Industries Chimiques de Sénégal with the following countries: Nigeria, India, Ivory Coast and Cameroon.
- C. (No reply on this issue).
- D. Hydroelectric dams on the river Senegal with Mali and Mauritania and on the river Gambia with The Gambia.
 - . Establishment of a regional solar energy centre at Bamako under WAEC.
- E. Special co-operation plans and programmes of this nature are included in the activities of the subregional organizations (WAEC, ECOWAS).

SINGAPORE

- A. The Association of South-East Asian Nations (ASEAN) made up of Singapore, Malaysia, Thailand, Indonesia and the Philippines was established in 1967. Areas of co-operation include trade, industry, food and energy, finance and banking, and human resources development. ASEAN conducts joint negotiations with developed countries on trade and political issues.
- B. There are two types of industrial co-operation within ASEAN:
 - . ASEAN Industrial Projects where one large scale project is established in each member country to service the region.
 - . Industrial Complementation Scheme - the first package of automotive complementation has been allocated.
- C. A national center for human resources development will be established in each member country of ASEAN. The Japanese government has agreed in principle to extend grants and technical co-operation amounting to US\$ 100 million for this purpose and will establish a center in Okinawa.
- D. Three approaches towards energy co-operation within ASEAN have been proposed:
 - . the short-term approach to establish an emergency petroleum sharing plan and an ASEAN petroleum security reserve;
 - . the medium-term approach to increase exploration and development activities of oil and gas in the region; and
 - . the long-term approach directed towards the development of alternative energy resources.
- E. (No reply on this issue).

SRI LANKA

- A. Sri Lanka is a signatory to the Bangkok Agreement which embraces the developing countries of the ESCAP region for the purpose of promotion of trade.
 - . Sri Lanka has set up a number of joint economic commissions for economic cooperation on a bilateral basis with a number of developing countries. These are: India, Pakistan, Romania, Yugoslavia and Bangladesh.

- B. The Urea Manufacturing Complex with financial and technical assistance from India, and three other development banks were inaugurated.

- C. Under the auspices of the Commonwealth Industrial Development Unit, the Industrial Development Working Group has been formed to facilitate industrial corporation in the Commonwealth countries of Asia and the Pacific.
 - . Under the auspices of the ESCAP, the Regional Centre for Transfer of Technology has been set up in Bangalore, India.

- D. (No reply on this issue).

- E. (No reply on this issue).

SUDAN

- A. A solidarity conference was held early in the past year among the ministers of industry of developing countries, to seek ways and means of co-operation among themselves.
 - . Projects were discussed for technical and financial co-operation. Fruitful results materialised showing that the scope and the extent for co-operation with other developing countries is possible, hence negotiation power could be strengthened with developed nations.

- B. Many developing countries showed direct interest for financing some of the Sudan development projects, technically or financially, through joint venture efforts.

- C. Conferences, seminars and workshops are arranged by the developing countries for the exchange of experiences and skills; in such conferences experiences and skills are exposed concerning industrial training, management and R and D, pertaining to their problems.

Sudan (cont'd)

- D. (No reply on this issue).
- E. (No reply on this issue).

THAILAND

- A. Arrangements for technical and economic co-operation with other developing countries at the bilateral, regional and inter-regional levels, including regional and subregional integration schemes, and arrangements for joint negotiations with developed country entities.
 - . Thailand has been giving technical and economic assistance to developing countries for many years before the United Nations General Assembly Resolutions on this matter was announced. This practice has been done through the offer of training, seminars, scholarship, study tours, grants in aid and other means. It has been done on a bilateral, regional and inter-regional basis. The Department of Technical and Economic Co-operation under the Office of the Prime Minister is responsible for these activities.
 - . After the adoption of the Buenos Aires, Caracas and New Delhi Plans of Action concerning technical and economic co-operation among developing countries, Thailand has placed high priority to pursue these activities. Different meetings among the representatives from the public and private sectors were held in order to find effective ways and means for this field of action. Thailand strongly believes in peaceful coexistence and by this belief it will successfully achieve co-operation among countries. Thailand is therefore strengthening its capability in this field.

- B. Many developing countries such as Taiwan, Malaysia, India, Singapore, Panama, the Philippines and other countries have entered into joint ventures in industrial projects, as well as other projects in the country. As regards financial co-operation Thailand has received a loan from the Kuwait Fund and is now in the process of negotiating with the Saudi Arabian Fund to launch new projects like up-and-downstream petrochemical, industrial financing institutions and other basic industries.
 - . It is our firm objective to promote foreign investment in Thailand. Investors from developing and developed countries are always welcome; benefits and privileges will be given to investors without any prejudices.
 - . As regards joint ventures and industrial projects involving financial or technical co-operation which Thailand has extended to other developing countries, many examples showed that Thailand has lent her co-operative hands to assist those developing countries in giving scholarships, training, seminars, study tours and even in-plant training and field practices.

Thailand (cont'd)

- . Agricultural experts have been sent to many developing countries to assist them to improve agricultural production by applying modern technology. Apart from these, fishery and aquaculture technology and know-how have been given to many developing countries such as Malaysia, the Philippines, Bangladesh, etc.
 - . Regarding the financial co-operation, the limited sources of this kind prevent Thailand to assist developing countries to a larger extent, but it is also the Government's objective to render this kind of assistance to developing countries to the highest extent when an opportunity permits to do so.
- C. Under the current Fifth National Five Year Plan, curriculum reforms and development will be made to the institutions both at the government and private level. Centres for the activities of industrial training and management and the focal point for R and D in the country will be strengthened. Exchange of experience and skill will be expanded to handle the wider scope of responsibility. Meanwhile, co-operation in these activities with other developing countries on bilateral, subregional, regional, inter-regional and on global basis will gain full support.
- . Many institutions responsible for industrial training have been established so as to train industrial manpower to achieve high skills and managerial know-how in their day-to-day operation. Focal points for R and D have been set up at the same time and existing ones have been improved in order to shoulder broader responsibility.
- D. The current National Economic and Social Development Plan sets firm policies and measures in dealing with energy. These policies and measures are as follows:
- . Increase the effectiveness in energy consumption by means of reducing the energy consumption per unit of production and with this measurement increase in production should be done in the same line, particularly energy used in transportation and industrialization.
 - . Pricing policy for all kinds of energy must be reviewed so as to suit the present situation. Prices must be based on reality and at the same time be fair to the producer, seller and consumer.
 - . The acceleration of national energy resources must be carried out in order to reduce import volume of energy from foreign countries and for the purpose of self-reliance. This can be done by stimulating public and private sectors to explore various energy resources in the country particularly the exploration of on and off-shore crude oil deposits, the development of natural gas in the Gulf of Thailand, exploration and development of hydro-energy and lignite, testing of energy production from oil shale, the exploration of uranium and the development of non-conventional energy resources.

Thailand (cont'd)

- . Energy investment promotion will be encouraged both in public and private sectors; investment from local and foreign sources will receive favourable encouragement.
 - . Co-operation with foreign countries in energy plans and research will be seriously carried out so as to achieve high and suitable technology in energy production and consumption.
- E. As a member of the United Nations and other organizations within the U.N. System, Thailand strongly believes in the crucial role that the international community can play in the economic and social advancement of all peoples, this being a major aim set out in the Charter of the United Nations. As a developing country, Thailand is well aware of the special needs of the least developed, land-locked, island and most seriously affected developing countries. It has consistently supported the plans and programmes designed to assist specifically these special categories of countries. Co-operation plans and programmes have been drawn up into two categories, namely, short- and long-term plans. Assistance rendered has been in the form of grants in aid, free food supply in emergency cases, training and scholarship offered and many other forms. Thailand took an active part in every stage of the preparations which led to the United Nations Conference on the Least Developed Countries in Paris in September 1981. It took part in some of the "Solidarity" meetings to encourage the industrialization of these countries. Thailand has, moreover, played an active role in the promotion of ECDC which takes special account of the particular needs of the special categories of countries.

TOGO

- A. Bilateral level:
- Africa: Algeria, Benin, Gabon, Guinea, Libya, Mauritania, Tunisia, Zaire, Cameroon, Egypt, Upper Volta, Mali and Niger.
- International level: EEC and UN.
- America: Brazil
- Asia: China, Democratic People's Republic of Korea.
- Subregional level: ECOWAS and Council of the Entente.
- Regional level: OAU and OCAM
- B. The West African cement works (CIMA), set up jointly by the Ivory Coast, Ghana and Togo.
- . The Benin Electrical Community (Benin, Ghana and Togo).
 - . Barrage construction project on the Mono river (Togo and Benin).

Togo (cont'd)

- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).

TUNISIA

- A. Suggested triangular co-operation between Tunisia, the Ivory Coast and Yugoslavia for the manufacture of furniture: wood (Ivory Coast), technical knowledge (Yugoslavia + Tunisia). This plan, which has not yet been drawn up, has also been proposed in respect of co-operation with Madagascar and Senegal.
- . Arab financing of major industrial projects in Tunisia (Kuwait, United Arab Emirates, Saudi Arabia, etc.). Arab contributions to national industrial projects during the past ten years reached 22.4 MD.
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).
- E. (No reply on this issue).
- F. Relations in regard to industrial co-operation between Tunisia and developing countries, apart from Arab countries, are very unsatisfactory, and in any case fall short of expectations.

TURKEY

- A. Attempts to increase co-operation among RCD (Regional Co-operation for Development) countries, which includes three countries (Turkey, Iran, and Pakistan), are continued. Meetings at ministerial levels are held. Technicians of these three countries met to increase economic and technical co-operation. At the same time, bilateral relations with neighbour countries, African countries, Gulf States and South East Asian countries were arranged to increase economic and technical co-operation.
- B. Research and development activities related to common purposes of RCD countries are continued. Bilateral relations are considered from two aspects. The first is to increase trade both in kind and value. The second aim is to promote

Turkey (cont'd)

industrial and technological co-operation at project levels. In order to achieve the second aim, contributions from interested countries to certain projects were sought. In this area some success was achieved with Islamic countries. Especially, the support of the Islam Development Bank was gained in principle to finance some projects.

- C. Meetings are held on exchange of skills and experience among RCD countries. Technicians of these countries meet in committees (Industry, Petroleum and Energy, Transportation and Communication, Agriculture, Trade, Tourism, Technology, etc.) to discuss related matters and exchange views. The same sort of meetings are held with neighbouring countries and other developing countries.
- D. The Committee of Industry, Petroleum and Energy of the RCD met to propose solutions on energy problems and promote industrial co-operation. Programmes for exchange of energy with neighbouring countries also continued.
- E. Turkey supports the activities which aim at international co-operation among developing countries. Studies are underway to help the least developed and most seriously affected developing countries. Hopefully, technical co-operation programmes for these countries will be held as soon as necessary arrangements are completed.

UNITED REPUBLIC OF CAMEROON

- A. Cameroon is a member of the Customs and Economic Union of Central Africa (UDEAC); it is the task of this institution to establish a real economic community of the member countries.
- B. Cameroon takes part in the financing of some industrial projects in certain African countries, including ICS, and a chemical plant in Senegal.
- C. Within the framework of the Customs and Economic Union of Central Africa (UDEAC), negotiations are in progress for the establishment of scientific and technical co-operation among the member countries, and a Standing Scientific and Technical Research Commission is already functioning within UDEAC.
- D. Cameroon is a member of the Standing Scientific Research Commission of UDEAC.

United Republic of Cameroon (cont'd)

- E. Cameroon grants the following advantages to the land-locked countries of UDEAC:
- . access to the sea by means of the Cameroonian transport infrastructure;
 - . zones in Cameroonian ports for the use of land-locked countries;
 - . contribution to the UDEAC "Fonds de solidarité pour les pays enclavés" (Solidarity Fund for Land-locked Countries);
 - . agreement to a reduced rate for land-locked countries by the Development Bank of the Central African States (incentive rate to encourage movement of industrial investment to land-locked countries).

UPPER VOLTA

- A. OAPI: Agreement establishing an African Intellectual Property Organization, replacing the Agreement establishing an African and Malagasay Industrial Property Office.
- . Benin, Cameroon, Central African Republic, Chad, Congo, Gabon, Ivory Coast, Mauritania, Niger, Senegal, Togo and Upper Volta decided to protect intellectual property rights in their territories and therefore set up OAPI to implement and apply common administrative procedures deriving from a uniform system of industrial property protection; to promote the protection of literary and artistic property; to encourage the establishment of national writers' organizations in member States where no such bodies exist; and to centralize and co-ordinate all information on the protection of literary and artistic property.
 - . OCAM: African and Mauritian Common Organization, whose programme has the following aims:
 - . to identify products likely to be marketable in all or some member States and determine technically and economically viable sites for the establishment of units;
 - . to strengthen inter-State trade and complementarity with a view to creating a true community of interests;
 - . to encourage three kinds of industry - import substitution industries, industries using local raw materials and labour-intensive industries;
 - . not to accept restrictions as regards outlets;
 - . to work in close collaboration with public and private bodies able to assist this programme, notably in connection with technological and financial backing.
 - . Bilateral co-operation is mainly with oil-producing countries like Libya, Algeria, Kuwait and Saudi Arabia, in such fields as financing and cultural and economic agreements. We also have bilateral links with Pakistan, but the agreements are all of a general nature.

Upper Volta (cont'd)

- B. Funds have been set up by Kuwait, Saudi Arabia and OPEC, and the latter has provided support for our balance of payments.
- . The Entente Council runs an inter-state enterprise (RAN) and has set up two joint ventures: SORENTENTE and TOMENTENTE. At the technological level, CEFER deals with road maintenance.
 - . There are also health and other technological agreements between countries of the subregion.
 - . Direct co-operation through loan organizations, such as the ADB, the WADB, the NDB and the ABEDA is concerned with the financing of projects.
- C. Various Institutes established within ECA, such as ARSO for example, are responsible for co-operation programmes for the exchange of information and experience.
- . Similar work is performed at the regional level by CIERRO, PAID and the Remote Sensing Centre, which are financed from foreign sources.
 - . In addition, exchanges of experience and skills take place in higher education and between national education systems.
- D. UNIDO is financing the construction of 9 biogas vats, varying in size from 2 to 10 m³. Kvic of India is carrying out the work.
- . A research institute for new energy sources (IREN), to be financed largely by the Federal Republic of Germany, will be built at Kossodo.
- E. Generally speaking, there are no special co-operation plans or programmes as such, but theoretical provisions have been drawn up indicating our intentions.

URUGUAY

- A. Latin American Integration Association (ALADI) and commercial treaties with Argentina (CAUCE), Brazil (PEC) and Chile (Central Bank).
- B. (No reply on this issue).
- C. National Technology and Industrial Productivity Centre.
- . Technological Laboratory of Uruguay.
 - . Council for Vocational Training.

Uruguay (cont'd)

- D. (No reply on this issue).
- E. (No reply on this issue).

VENEZUELA

- A. The Government regards the integration policy as an essential supplementary instrument for promoting the tasks and programmes of national development. The Andean Group, the Latin American Economic System (SELA), the Amazon Pact and the Latin American Integration Association (ALADI) will continue to receive from the Government the support necessary to strengthen these groups and establish them firmly as the principal organizations working for Latin American integration and co-operation.
- B. The Government is particularly interested in promoting foreign investment in the form of joint ventures in the following sectors: blast-furnace steelmaking and the manufacture of special steels, petrochemicals, capital goods manufacturing, housing construction materials, agricultural development and certain public services.
- C. Particular emphasis will be placed on furthering technical co-operation among developing countries (TCDC) at both the regional and the international level, and also on bilateral and multi-lateral planning.
 - . Through the International Institute for Advance Studies Foundation and its teaching programme, the International Institute for Advanced Studies in Science and Technology for the Third World (INTERMUNDO), the Venezuelan Government will co-operate with the developing countries in the area of post-graduate training in various scientific and technical disciplines. This Institute, with its regional Latin American character, will become part of a worldwide chain of similar institutes sponsored by the Organization of Petroleum Exporting Countries (OPEC).
- D. (No reply on this issue).
- E. (No reply on this issue).

YUGOSLAVIA

- A. Yugoslavia is a member of the Tripartite Agreement with India and Egypt under which the major part of its trade with these two developing countries is carried out. Yugoslavia is also a member of the Protocol on Trade Negotiations between the Developing Countries, concluded as part of the GATT. Yugoslavia's share in commodity exchange according to these agreements is still below its industrial export possibilities. Except for its active participation in the Group of 77, with respect to the establishment of a global system of trade preferences among the developing countries, Yugoslavia does not take part in other integration undertakings of the developing countries.
- B. Yugoslavia and Romania have jointly constructed phase I and are now constructing phase II of the hydroelectric power plant "Djerdap" on the Danube river. The construction is being financed by the two countries from their own sources. A number of production plants and/or joint ventures have been established in developing countries. They involve mainly smaller initial investments with the support of the Yugoslav Bank for International Co-operation. Technical co-operation based on sending experts to the developing countries and training experts in Yugoslavia is being pursued with a large number of developing countries.
- C. Programmes for the exchange of experience and skills are still mainly confined to various forms of technical co-operation which is inadequate in view of the increased needs of the developing countries. The existing centres for training and management in Yugoslavia are still oriented to work within the country. Preparations for organizing and offering co-operation to the developing countries in the field of training in industrial management are under way. Research work in the developing countries, including Yugoslavia, is still not sufficient to meet the needs. Of particular importance is the setting up of a permanent system of education for personnel already employed whose professional level falls short of that required for the successful discharge of their duties.
- D. (No reply on this issue).
- E. (No reply on this issue).

ZAIRE

(No reply to this Chapter).

ZIMBABWE

(No reply to this Chapter).

PART II

CONTRIBUTIONS ON BASIS OF THE QUESTIONNAIRE ADDRESSED TO INDUSTRIALIZED COUNTRIES

I. INDUSTRY IN THE CONTEXT OF THE ESTABLISHMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER

Governments were invited to express their views on the role of industrialization in the International Development Strategy for the Third United Nations Development Decade and the establishment of the new international economic order.

In particular, it was suggested that attention be given to possible areas of intensified international co-operation supporting the industrial development of the developing countries.

INFORMATION RECEIVED FROM DEVELOPED COUNTRIES IN RESPECT OF THE ABOVE :

AUSTRIA

- Austria regards resolutions of the General Assembly No. 3201(S-VI) and 3202(S-VI) concerning the Declaration and Programme of Action on the Establishment of a New International Economic Order as an expression of the political will of the international community to work together towards a more balanced and just world economic order. The Austrian Government is fully aware of the importance of industrialization as a necessary, indeed an indispensable feature of economic development. It is prepared to participate to the best of its ability in the industrialization process of the developing world. Co-operation between developed and developing countries could well be intensified to mutual benefit, particularly in the initial stages of industrial development projects.
- A vital prerequisite of any development is the existence or the creation of an adequate basic infrastructure to support and sustain economic progress. Technical assistance for infrastructural projects is, therefore, a cornerstone of Austria's development policy.
- One aspect of providing infrastructure for a successful industrialization is the training of human resources. Industrial training programmes should receive priority attention as a necessary condition for a sustained industrialization process in developing countries.
- Another important factor in the establishment of new industries in developing countries is the development of existing sources of energy and the search for and the use of alternative sources of energy.
- The activities of UNIDO as the competent co-ordinator and monitor of industrialization in developing countries are duly recognized and appreciated by Austria. The successful co-operation between UNIDO and Austria in the field of training and the organization of seminars, workshops and country presentations to promote and intensify the industrial co-operation between developed and developing countries, as well as between developing countries themselves, bears witness to the importance Austria places in UNIDO's role in the industrialization process.

BELGIUM

- While industrialization is not the first priority for the developing countries - their principal concern being the strengthening of their agricultural and food-production potential - it is for many of them an essential element in their development.
- Industrialization requires a long-term effort which will extend well beyond the current decade. It is an effort which must avoid certain pitfalls and pursue certain fixed objectives.
- For example, it would be a serious error on the part of these countries were they to adopt export to the distant markets of the developed nations as their primary and virtually sole industrialization objective. As a general rule, the satisfaction of national and regional demand should be the main goal when establishing industrial enterprises in third-world countries.
- Secondly, in many of these countries, particularly the least advanced of them, the major emphasis should be on the establishment of small-scale production units designed to meet the genuine needs of the immediate localities and regions. These units might in some cases begin as artisanal enterprises, but would provide work and training for large numbers of unemployed men and women.
- International co-operation for the industrialization of the developing countries can and must be pursued on both a bilateral and a multilateral basis. Its aim must be to encourage these countries not only to acquire purely technical equipment and know-how, but also to develop the industrialist's and salesman's mentality by making the necessary efforts in the area of organization and productivity to meet orders and to deliver well-presented quality products on time.

CANADA

- Canada recognizes that further industrialization remains an important and legitimate objective for many developing countries and that this objective can be pursued through sustained, concrete and pragmatic action at the multilateral level. While primary responsibility for industrialization rests with developing countries themselves, appropriate means should be found amongst the developed countries to accelerate their efforts. Developing countries attach considerable priority to industrialization and Canada remains committed to a substantial development assistance programme despite economic difficulties.

CZECHOSLOVAKIA

- The extension of trade, economic, production, scientific and technological relations with developing countries constitutes an important element in the process of involving Czechoslovak national economy in the international division of labour. In conformity with the principles of its foreign policy, especially with the principle of equality and mutual benefits, the CSSR develops economic co-operation with these countries to facilitate their efforts aimed at the attainment of economic independence, the strengthening of their national sovereignty and the development of social progress. Based on these principles the CSSR has concluded a variety of long-term trade agreements and agreements on economic and technical collaboration with many developing countries of the world.

DENMARK

- Denmark considers industrialization as one of the most powerful engines of development and hence an important element of the International Development Strategy. Denmark shares the view that appropriate policies and programmes at the national, regional and international levels should be developed in order to strengthen and expand the industrial capacities of the developing countries.
- At the adoption of the International Development Strategy for the Third United Nations Development Decade, Denmark declared that the willingness of the industrialized countries to extend development assistance is one of the most important expressions of solidarity with the Third World and its struggle to achieve economic development and social progress. Denmark which has reached the 0.7% target of ODA strongly urged all industrialized countries - including the socialist countries - to increase their ODA to 0.7 within a few years.

FINLAND

- In order to reach the targets contained in the International Development Strategy for the Third UN Development Decade as well as in the Lima Declaration and Plan of Action it is necessary to promote industrialization of developing countries. The role of industrialization in the present strategy forms an essential element in development and growth of economies of developing countries. Industrialization will also encourage their social transformation.
- The special circumstances and special needs of developing countries should be taken into account in the industrial development process. By doing so it is possible to develop that kind of industry which is the most suitable to the country and which could make the best possible use of the country's own natural resources.

Finland (cont'd)

- To accelerate industrialization of developing countries co-operation is needed between developed and developing countries. Also the role of UNIDO is a central one in this process.
- The sector of energy has been enlarged notably, e.g., in development co-operation. Studies on energy production possibilities have been supported. Finland prepared a comprehensive report on peat to the UN Conference on New and Renewable Sources of Energy in Nairobi, 1981. A seminar on the Financing of New and Renewable Energy Development in developing countries, co-sponsored by the Nordic Countries and the OPEC Fund for International Development, was held in October 1981, in Helsinki.

GERMANY, FEDERAL REPUBLIC OF

- The Government of the Federal Republic of Germany supports accelerated industrialization in the developing countries to enable them to progress towards the goal, set out in the International Development Strategy, of accounting for 25 per cent of world industrial production by the year 2000. If they are to progress, a revival of the world economy is crucial. Both industrial countries and developing countries have a contribution to make to this revival. The interconnexion between the production structures in the developing countries the integration of the developing countries in the world economy and the consequent need for structural adjustment in the industrial countries will be one of the key issues of development policy in the years ahead. The Government of the Federal Republic of Germany is therefore supporting structural change in industry at home and is in favour of increasing access to the markets of the industrial countries, especially for manufactured goods from developing countries. But greater access to the markets of the industrial countries for exports from developing countries will not on its own bring about accelerated industrialization in the developing countries. To achieve this, as well as to bring about a revival of the world economy, it is becoming increasingly important to raise purchasing power throughout the developing countries and to develop their domestic and regional markets. The Government of the Federal Republic of Germany therefore stresses the importance of the efforts of the developing countries themselves, particularly social and economic reforms designed to eliminate domestic restraints on development and promote such structures as are conducive to development. The constraints which tend to hold down purchasing power and industrial development include misguided economic policies giving rise to inflation, the unjust distribution of income and wealth, tax injustices and a failure to introduce land reforms.
- The Government of the Federal Republic of Germany believes that there is still unused potential in the connexion between the industrialization efforts and the efforts to satisfy basic needs and develop the rural areas with respect to the ambitious industrialization targets. This is undoubtedly a possible area for greater international co-operation.

Germany, Federal Republic of (cont'd)

- The Government of the Federal Republic of Germany attaches particular importance to eliminating constraints on the manufacture of raw materials in the developing countries on a larger scale. It is still pressing for a reduction in tariffs for manufactured raw materials from developing countries. This can only be brought about through international co-operation.
- The Government of the Federal Republic of Germany regards co-operation in the private sector as an essential instrument for promoting industrialization in the developing countries. With greater international co-operation, the basis for and potential of this instrument should be better understood and thus its benefits increased. The UNIDO sector consultations and the creation of balanced codes for transnational companies and for the transfer of technology can assist in this respect.

HUNGARY

- The Hungarian People's Republic considers the development of the economy of the developing countries, the establishment of an autonomous and independent industry having nothing to do with the colonial past and featuring an up-to-date structure as one of the most important problems expecting solution in our age, as an essential element of the struggle fought for the establishment of the New International Economic Order. The socialist countries, including Hungary, co-operate with the developing countries according to the basic principles of equal rights, mutual advantages, the observance of sovereignty in the interest of a comprehensive development of their industry. It is proven by a great number of co-operation cases established between Hungary and developing countries showing interest in such co-operation that the central planning of the national economy's development and the state monopoly of foreign trade does not hinder co-operation between countries with different social, economic and political systems, on the contrary, it provides a favourable basis for the establishment of long-term relations.
- Hungary approves of and supports the necessity to increase the developing countries' role in the global division of labour. We co-operate with them in their struggle for the elimination of the leftovers of colonial dependence and for the establishment of more equitable international economic relations.
- The development of the developing countries' industry may be served by joint developments, a transfer of manufacturing equipment and of the related technologies, the training and development of specialists, the establishment of producing capacities, sending of experts etc.

Hungary (cont'd)

- Within the framework of bilateral or multilateral co-operation Hungary undertakes the introduction and development in the interested developing countries of such industries in relation to which it has achieved internationally acknowledged results. In the past period a great number of co-operation agreements came into being with a wide circle of developing countries in the energy industry, in telecommunications, in the building materials industry, chemical industry, in various branches of transport, in the food processing industry, the extractive industry, the iron and aluminium industry, the pharmaceutical industry, the vacuum engineering industry, in the field of agricultural machines manufacture, in the establishment of small and medium-sized plants for various purposes.
- In Hungary's international economic relations an ever greater significance is being attained by our participation in multilateral co-operation cases, by co-operation deals established with companies of developed capitalist countries and of developing countries, by production and marketing co-operation, by a redeployment of production, by joint ventures, by third-market-related co-operation, and by related activities displayed within the framework of international organizations.
- For an increased international co-operation with a view to the development of the developing countries we may identify the following areas:
 - . chemical industry, and within it the pharmaceutical industry;
 - . supply of sanitary equipment with a view to improving health provision;
 - . delivery of turnkey agricultural and food industry plants and establishment of service stations;
 - . establishment of educational centres with a view to promoting specialist training, etc.

IRELAND

- The position of the Irish Government has not changed since our reply to the Second UNIDO Questionnaire in 1979. It might be added that in keeping with the policy outlined in that reply Ireland gave its full support to the Resolution adopted at the thirty-fifth session of the United Nations General Assembly establishing the Third United Nations Development Decade.

ITALY

- There is no doubt that in the course of the 1980s the developing countries will have to face new and increasingly compelling challenges, in consideration of the important role industrialization will exert on the whole process of economic development in the individual countries.
- In this context the concept of industrialization will necessarily have to be redefined. In fact, this concept must not be regarded (as it was in the past) as being exclusively limited to the setting-up of a new productive capacity in the most important manufacturing branches, but has to be extended also to the adoption of appropriate technologies and - according to the needs of the individual developing countries - to the introduction of training courses and technical assistance programmes in order to attain marketability and distribution of finished products.
- There are numerous pressing problems which the developing countries will have to settle because their unsuccessful solution could have negative effects on the economic development of these countries. In particular it will be necessary to:
 - . start new rationalization programmes in the individual production activities, which are necessary in respect of present and future changes in the international division of labour on a world-wide scale;
 - . create the conditions for an ever increasing competitiveness compared to the other developing countries or even compared to the traditional industrialized countries. These targets must be reached both in terms of final production costs and in terms of quality and added value. Amongst others, this will allow a vast participation of the developing countries in the new flows of international trade which could be thus activated;
 - . favour the transfer of industrial capital and technologies;
 - . start new and increasingly intensive industrial policies which should reduce as much as possible the negative impact represented by energy constraints.
- Italy is particularly active in promoting the process of industrialization of developing countries. The efforts of the Italian private industries have particularly concentrated on:
 - . the opening of credits for exports, especially in the field of industrial equipment, materials for industrial plants and means of transport;
 - . private investments, particularly in the field of manufacturing industries.

Italy (cont'd)

- The public sector is pursuing its activities for industrial development of developing countries by integrating the initiatives of private enterprises and concentrating its own efforts on those regions which are the least attractive for private investments because of their unfavourable geographic and economically marginal position (e.g. sub-Saharan Africa).
- Industrialization of the southern areas is also promoted by Italy through a number of scientific-professional co-operation programmes, as well as by granting scholarships, by participating in the co-financing of programmes proposed by international organizations, by granting support credits, and by creating industries of small and medium size. The latter two forms of intervention will be considerably developed in future years.
- Particular relevance is given by Italy to the "country programmes", in the framework of which our country has the intention to co-ordinate its interventions between the single industrial sectors.
- Eventually also the policy of support of industrialization in the developing countries - in all its different forms - must be underlined, which Italy has been pursuing for a long time within the institutions of the European Community in which it participates.

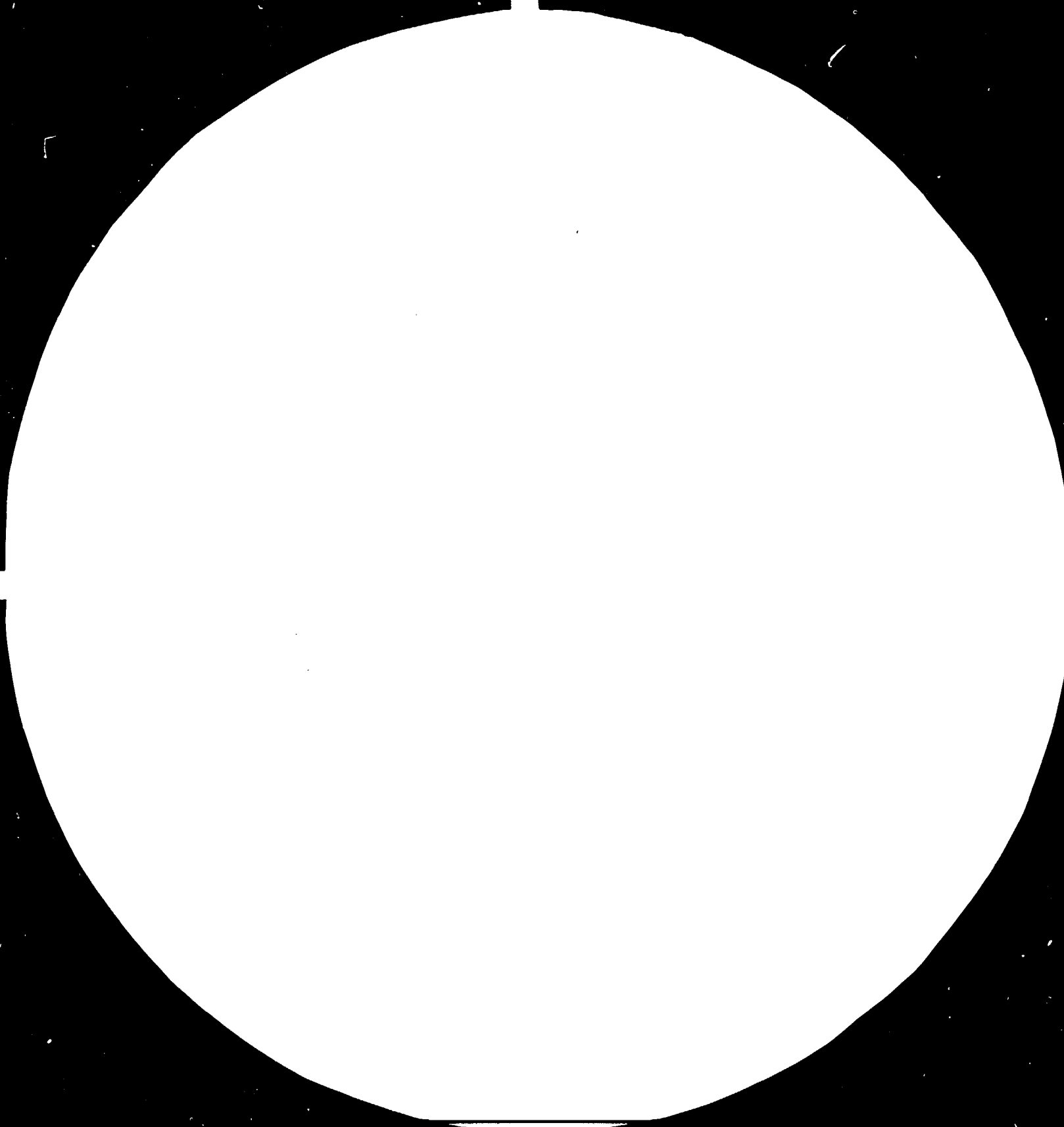
NETHERLANDS

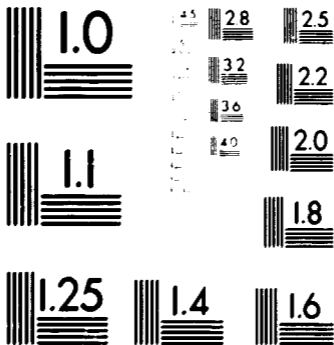
- The role of industrialization in the process of development of DC's is regarded as an essential one, not only to achieve self-reliance of DC's but also to come to a new international economic order in which expression is given to the wish to cope with the needs of DC's as well as of industrialized countries in a view of a recognized interdependence.
- Intensified international industrial co-operation should be carried out through a strengthened system for consultations and project proposals with an accent on small and medium-scale industries, in which process governments should stimulate all kinds of entrepreneurial activities.

NORWAY

- Norway has no reservations regarding the Declaration on the Establishment of a New International Economic Order and supported the main objectives of the Programme of Action, but reserved her position as to some of the more detailed proposals in the Programme.
- As regards the Charter of Economic Rights and Duties of States, Norway supported the main thrust of the Charter, but abstained due to reservations regarding some of the formulations.
- Norway supports the objectives of the International Development Strategy for the Third United Nations Development Decade, and reserved her position only with regard to paragraph 128.

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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

Norway (cont'd)

- Norway continues to support the work relating to the establishment of codes of good conduct in international business transactions (Restrictive Business Practices - Transfer of Technology - Transnational Companies).
- The industrial development of developing countries can only, however, be considered as one of several important elements in their development process. This element has to be seen in light of the development priorities of the recipients, and is from a Norwegian point of view, dependant of the general Norwegian policy of aiming the development assistance first and foremost at the poorest sections of the populations in developing countries.

SWEDEN

- (no reply on this issue)

SWITZERLAND

- Since Switzerland is not a member of the United Nations, it had no part in adopting the General Assembly resolution enunciating the International Development Strategy for the Third United Nations Development Decade or resolutions 3201(S-VI) and 3202(S-VI) regarding the establishment of the New International Economic Order.
- None the less, Switzerland has associated itself with the Strategy, which serves for its Government as the frame of reference for international co-operation for the economic and social development of the Third World countries during the 1980s.
- The Swiss authorities attach great importance to industrialization in the Third World countries. They have already taken many direct and indirect measures in different fields to facilitate this industrialization. In the context of their development co-operation effort, they wish, as a priority, to promote the development of small-scale industry, especially in rural areas, involving the gradual development of a diversified network of industries, adapted to the financial and technological possibilities of the developing countries. In Switzerland, industry is in the hands of the private sector; that is where there is an enormous potential of knowledge and experience in the most varied fields. The task is to mobilize this potential so that it can be put to use for the industrialization of developing countries. Private investment by enterprises in industrialized countries plays an essential role in this process. That is why for several years now the Swiss authorities have been taking part in the international negotiations concerning the terms for private investment. While they agree that a number of rules of conduct should be gradually introduced, they consider it essential to create conditions conducive to private investment and the establishment of new industries in developing countries, with technical and even financial support by experienced industrialists.

Switzerland (cont'd)

- Apart from the general incentives to private investment, the Swiss authorities have taken a number of more specific measures to promote the development of projects appropriate to the conditions and needs of the beneficiary countries.
- In this context, it would appear to be particularly important to facilitate contacts between the two parties concerned, namely, on the one hand, economic circles in industrialized countries and, on the other, those concerned with industrialization projects in developing countries. The points of contact created by UNIDO's offices in a number of countries seem to us to provide a singularly appropriate instrument, which should be maintained and developed in the years to come.

UNION OF SOVIET SOCIALIST REPUBLICS

- The reply from the USSR did not adhere to the questionnaire circulated by UNIDO for the purpose of the Third Monitoring Exercise.
- The text received entitled "Assistance by the Soviet Union to the Industrialization Process in Young Politically Independent States", has been classified in this compendium under Chapters I, II, IV and VI.

Strategy for the industrialization of developing countries

- The joint declaration by the People's Republic of Bulgaria, the Byelorussian Soviet Socialist Republic, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics and the Socialist Republic of Viet Nam "On the strategy for the industrialization of developing countries, international industrial co-operation and the main directions of UNIDO activity for the 1980s" ^{1/} sets out clearly and concisely the position of the socialist countries in relation to the problem of the industrial development of young States in Africa, Asia and Latin America - a position which the Union of Soviet Socialist Republics, as a participant in that declaration, fully and completely shares and supports.
- Furthermore, the position of the Soviet Union on this present-day problem was stated in depth and detail in the statements made by the Soviet representative at the Second General Conference of UNIDO, held at Lima in 1976, and at the Third General Conference held at New Delhi in 1980.

^{1/} Translator's note. The Reference Unit has been unable to trace this declaration.

Union of Soviet Socialist Republics (cont'd)

- Representatives of the Soviet Union participating in various consultative meetings, symposia and conferences, and also in the work done at the sessions of the Industrial Development Board of the United Nations Industrial Development Organization and its Permanent Committee, in statements on the specific subjects under discussion are constantly explaining the approach of their country, and hence also of its Government, to the ways and means of solving specific problems that in one way or another affect the industrialization of young politically free States: an approach based on the general views of the socialist countries on problems of industrialization and world economic development.
- The Soviet Union regards industrialization, not as an isolated subject, but as a complex and comprehensive political, social and economic process which constitutes the driving force in creating an independent national economy, in economic decolonization, in overcoming backwardness and in winning for the developing countries a genuinely equal position in the world economy and the international division of labour, and which will secure and strengthen the political freedom they have struggled so stubbornly to win.
- Only a long-term policy of industrialization based on sound political and economic principles will lead to the attainment of the final goal: namely the formation of a rationally planned national economic base, equipped with up-to-date technology and capable of organizing the process of expanded reproduction with its own resources, in the light of the internal requirements of a particular developing country, or a particular group of developing countries who have joined forces, with due regard for the effective participation of that country or group of countries in the international division of labour.
- As experience during the previous period of the industrialization process has shown, the principles of economic planning remain to this day one of the main instruments of industrialization and genuinely independent development in young politically free States. Planning and programming make it possible to set the process of industrialization on the right lines and to channel resources in an integrated and concentrated manner into those sectors of the economy where they will produce the maximum effect on the economy of the particular country or group of countries: a matter of particular importance for the developing countries in view of their acute shortage of materials, skilled personnel and scientific, technical and financial resources.
- Effective planning of the development of the economy is impossible without the performance of economic functions by the State and without a constant expansion and strengthening of the influence of the State sector.
- In the absence of a powerful and well-developed State sector, the State will be unable to manage the economy of the country effectively and to orient its development so as to serve the interests of the popular masses and not those of individual privileged strata and classes.

Union of Soviet Socialist Republics (cont'd)

- The existence of an extensively developed and deeply entrenched State sector capable of exercising a significant and decisive influence on the development of a country's entire economy creates conditions which the State can use in actively resisting penetration by transnational corporations and private capital and in bringing their activity under control.
- The way can be cleared for industrial progress by making an end of archaic social structures that have outlived their time, inter alia, in agriculture. The implementation of progressive social and economic reforms will help to speed up the process of modernizing the entire economy of developing countries, of mobilizing their domestic resources for development and of drawing the broad masses into active participation in economic and social life.
- The Soviet Union has always supported, and will continue to support, young politically independent States in their efforts to establish and consolidate national sovereignty over natural resources and their exploitation, with a view to maximum utilization of those resources in newly-installed national sectors of industry, and also to eliminate middlemen from the export trade; as a rule these middlemen are transnational corporations, which sell raw materials to users at a higher price than they have paid for them and thus restrict the access of the developing countries to the market as users of those materials.
- In order to carry out industrialization successfully, it is necessary to have effective control over the activity of foreign capital in industry and in all other sectors of the economy and to be able to exercise the right to nationalize foreign-owned enterprises.
- Since science and technology are a powerful factor in the development of society today, industrialization strategy should recognize the need for systematic application of the achievements of scientific and technical progress, for the formation of a national scientific and technical potential, and for the creation and continuous improvement of a system of public education and specialist training consistent with contemporary requirements.
- Only if this is done will it be possible successfully to withstand "technological neocolonialism", to keep up with scientific and technical progress, to use its achievements in the interests of national regeneration and effectively to adapt borrowed technology and hardware to local conditions.
- Comprehensive industrialization and the creation of an independent national economy are the basic prerequisites for rescuing the developing countries from their position of inequality and exploitation in economic relations within the capitalist world economy and for establishing a new international economic order.
- In the final analysis, the aims pursued in the industrialization of the young independent States should be to satisfy the whole range of domestic requirements for the development of the national economy, in the light of the specific conditions prevailing in and the distinctive characteristics of each individual country; steadily to overcome economic and technical backwardness, providing employment and raising

Union of Soviet Socialist Republics (cont'd)

the level of living of the broad working masses; and to eliminate the exploitation of the country by foreign monopolies: in other words, to create a multi-sectoral national economy which, by winning economic independence, will help to consolidate political freedom.

- To achieve these aims it is essential that the young politically independent States, acting individually or collectively but taking into account the capacities of each individual country, should set up a national economic structure in which the emphasis is placed on the development of mineral and raw material resources and the basic sectors of industry, such as electric power, metallurgy, chemicals, metal-working and mechanical engineering, together with a well-developed sector producing the means of production, for these last play a decisive role in the development of the economy and the achievement of high-quality final results. They also need a well-equipped, high-capacity building industry in order to meet the needs of industrial, agricultural and housing construction.
- At the same time agriculture should provide the country with a reliable supply of food and agricultural raw materials, and should be developed on an industrial basis with the creation of agro-industrial combines.
- The economy of these countries faces the further task of setting up a transport system that will meet the needs of each country's freight and passenger traffic.
- The creation, on an individual, bilateral or multilateral basis, of a scientific and technological potential capable of undertaking both fundamental and applied research and development is an urgent requirement in the developing countries.
- For this purpose, within the overall strategy of industrialization, they need national scientific research staffs of their own. They need staffs of skilled workers and also engineering and technical specialists capable of running an individual production facility, a sector, and the economy as a whole.
- In practice, however, the conditions governing the industrialization of the young liberated States are such that not all of them are in a position to set up individually the whole range of sectors of industry and agriculture proper to a multi-sectoral economy. Nevertheless, each of the developing countries has the opportunity to participate in the industrialization process and make it a reality through active and effective participation in the international division of labour, through international economic, scientific and technical co-operation on a basis of equality and fairness.
- A considerable number of States do not possess sufficient natural, human or financial resources to carry out the industrialization process on their own, without making use, on a basis of equality, mutual advantage and fairness, of the capacities of countries with a developed economy.
- Not every State possesses, for example, the natural resources required to develop ferrous or non-ferrous metallurgy, or adequate supplies of fuel and energy, or the developed infrastructure without which industrialization is simply not feasible. Again, the socio-economic and political orientation is different in States which have come into being as a result of revolutions for national liberation.

Union of Soviet Socialist Republics (cont'd)

- Nevertheless the developing countries can move forward and successfully solve the great and complex problems of industrialization, not by drifting at the whim of the "market economy" and of "free enterprise", but by taking the path of independent development.
- In order to do this, they must first of all actively combine their efforts in that direction on a bilateral, multilateral or regional basis and set up not only whole sectors of industry and agriculture but also individual industrial and agricultural complexes and enterprises.
- Acting together on a regional, bilateral or multilateral basis, a given group of States can jointly finance and attract material and human resources for the execution of major projects of scientific research and exploration; for the development of particular sectors of industry and agriculture needed by the region as a whole or by the group of countries participating in the economic mutual aid scheme; and for setting up in individual countries industrial and agricultural complexes and individual specialized enterprises with a wide network of satellite enterprises which would be capable of meeting the needs of the economy and population both of the particular enterprise's home country and of the countries parties to the agreement.
- Acting together on the basis of long-term programmes and plans for joint development, these States can make more effective and rational use of their natural energy resources by installing, on the basis of the natural energy potential available in a particular country, large energy complexes that will meet the demands of modern science and technology.
- By joining forces in order to develop their economy, the young politically independent States will also be able to make more effective use of such means of economic integration as production co-operation and specialization. If the developing States strengthen their financial capacities by setting up integrated funds for financing, they will be able to concentrate their efforts on financing the construction of industrial and agricultural installations and to resist actively the infiltration of foreign capital into their economy.
- When drawing on foreign capital for the development of their economy, developing States should strictly regulate and control its activities within the country and endeavour to ensure that the profits made by enterprises built up with the aid of foreign capital are utilized within the country for the development of society as a whole in the interests of the masses of the people.
- In order to develop their economy successfully on industrialized lines, the young liberated States also need to impose strict regulation and control on the activities of national private capital; to direct the flow of such capital into the channels required by the national economy in the interests of economic and technical development, of ensuring employment and of raising the level of living of the broad working masses; and to restrict the opportunities and ambitions of certain strata of society to exploit industrialization for their own gain and

Union of Soviet Socialist Republics (cont'd)

to acquire additional privileges at the expense of the national interest as a whole.

- It is also necessary for the State to play a leading part in regulating relations between national capital and private capital in the outside world, in order to bring the links of national private capital with private capital in capitalist countries and with transnational corporations under control and to subordinate them to the purposes of the country's industrial development in the interests of the popular masses.
- The success of industrialization, and indeed the general success of the social and economic development of the young politically independent States, will largely depend, however, on political conditions outside the country.
- Under the conditions of hostility, distrust and confrontation which are engendered by the policy of world imperialism, and which sometimes break out into local armed conflicts, the industrial development of developing countries cannot be effectively carried on.
- The fate of economic development in Africa, Asia and Latin America is inseparably bound up with the lessening of tension throughout the world; with the strengthening of peace and security on those continents; with the joint struggle of the young States against the neo-colonialist expansion of imperialism, against racism and hegemonism, against militarization and preparations for armed aggression; and with the struggle of progressive mankind as a whole to preserve and strengthen peace, to curb the arms race and to achieve universal and complete disarmament.
- At the present time, through the fault of imperialist circles in capitalist States, mankind is expending substantial resources on the arms race instead of using them for purposes of development.
- By arming its "privileged partners" on the African, Asian and Latin American continents, the West imposes a costly arms race on the young liberated States, thus holding up their general process of development and their industrialization in particular.
- Intensified militarization and increasing expenditure on armaments have drawn almost all the countries of Africa, Asia and Latin America into their orbit. Today three-quarters of total world exports of weapons are being sent to the liberated countries. Their expenditure on armaments increases from year to year. Fearing aggression by imperialist puppets, the neighbouring young liberated States feel bound to build up their own armed forces.
- Winning political independence does not automatically put an end to imperialist dictation, monstrous exploitation and the spiritual dominance of an alien bourgeois culture; it does not guarantee that young States will enjoy peace and social progress.

Union of Soviet Socialist Republics (cont'd)

- Under the conditions prevailing now that the imperialist States have formed, as it were, a single metropolitan power and become a sort of combined colonizer, the economic yoke bears down many times more heavily.
- According to the results of a special survey of the financial and economic position of the developing countries published by the Organization for Economic Co-operation and Development, the indebtedness of the young national States increased during the period 1971-1979 from US\$87,000 million to \$391,000 million, i.e., more than four-fold, while their payments on loans and credits increased seven-fold from \$10,200 million to \$72,000 million.
- The economic and political relations of the young independent States with the Soviet Union and other socialist States members of CMEA are taking shape with a diametrically opposite content.
- The Soviet Union and other socialist countries, in their relations with the developing countries, are guided not by mercenary ambition to obtain the maximum profit or to invest capital to the best advantage, but by concern to render comprehensive assistance in creating a progressive material and technical base for society - for a viable, multisectoral national economy that will serve to strengthen their economic and political independence.

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

- The United Kingdom worked actively to ensure the adoption of an International Development Strategy that reflected the aspirations of the international community for the development of the developing countries in a practical and realistic fashion. We have expressed our support for the Strategy as adopted and for the role allotted to industrialization within the Strategy. We believe that the primary responsibility for their development rests with developing countries, and that it is incumbent upon the international community to maintain an international environment in which the efforts of the developing countries can result in economic growth.
- Our views on the New International Economic Order as set out in Resolutions 3201 and 3202 (S-VI) and 3362 (S-VII) are well known; they remain unchanged, as does our position on the Lima target and on the target, reaffirmed in the new International Development Strategy, of 0.7 per cent of GNP for official development assistance (ODA). We are committed to the preservation of the most open possible world trading system, to the evolution of a just and equitable economic order, to the furtherance of global economic recovery on the basis of mutual benefit, and to substantial concessional resource transfers to developing countries, particularly to the poorest amongst them.

United Kingdom (cont'd)

- We recognise that for most countries industrial development is a vital component in overall economic development and the improvement of living standards. Our aid strategy seeks to be responsive to this aspiration. At the same time we consider that the balance to be established between economic and social objectives, between directly productive investment and social investment, between industrial and agricultural development and between the modern urban and the traditional rural sectors, must remain the responsibility of each developing country government. The UK Government intends therefore to maintain a responsive attitude towards assisting in the industrial development of developing countries, within the framework of the development plans and objectives of each country.
- The UK Government takes an active part in the formulation of European Community policy in the field of assistance to developing country industrialization, and contributes substantially, through, inter alia, the European Development Fund, to the resources made available by the Community for this purpose.
- The UK Government believes that the process of industrialization in the developing countries will advance most rapidly on the basis of natural comparative advantage in an open trading system which provides the right investment climate. That natural evolution is bolstered by the variety of governmental and intergovernmental programmes, and of investment institutions, through which sound and viable industrial projects can be financed.

II. INDUSTRIAL RESTRUCTURING AND ESTABLISHMENT OF PRODUCTION FACILITIES IN DEVELOPING COUNTRIES

Governments were invited to supply information or give comments on the following topics:

- A. Current policies and measures to encourage structural adjustment in industry, in particular as regards the changing division of labour with developing countries.
- B. Policies and measures to encourage international industrial co-operation in establishing production capacities in developing countries.
- C. The potential of the UNIDO System of Consultations, investment promotion and related activities for enhancing the country's international co-operation with developing countries.
- D. Other relevant topics.

INFORMATION RECEIVED FROM DEVELOPED COUNTRIES IN RESPECT OF THE ABOVE :

AUSTRIA

- A. - Structural adjustment necessary for better division of labour with developing countries is regarded as one of Austria's main economic concerns in the current decade. Structural policies will and must take into account international developments more than was hitherto the case, as the world economy is at present characterised by the highest degree of interdependence yet observed. The fact that Austria's trade still has a relatively large share of raw materials or semi-finished products is a cause of concern and constant efforts are being directed at structural improvement.
- Contacts and arrangements existing between Austrian enterprises and their partners in developing countries include the transfer of certain industrial production and/or the establishment of subcontracting schemes. To further promote such arrangements, close co-operation has been established with UNIDO's Investment Promotion Service.
- In practical terms, Austria proves her willingness to divide labour with developing countries in a number of ways - through a liberal Preference System (see VI), technical assistance to development projects, and industrial training programmes for technical and maintenance personnel from developing countries. Austria co-operates with the competent international organizations, chiefly UNIDO, ILO, ITC, BPI, SUFF, etc. and shares in the organization and in financing of training centres in developing countries.

Austria (cont'd)

- Other relevant activities are detailed in other parts of this questionnaire.
 - Facilitated by Austria's open and liberal commercial and trade policies and by changing international comparative advantages, manufactured goods from developing countries have obtained important shares in the Austrian market.
 - Austria encourages investment in developing countries through a system of soft loans for new industries. Moreover, government guarantees are provided for such projects where Austrian firms would not venture otherwise to supply whole factories to developing countries in view of the risks involved.
 - Austria takes an active part in and contributes to studies and plans for the establishment or the modernization of mining and industrial enterprises in developing countries.
 - Austrian trade delegations all over the world are instrumental in arranging co-operative and joint ventures with developing countries. They also organize technical and scientific weeks and meetings of those interested in new technologies in developing countries, procure relevant publications for distribution, and provide information to either side.
- B. - (No reply on this issue)
- C. - (No reply on this issue)
- D. - (No reply on this issue)

BELGIUM

- A. - As early as 1975, the Minister of Development Co-operation set up a Scientific Committee to be responsible for studying the problems connected with the international division of labour and its effects on international economic structures.
- An interim report was published in 1976 and submitted for examination by the economic and social agencies concerned, specifically the Central Council for the Economy, Industry and the Trade Unions. The results were also discussed by a number of international organizations.
 - The Committee resumed its activities in 1979. During this second phase, the problems of commercial relations with the developing countries were analysed in greater depth, and detailed studies on a number of countries were prepared. The Committee published its second report in March 1981.
 - The preliminary conclusions to be drawn from the Committee's work tend to confirm traditional economic theory, namely, that an international specialization and division of labour affords advantages for both "partners".

Belgium (cont'd)

- On the other hand, the studies do not conceal the fact that within certain vulnerable sectors and regions very serious problems of adaptation do exist.
 - While it is true that the behaviour of the economic actors (including the State itself) is not directly affected by the findings of a scientific committee, it is no less certain that such findings represent an essential element in developing an awareness of the new realities emerging as a result of changes in the world economy.
 - It should be noted that the Committee worked in close co-operation with the economic actors themselves, among others, with the textile industry. This kind of "sensitizing" is a precondition for the establishment, on a voluntary basis, of a New International Economic Order.
- B. - On the question of the operational measures taken or supported by the Belgian authorities, mention should be made of the work of the Centre for Industrial Development, which is financed within the framework of the European Community, for investment promotion in the countries of Africa, the Caribbean and the Pacific.
- Mention should also be made of Belgium's financing of the UNIDO Investment Promotion Office in Brussels.
- C. - Belgium has a particular interest in the UNIDO System of Consultations. In fact, the country recently financed the holding of the first Consultation on the Capital Goods Industry in Brussels. Within the System, particular interest attaches to the establishment of closer ties between small and medium-sized companies and co-operatives, on the one hand, and the developing countries, on the other.
- Still in the area of development co-operation, Belgium is seeking actively to promote investments in the third world, whether through participation in regional development banks or through the assignment of experts to such institutions as the Investment Promotion Agency in Tunisia or the Industrial Development Office in Morocco. The purpose of activities of this kind is to create a climate favourable to the development of industrial relations between the developed and the developing countries.
- D. - In a more general context, it would be well to make mention of the activities of the Ducroire National Office, which guarantees overseas investments, and the Belgian International Investment Company (a mixed company with majority participation by the public sector), whose purpose is to contribute to the financing of enterprises located abroad.

CANADA

- A. - The thrust of current policy aims at revitalizing Canada's industrial capacity, growth of output and employment, improving regional balance, promoting Canadian control of the economy while increasing the benefits from foreign investment for Canadians, and enhancing the operation of the Canadian common market.
- Policies take account of the external environment with these main features:
- . persistence of recessionary conditions in most countries, including Canada's major trading partners;
 - . the shifting comparative advantage among countries, in particular the growing competitive potential of newly industrialized countries, which affects both resources and standard manufactured goods;
 - . the impact of the trade liberalization measures resulting from the MIN.
- Major initiatives have been taken in the fields of energy, economic development, industrial adjustment and manpower re-training to facilitate, where possible, shifts from declining to expanding sectors of the economy.

Major Industrial Policy Measures Taken in the Past 12 Months

Industrial Benefits Guidelines

- In order to foster regional economic diversification, increase economic growth and assist industrial restructuring in Canada, the Federal Government has introduced industrial benefits objectives and guidelines for owners or sponsors of major capital projects in a manner consistent with Canada's international obligations. These guidelines are intended only to ensure fair and equitable access by firms resident in Canada to domestic opportunities. To implement this policy, an Office of Industrial and Regional Benefits has been created within the Department of Industry, Trade and Commerce to provide analytical and administrative support for the newly formed Committee on Industrial and Regional Benefits.
- The industrial benefits objectives are:
- . Immediate improvement of access for Canadian producers of goods and services to opportunities generated by projects within Canada;
 - . Optimum development of the Canadian industrial structure to improve its international competitiveness in selected areas building on the domestic base; and

Canada (cont'd)

- . Strengthening the capability of the Canadian engineering and construction industry.

Industry and Labour Adjustment Programme

- A programme to promote industrial restructuring and labour adjustment has been initiated in response to serious industrial dislocation situations in a number of communities. This programme was announced in the October 1980 Budget and allocated a total of \$350 million during its three-year life. The programme combines elements that will be administered, respectively, by the departments of Employment and Immigration, Industry, Trade and Commerce, and Labour.
- Communities are designated under the programme for one year, with a maximum of two six-month extensions. The first four communities have been selected. Community Assistance Programme elements include a special programme of financial assistance for firms undertaking projects to establish, expand or restructure operations in designated communities. On the labour side, the programme provides for increased training allowances, mobility assistance, a new portable wage subsidy programme, an early retirement programme, and a community employment programme. Additional generally available measures relate to changes in both the Canada Labour Code and the Critical Trade Skills Training initiatives, as well as a new industry-specific Industrial Adjustment Programme.

Textiles and Clothing

- A major adjustment programme for the textile and clothing industries over the next five years has been announced. The objective is to ensure a viable and competitive industry and to revitalize the economies of the communities most vulnerable to import pressures in these sectors. The Government will make available some \$250 million over the life of the programme for employment creation, labour adjustment measures, the assistance to modernize viable firms in the textile and clothing industries. The programme will be administered by a special agency, with a board of senior business leaders responsible to the Minister of Industry, Trade and Commerce and the Minister of Regional Economic Expansion. The Government is also negotiating a continuation of restraint agreements with supplying countries during the adjustment period.

Footwear and Tanning

- A programme to foster development of a more competitive footwear industry has been announced. It will be delivered to industry through the Canadian Industrial Renewal Board (CIRB). Concurrently, the quota covering leather and vinyl footwear which expired November 30, 1981 is being replaced by a three-year global quota on all imports of non-leather footwear including canvas.

Canada (cont'd)

Microelectronics

- The Office Communications Systems Programme has been established jointly by the departments of IT+C and Communications, with an initial allocation of \$2.5 million. The programme will include interim field trials in government departments of state of the art integrated electronic office equipment, the formation of a "user" and an "industry" group, and at a later stage, a research programme into the sociological, technological, behavioural and economic implications of this new technology.
 - Under the Special Electronics Fund, IT+C will fund the establishment of six microelectronic centres at universities across Canada to assist business to benefit from the application of microelectronics. Companies will be eligible for grants of up to \$10,000 for a feasibility study. If results are positive, then the manufacturer may receive up to \$100,000 from the department towards defraying implementation costs.
- B.
- Much of Canada's co-operation with developing countries is done on a bilateral basis. We have bilateral economic co-operation agreements with Mexico, Brazil, Chile, Argentina, China, Tunisia, Algeria, Nigeria and Caribbean countries.
 - A Detailed Market Strategy has been done for Mexico and similar studies are being done for Brazil and Venezuela. Specific industrial sectors for co-operation are highlighted.
 - The Canadian International Development Agency administers the Industrial Co-operation Programme which provides contributions to Canadian companies of up to \$10,000 for starter studies and up to \$100,000 for viability studies, both to examine joint ventures and other forms of business collaborations in developing countries; contributions up to \$250,000 for projects for up to 75 per cent of the real costs of a test demonstration in an eligible developing country; contributions up to \$250,000 to test and adapt technology in the field of renewable energy in an eligible country; contributions up to \$250,000 for project preparation (pre-feasibility studies) for developing countries to accelerate their industrialization; sponsorship and organization of missions and studies to delineate industrial co-operation opportunities; information on local business practice and conditions.
- C.
- The overall impression gained from some experiences we had with UNIDO is that the Organization is very academic in approach and is almost exclusively process oriented with little attention given to product; i.e. the sound establishment of industrial development projects which successfully involve the transfer of appropriate technology, the creation of meaningful employment, savings in foreign exchange plus the development of an export industry.

Canada (cont'd)

- While the System of Consultations in its present format offers some benefits with respect to the exchange of views and may lead to the identification of problems, we would suggest that the Secretariat may wish to reconsider the format of the Consultations and redirect them to examine specific projects in specific countries as opposed to dwelling on projects with too broad a scope.

D. - (No reply on this issue)

CZECHOSLOVAKIA

- A. - The aims of the plan of development of the Czechoslovak national economy for the period from 1981 to 1985 and the deliberation of its development during the whole period of the eighties which direct the adaptation of its structure (and especially different branches of the manufacturing industry) at the intensification of economic growth, together with the conditions and the course of industrialization in developing countries, create potential conditions favourable to the development of higher forms of economic co-operation, especially industrial co-operation. An assumption can be made that as a result of such co-operation it will be possible to gain a much larger room for the adaptation of the structure of Czechoslovakia's foreign trade with developing countries as well as for the sale of products of these countries in the Czechoslovak market.
- B. - The long-term target-oriented co-operation between the CSSR and these countries will require the deepening of certain forms of co-operation also in the area of structural policy (from the standpoints of both the industrialization plans of developing countries and the planned goals of Czechoslovakia's national economy).
- C. - Basic preconditions for diversification of Czechoslovak imports from developing countries that would meet the requirements of the planned adaptation of the structure of Czechoslovak industry and the needs of development of the economy as a whole and, on the other hand, would correspond to the level and structure of production in respective developing countries, include the creation of an adequate information system providing information on the development of national economies and markets in respective partner countries.
- In view of long-term prospects of the development of economic relations between the CSSR and the developing countries there exist considerable potential possibilities, unused thus far, of developing higher forms of such co-operation (especially industrial co-operation). Considerable potential possibilities are connected, e.g. with the development of co-ordinated activities of all or several CMEA member states in the markets of

Czechoslovakia (cont'd)

developing countries, especially with reference to the construction of big industrial complexes. In this regard, the potential possibilities of Czechoslovakia's engineering have not been exhausted by far.

- D. - The UNIDO/Czechoslovakia Joint Programme for International Co-operation in the Field of Ceramics, Building Materials and Non-metallic Minerals Based Industries in Pilsen, Czechoslovakia, established in 1978 to assist the developing countries in the field of these industries.

DENMARK

- A. - Denmark recognizes the need to encourage structural adjustment in industry as an element in a more efficient international division of labour. Especially in the present situation of serious economic difficulties it is essential to resist pressure for defensive adjustment policies designed to maintain existing employment and preserve existing production capacity on a short-term basis.
- It is, however, important to consider the adjustment policy not only in the context of the relationships between developed and developing countries but also as a problem for the relations between developed countries.
- The OECD countries have expressed a view in favour of a positive adjustment policy which does not counteract the former liberalization policy by subsidizing non-competitive industries at the national level. Denmark has not used any defensive measures and intends to carry on a positive adjustment policy which also supports the efforts to create a better international division of labour.
- B. - The improvement of industrial production capacities in the developing countries also depends on market access for products of these countries. Denmark has constantly reduced the level of protection through tariff reductions, elimination of non-tariff barriers and implementation of the Generalized System of Preferences. Denmark has not carried out any counter acting measures, nor used safeguards.
- C. - The system of consultation is of substantial value in bringing representatives of government, industry, trade unions, consumers and international organizations together. It is especially of great importance that the consultations have attracted decision makers from industry who have been able to provide information and offer views of direct interest and concern to both developed and developing countries. Denmark is in favour of the system of consultations continues in a pragmatic and flexible way.

Denmark (cont'd)

- The Industrialization Fund for Developing Countries (IFU), established in 1967, endeavours to promote direct private investments and transfer of technology from Denmark to developing countries through the establishment of commercially viable joint ventures between Danish partners and partners in developing countries.
 - IFU is a self-governing institution which forms part of Denmark's international development co-operation.
- D. - (No reply on this issue)

FINLAND

- A. - Finland is an open market economy. The economic system is based on the principles of free enterprise and free competition. The government can take measures against any restrictions of competition which could have harmful effects.
- In Finland industrial policy aims mainly at the creation and development of favourable general conditions for industrial performance.
 - The contribution of Government agencies to decisions concerning the direction of production has consisted mainly of studies outlining the present and probable future roles of various industries. These studies provide analyses of the current economic situation and developments in broad sectors as well as information on major current or expected constraints and problems.
 - Only in very few cases have there been interventions in the adjustment process from outside industry. These have mostly been justified by a need to prolong the time of adjustment in order to maintain employment and avoid grave social disallocations.
 - In Finland, with its market economy and open foreign trade system, it is a fairly generally held conception that the relative lack of direct government intervention in the activities of enterprises has benefited structural adjustment and foreign trade.
- B. - Finland has concluded 18 bilateral agreements on economic, industrial and technical co-operation with developing countries. These agreements provide a framework both for promoting trade and strengthening economic co-operation with developing countries.
- The Finnish Fund for Industrial Co-operation (FINNFUND) became operational in the end of 1979. The purpose of the Fund is to promote investment in developing countries and related transfer of managerial and technical know-how by facilitating the

Finland (cont'd)

setting up of joint ventures between Finnish industry and enterprises in developing countries.

- A pledge of \$1 million for the Interim Fund for Science and Technology for Development was included in the budget for 1981.
- C. - The system of consultation of UNIDO can be considered as a significant element in order to promote industrialization in developing countries. The system should be strengthened and made more effective. The follow-up activity could be regarded as a way to improve the system's effectiveness.
- D. - In 1979-1980 measures under the retroactive terms adjustment process stemming from the UNCTAD/ID/B resolution 165(S-IX) were taken. The Government wrote off development credits to low-income countries including Tanzania, Ethiopia and Bangladesh.
- A basic policy guideline of Finnish development assistance is to allocate a major part of bilateral aid for the least developed countries: in 1979, 38 per cent of bilateral aid was directed to least developed countries, the corresponding figure for 1980 being 36 per cent.
- Concerning the least developed countries, the Development Co-operation Committee stated in its report from 1978 that the main emphasis should continue to be upon the co-operation with the least developed countries.
- Finland has not defined other special target groups. The group of "least developed countries and countries in a similar economic situation", in practice consisting of low-income countries has been regarded to be sufficient. However, not a clearly stated policy guideline, better-off developing countries receive assistance on comparatively harder terms.
- Other special measures towards the LDCs will be taken in the follow-up of the UNLDC-Conference in Paris, 1981. They include:
 - . Finland will continue to allocate at least 30 per cent of her bilateral development assistance to the LDCs;
 - . more emphasis is laid on agricultural development and food production, increasing assistance to the International Fund for Agricultural Development, the WFP and the International Emergency Food Reserve;
 - . increasing support to the UNDP and the UNCDF;
 - . trade policy: 98 per cent of imports from the LDCs were non-dutiable in 1980, and further measures will be taken to facilitate new export production and marketing of products.

GERMANY, FEDERAL REPUBLIC OF

- A. - Even in the present difficult process of structural adjustment in the German economy, the Government of the Federal Republic of Germany is firmly opposed to protectionist tendencies, stressing the importance of market forces at home and on the world market for structural change.
- The necessary structural adjustments are primarily the responsibility of industry. The economic policy of the Government of the Federal Republic of Germany is intended to facilitate and promote structural change. It aims above all to create the conditions necessary for forward-looking private and public investment on a larger scale. The structural policy of the Government of the Federal Republic of Germany is intended to support the process of adjustment in industry by means of general measures to promote factor mobility and to accelerate technical progress. The research and technology policy of the Government of the Federal Republic of Germany is intended in particular to increase international competitiveness. By promoting innovation and helping industry to develop new markets at home and abroad, the Government is increasing the adaptability of German industry and creating the conditions necessary for changes in the international distribution of labour with the developing countries.
 - The Government of the Federal Republic of Germany regularly reviews state interventions within its structural policy, inter alia, with respect to its contribution to the desired change in the industrial division of labour with the developing countries and to facilitate the necessary process of adjustment in the Federal Republic of Germany. It takes the view that interventions, particularly subsidies which serve to maintain old structures, not only have an unfavourable effect on industrialization in the developing countries, but also prevent the efficient deployment of production factors in the Federal Republic of Germany itself. The Government of the Federal Republic of Germany will continue in its endeavours to eliminate this type of intervention which maintains old structures. In order to improve the basis for making decisions on structural policy as well as to inform the public, management, labour and their organizations about the trends and requirements of structural change, the Government of the Federal Republic of Germany is building up a proper sector by sector structural reporting system. Generally speaking the Government of the Federal Republic of Germany believes that the effects of worldwide structural change which are equally positive for both developing countries and industrial countries are best achieved by market forces (competition and prices) rather than by anticipatory planning between states of the industrial adjustment process. It is particularly important that world trade should be free to develop and that there should be free access to the markets of all countries for the increasing exports of the developing countries; the economies of the industrial countries must face up to the resulting pressure to make structural

Germany, Federal Republic of (cont'd)

adjustments without resorting to measures designed to preserve old structures.

- B. - The Government of the Federal Republic of Germany has set up a comprehensive system of instruments for promoting industrial co-operation. These include assuming guarantees for capital investment in developing countries (total up to the end of 1980: DM 4,574 billion), loans to German firms for establishing subsidiaries abroad, tax concessions, investment promotion agreements and double taxation agreements.
- As a specialist financing institute, the state-owned German Company for Economic Co-operation (Development Company) mbH - DEG - (capital: DM 1 billion) promotes partnership and co-operation between German companies and companies in developing countries. Together with domestic companies it acquires participations in companies in developing countries, issues loans resembling participations, advises in the planning and implementation of projects in developing countries and establishes contact between German investors and investors from developing countries.
 - By the end of 1980 the DEG had helped to finance the setting up or expansion of a total of 257 companies in 68 developing countries with DM 923 million in commitments. Regionally the DEG focuses on Africa which accounts for 48 per cent of total commitments. The sectoral focus is on the manufacturing industries particularly primary materials and production goods.
- C. - The Federal Republic of Germany regards the UNIDO sector consultations as a suitable platform for an exchange of experience on the possibilities of building up industrial production in developing countries and the problems which occur. The sector consultations are handled on the German side by members of industry so that the specialist knowledge of the companies concerned with co-operation and investment projects in developing countries can best be used. The meetings so far have confirmed the view of the Government of the Federal Republic of Germany that useful results are obtained from factual discussion of specific aspects of industrialization to promote an exchange of information and better understanding. To move in the direction of inter-governmental negotiation would reflect a wrong understanding of the political and economic situation in the Federal Republic of Germany as provided for in the constitution: it would require the Government to make commitments which it is not entitled to make. Besides, it would tend to deprive the meetings of their unique practical value.
- In addition to the system of consultations, UNIDO's specific project-related facilities to promote investment in developing countries, fulfill an important function in co-operation with the developing countries. They can make an important contribution in preparing industrialization projects and are therefore supported by the Federal Republic of Germany.

Germany, Federal Republic of (cont'd)

- D. - (No reply on this issue)

HUNGARY

- A. - On October 20, 1977, the Central Committee of the Hungarian Socialist Workers' Party adopted a resolution on the guiding principles of the development of long-range external economic policy and of the production structure. This resolution determines the economic tasks necessary for the building of the developed socialist society and for further increasing the living standard of the Hungarian people, in accordance, among others, with the endeavours to promote an increased involvement of the developing countries in the industrial production of the world. This Hungarian endeavour was confirmed also by the 12th Congress, in 1980, of the HSWP: "The potentialities of our country, the interests of our people require alike an increased participation in the international division of labour. We continue to intensify the mutually advantageous economic relations with the developing countries. Commensurate with our possibilities we support them in strengthening their economic independence. Foreign trade turnover with the developing countries should be increased at an above-average rate."
- Taking into account the developing countries' national plans relating to industrial restructuring, and the local potentialities (natural and labour resources), Hungary has in latter years co-operated with a wide circle of developing countries in the designing, construction and operation of industrial facilities.
 - We are going to mention just a few examples: we delivered power station equipment, distribution systems to India, Bangladesh, Iraq, Kuwait, Pakistan, Egypt, Peru; cold-storage industry equipment, mills, food processing lines, meat plants to Algeria, Nigeria, Mongolia; vacuum engineering plants to India, Indonesia, Iraq, Iran, Syria, Algeria, Vietnam. It is to be observed that we not only delivered lamp manufacturing equipment to India, but also supplied her with technical knowledge necessary for the manufacture of means of production for vacuum engineering items. We established a series of chemical, metal-working and food industry plants of small and medium size, among others, in Indonesia, Yemen, Iraq, Sri Lanka, Algeria, Syria, Iran, Peru and other developing countries.
 - With a view to the development of the industrial structure of the developing countries, Hungary wants to increase, on the basis of mutual interests, the supply of complete industrial technologies and the export of complex systems, primarily in the field of energy, water management, public health, education, telecommunications and agriculture. We endeavour to transfer

Hungary (cont'd)

to the developing countries production capacities in accordance with the individual stages of manufacturing. In the engineering industry, we first encourage the development of joint production of parts and components before going on to partial assembly and full scale assembly. Simultaneously, with the change in Hungarian product patterns, we consider it expedient to redepoly to the developing countries the manufacture of various industrial products. In this respect, an important area of joint production is light industry. With regard to certain products, we want to meet, to an increased measure, the internal needs by products manufactured in developing countries. To this end, we have already erected in developing countries plants producing ready-to-wear clothing, shoe uppers, cotton fabrics and workers' boots.

- Our endeavours relating to a development co-operation in this direction are hindered in a great measure by the negative changes taking place in the world economic situation. A dynamic growth of international co-operation production requires a likewise dynamic growth of the exports of Hungarian goods.
- B. - (No reply on this issue)
- C. - The consultation system of UNIDO is suitable for expanding the knowledge of our enterprises and planners on the processes taking place in individual countries and in individual branches. In case these processes are found suitable, they are taken increasingly into account in the shaping of Hungarian ideas. However, in the present world economic situation the effective evaluation of prognoses is even more difficult than in the previous period.
- D. (No reply on this issue).

IRELAND

- A. - The policy considerations outlined in 1979 remain valid.
- B. - The Lesotho National Development Corporation, established by the Lesotho Government in 1967 to promote and develop industry and to attract foreign investment, has received assistance from Ireland since 1978 in the form of Irish personnel seconded from the Irish Industrial Development Authority. The IDA has national responsibility for furthering industrial development in Ireland and also for attracting foreign industry.
- Ireland provides assistance to developing countries in establishing specific production capacities directly through specific projects within its Bilateral Aid Programme involving packages of technical assistance combined with relatively small amounts of capital aid. In this connexion a copy of the BAP Report for 1981 is enclosed together with fact sheets giving details of

Ireland (cont'd)

projects in the four main countries with which the BAP is concerned. It should be noted that as well as providing assistance for specific projects of rural and industrial development the BAP is also interested in enhancing the physical and personnel infrastructure of the countries with which it is concerned thereby promoting the kinds of conditions within which productive capacity can be improved.

- C. - Ireland supports the UNIDO System of Consultations and has participated in certain of the meetings held so far.
- D. - (No reply on this issue)

ITALY

- A. - Italy is acting both on a national scale and within those international organizations of which it is a member, in order to obtain industrial co-operation in favour of the developing countries which:
 - . allows their participation in the new trade of raw materials and/or half-finished and finished products;
 - . activates an industrial development which corresponds as much as possible to the resources existing in the individual countries and the actual availability of manpower;
 - . permits the installation of technological processes and know-how in the individual locations which should allow an increase in labour productivity and in the quality of the products, with regard, however, to the particular needs of the local environment.
- In this context the general guidelines of the Italian action for the industrial development of developing countries are as follows:
 - . offering medium technologies (labour - capital intensive) to those industrial sectors which show the most stimulating effects on the whole economic system of the receiver country (e.g. textile industry, leather industry);
 - . delivery of industrial plants, as integrated as possible and possibly in a "turn-key" state, which means that planning, technical assistance, training and co-operation in their maintenance must be offered to the individual countries;
 - . delivery of plants for the introduction of basic industries - on a high technological level - capable of utilizing the local raw materials or materials which are available at a low price (e.g. steel industry, light engineering, petrochemical industries, oil refineries, primary transformation of agricultural products etc.);

Italy (cont'd)

- . delivery of plants for the exploitation of mineral, agricultural, timber or maritime resources.
- B. - Italy is endeavouring to encourage industrial co-operation with developing countries both on a bilateral and on a multi-lateral scale, promoting:
 - . capital transfers for industrial purposes;
 - . imports of industrial products in developing countries, in the framework of the Community ad hoc agreements;
 - . transfers of training and advisory capacity in the industrial sectors for the individual developing country or on a regional scale.
- C. - Italy deems that activities to promote industrial co-operation with and between the individual developing countries could be pursued by means of bilateral agreements regarding the development of individual industrial sectors as well as on a multi-lateral scale, for instance through the United Nations Industrial Development Organization.
 - Furthermore Italy thinks that closer links with the developing countries could be reached on the industrial level by taking into consideration:
 - . the already existing and the possible new balance between the different productive structures of the individual countries;
 - . the existing level of interdependence and complementarity;
 - . the industrial constraints on top and/or at the bottom of productive cycles which are necessarily complex and integrated.
- D. (No reply on this issue).

NETHERLANDS

- A. - Efforts will be continued to achieve a balanced liberalization in the international trade and services sectors on the basis of reciprocity in dealings with DC's.
- B. - Different forms of projects, which may lead to all sorts of industrial co-operation varying from informal informational contacts till joint-ventures.
- C. - The first consultation on Food-Processing Industry (The Hague, November 1981) resulted so far in a reasonable amount of contacts between relevant industries in the Netherlands and DCs. This is a direct result of the consultation meeting and underlines its usefulness.

Netherlands (cont'd)

- D. - (No reply on this issue)

NORWAY

- A. - Norway has an open economy, with imports and exports amounting to 40-50 per cent of gross national product. This is partly due to liberal Norwegian trade policies. Through these policies the Norwegian economy is greatly influenced by the changing international division of labour. The result of such policies is an ongoing process of restructuring. In the late 1970s and early 1980s the restructuring has taken place at a relatively high rate.
- Norwegian authorities generally take a positive attitude towards this industrial restructuring. A general objective of Norwegian industrial policies is to stimulate the development of internationally competitive lines of production, thereby facilitating structural adjustment and an improved international division of labour. Measures taken to that end include support for research, education and training, as well as loans, guarantees and fiscal incentives for the establishment of new industrial projects, particularly in the economically less developed regions of the country.
 - It could be mentioned that Norway has established a new scheme for shipyards. The intention of this scheme is to encourage restructuring of the branch. For the textile industry a restructuring programme has been initiated. (ref. also part VI.)
- B. - Norwegian authorities are aware of the need for international industrial co-operation in establishing production capacities in developing countries, and they take a positive attitude to Norwegian direct investment in developing countries. Such investments are mainly carried out by companies in the private sector. Besides a Governmental investment guarantee system, several support schemes have been established to encourage industrial co-operation with developing countries:
- . grants for part financing of feasibility studies;
 - . grants to the local authorities or the joint-venture company for part financing of infrastructural investments;
 - . soft loans with grant element of 25 per cent to the joint venture company or the developing country party for the establishment of joint ventures between Norwegian companies and developing country companies;
 - . export credit financing facilitated by a special guarantee scheme for developing countries;

Norway (cont'd)

- . financing of training and education related to export of capital goods where the development effect of the transaction is significant.

Project and Programme support

- Examples of bilateral assistance programmes and projects within the industrial sector includes:
 - . financial support for a tribology-research centre in India;
 - . financial support for purchase of soft-ware for computer-based structure design to India;
 - . financial support to a number of financial institutions in Kenya, Tanzania, Zambia and Bangladesh;
 - . financing of shipyards in India and Bangladesh.

Commodity assistance

- Part of the Norwegian commodity assistance includes semi-manufactured goods for industrial production. Also machinery and plants have been delivered to the industrial sector in some of the main partner countries.
- C. - The UNIDO System of Consultations is considered a useful way of dealing with questions concerning industrial co-operation with developing countries. These consultations have provided broad indications of problems and prospects in this area, as well as useful information for the developing countries to assist them in drawing up their industrial policies in order to raise their share in world industrial output. There are many problems connected with the question of implementation, and thus the work ahead should be more focused on appropriate follow-up action of the various measures recommended and discussion of experiences with the various measures which countries use in their industrial policies.
- D. - (No reply on this issue)

SWEDEN

- A. - Structural adjustment in the Swedish economy

Overview

- Post-war development of the Swedish economy has been characterized by a considerable structural transformation. The share of the total labour force employed in agriculture decreased from 20 per cent in 1950 to 5 per cent in 1980. During the same

Sweden (cont'd)

period, industry's share decreased from 41 per cent to 35 per cent. Very important structural changes have also taken place within the industrial sector. The importance of the service sector has grown considerably - from 39 per cent of the labour force in 1950 to 60 per cent in 1980.

- The main driving force behind this structural transformation was a rapid productivity increase in industry and agriculture, a fairly rapid increase in industrial production and a rapid growth of foreign trade. Industrial output rose by an average of 4 per cent annually during the fifties and more than 6 per cent annually during the sixties, and the level of investment in industry was high. Demand for Swedish export products remained at a high level and Swedish industry was well prepared to take advantage of the benefits offered by the emerging open multilateral trading system and by the expanding world economy.
- A number of factors explain why the significant structural changes during the fifties and the sixties took place fairly smoothly. Swedish industry was oriented towards investment goods and raw materials, competition was weak and demand increased rapidly, not least in Europe. The Government's policy was to encourage, through general economic policy and through labour market policies, a transfer of productive resources from less competitive industries and sectors to more viable ones. A key element in the structural transformation was a highly organized and well-functioning labour market, which included centralized wage agreements that speeded up structural change and that encouraged the transfer of manpower from declining to expanding sectors. Labour organizations generally recognized the importance of international cost-competitiveness and took a positive attitude in principle to mobility and change. The very significant increase in the share of the public sector was made possible through substantial productivity increases in agriculture and in industry, inter alia, due to technological developments and low energy costs.
- During this period of rapid economic expansion, the degree of integration of the Swedish economy into the world economy was even further enhanced, due, inter alia, to liberal trade policies. Specialization increased, as did dependence on foreign trade and vulnerability to disturbances in the world economy. Dependence on imported oil grew dramatically during the fifties and the sixties.
- The economic development in Sweden during the 1950s and 1960s is a good example of a successful adjustment process. Production factors moved smoothly and rapidly from sectors with lower productivity to higher productivity sectors and enterprises. Together with the rapid growth of international trade,

Sweden (cont'd)

this created the necessary conditions for rapid industrial growth. During this period, Government intervention in industry was limited to ownership of certain enterprises mainly in the raw-materials producing sector. However, Government programmes in certain fields (housing, communications, defence, etc.) played a major role for industrial expansion in these fields.

- A serious imbalance has developed in the Swedish economy since the mid-seventies. These imbalances have been caused by both external and internal factors. The symptoms are slow growth, high inflation, external balance deficits, large state budget deficits, unemployment and severe problems in certain parts of industry.
- It is obvious that a country like Sweden, which is both highly dependent on imported oil and on the general world economic situation, has been very much affected by the oil price increases that have taken place during the seventies, both directly and indirectly through reduced demand for Swedish industrial products. The situation in the late seventies was aggravated by a rapid increase in labour costs for Swedish industry in the period 1974-1976, which led to a decline in competitiveness and in shares on world markets. At the same time, several new very competitive countries appeared in areas where Swedish industry had had an important traditional position.
- It could be argued that Sweden has been harder hit by the international economic recession in recent years than many other countries. The reason for this is the fact that Swedish industry has reached a very high degree of concentration and specialization. Three traditionally very important industrial sectors in Sweden - shipbuilding, iron and steel, and iron ore - have been seriously affected both by the generally low level of demand and by the emergence of new competitors. The fact that important regional policy aspects appear with respect to all these three branches makes the situation even more difficult.
- The structural problems have appeared in a situation which is characterized by slow growth and important constraints with respect to the ability of the rest of the economy - both the private and the public sectors - to absorb manpower from declining sectors or from industries that have to close down. The employment situation has been aggravated by regional imbalances and by various social factors which have reduced the mobility of labour.
- The Swedish Government has taken a number of measures and designed a number of policies with a view to eliminating the present economic imbalances.

Sweden (cont'd)

- The Government recognizes that it is essential for Sweden to adapt to changing international competitive conditions. Such an adaptation is in the interest of Sweden as well as of other countries, considering the advantages for all parties of an international division of labour. However, occasions may arise which necessitate Government measures to ensure that the structural transformation takes place in a socially acceptable manner or otherwise in a way which safeguards essential national interests.
- Sweden is - and will continue to be - a market economy country with decentralized decisionmaking. From the point of view of efficiency, flexibility and adaptability such a system has important advantages, not least in an international perspective.
- The firm objective of the Swedish Government's industrial policy is to stimulate and facilitate a transfer of productive resources to the profitable and competitive parts of industry and thereby to improve industry's competitive position in an international perspective. The process of structural adjustment must take place in a socially acceptable way and take into account general economic and social objectives.

Trade policy

- A policy of free trade is a key element in Swedish economic policy.
- An important factor in the general setting in which the adjustment process has taken place in Sweden, is the high extent to which foreign trade is liberalized. Foreign trade has increased substantially and has been promoted through successive reductions both of tariffs and of non-tariff barriers. Sweden's membership in GATT and EFTA, as well as the free trade agreement with the EEC, have provided the framework for efforts to reduce barriers to trade. By international standards, Swedish tariffs are very low. For industrial products the average tariff rate amounts to 4 per cent. Furthermore, through the EFTA agreement and the free-trade agreement with the EEC, about 2/3 of Sweden's trade is completely exempt of tariffs.
- Following the conclusion of the MIN, the Swedish Parliament has approved further tariff reductions in accordance with the commitment made during the negotiations. Furthermore, Sweden has already ratified all codes agreed upon during the MIN. The Swedish tariff reductions made as a result of the MIN will amount to 28 per cent on an average. Tariffs are to be gradually reduced during the 1980-87 period.

Sweden (con't)

- The traditional policy of free trade has quite naturally increased the openness of the economy. Even in the 1970s, with its lower growth both domestically and internationally, the process of integration of the Swedish economy into the international economy continued at a rapid pace and the share of exports in industrial production and the share of imports in total domestic consumption of industrial products have increased from around 25 per cent in 1970 to more than 30 per cent in 1980. To a large extent this must be seen as a result of the trade creation effects of the general European trade liberalization. But trade statistics also clearly show that Sweden has taken part in the global economic adjustment process; for example the volume of manufactures imported from the developing countries has risen faster than that of raw materials. Different steps have been taken by the authorities to further promote this development. Since the early 1970s, Sweden applies a generalized system of tariff preferences (GSP) (see below).
- In various international fora, the Swedish Government has advocated the necessity of resisting protectionist pressures and of maintaining and improving the free trade system. This attitude must of course be seen against the background of the large benefits that Sweden has reaped from trade liberalization. Sweden is particularly concerned about the increased use of Orderly Marketing Arrangements (OMAs) and Voluntary Exports Restraints (VERs) and has argued in favour of greater transparency and international surveillance of such practices. Sweden has also made several efforts to reduce export credit subsidies between major exporting countries. Furthermore, the Government is actively supporting the work initiated within the OECD on trade in services aimed at a liberalization of such trade.
- The Government has taken a number of steps in order to promote trade with the developing countries. The Swedish Generalized System of Preferences came into operation in 1972. Since then, it has been extended, both as to the number of goods and with regard to countries eligible. Most manufactured and semi-manufactured goods, and several food and agricultural products, are now subjected to the GSP. As a result of MFN treatment and these preferences, about 85 per cent of the total imports from the developing countries may enter Sweden free of duty. The corresponding figure for imports from the least developed countries is about 95 per cent. Imports from developing countries are also promoted through a special Government agency, which was set up in 1975 to assist exporters in developing countries to sell their products on the Swedish market (IMPOD).

Sweden (cont'd)

- Since the mid-sixties imports from the developing countries have increased their share of total imports and the composition of merchandise imports has changed. While the value of raw materials and food and other agricultural products imported from the developing countries has risen by 275 per cent between 1970 to 1979, the value of the imports of manufactured goods has increased by nearly 650 per cent.
- Existing international obligations in the field of trade policy and a belief that an open multilateral trading system based on the principle of free trade carries important advantages for Sweden and for the rest of the world, are important points of departure for Swedish economic policy. There is a broad political support in Sweden for these principles. However, in one exceptional area, the field of textile and clothing, Sweden's firm emphasis on free trade has led to an important penetration above 80 per cent. The number of employees in this sector has decreased from 102.000 in 1970 to 49.500 in 1980, i.e. a decrease by more than 50 per cent. As production has approached the minimum level acceptable in order to maintain a viable production, Sweden has concluded bilateral agreements with a number of textile exporting countries under the Multi Fibre Agreement (see below).

Industrial policy

- Structural changes within the industrial sector have been important in recent years. Out of total industrial output, the share of textiles, mining, iron and steel and shipbuilding have decreased, while the share of the engineering industry has increased.
- As previously noted, the main objective of Swedish industrial policy is to stimulate and facilitate a transfer of productivity resources to the profitable and competitive parts of industry, and to see to it that the structural adaptation takes place in a socially acceptable way. In principle, the free functioning of the market in the context of an open trading system is relied upon for these purposes. However, specific policies are sometimes needed to influence the pace of the adjustment process. This has particularly been the case since the mid 1970s, when severe structural problems emerged in certain industrial sectors, in a situation which was characterized by general economic and regional imbalances. Several policy measures have also been taken to influence the orientation of the adjustment process, i.e. through financing arrangements, support to technical research and development and the promotion of small and medium-sized enterprises.

Sweden (cont'd)

- The Swedish textile and clothing industries provide an example of rapid decline of an industrial sector in a highly developed country. The evolution of these industries is, moreover, an example of how a production, almost entirely concentrated on and dependent on the domestic market, has had to make considerable adjustments due to changing patterns of international trade. Indeed, the decline in employment in the textile and clothing industries by some 67 per cent between 1950 and 1979 reflects the long-term diminution that has taken place in these industries, resulting in a concomitant drop in the number of enterprises and plants.
- Textile and clothing enterprises in Sweden had to respond essentially to two important factors and shape their strategies accordingly: the first was higher labour costs in Sweden in comparison with most countries, enforced by the particular wage policy of the trade unions based on the principle of equal pay for workers regardless of the industrial activity concerned and the productivity level prevailing in them. The other main factor was the high degree of openness of the Swedish domestic market to imports. The impact of high labour costs and openness to imports has been reinforced by the creation of strong purchasing organizations in the wholesale trade with clothing. Imports increased rapidly, amounting to 80 per cent of domestic consumption of clothing in 1980, compared to roughly 10 per cent in 1960. As a result, output of domestic companies has declined considerably, in particular since 1975. Thus the production of clothing diminished between 1973 and 1980 by 50 per cent.
- Companies responded to these rapid changes in several ways; a great number of firms went out of business; others reduced their activities; equally, there were attempts, supported by various Government policy measures, to move to production of high quality products, which are less sensitive to price. This development implies an evolution of products aiming at high-class design and advanced technical efforts as regards materials. A number of companies benefited from the relatively lower wage in other countries by setting up subsidiaries or by sub-contracting work to those countries. The usual pattern in these cases has been to place labour-intensive production in other countries and maintain the rest of the activity in Sweden.
- The move towards high quality products referred to above has been a prerequisite for maintaining such a level of exports which is necessary in order to preserve, together with production for domestic consumption, a minimum viable production capacity. Exports increased more in the early seventies than they have done in recent years. The re-export share of imports has also grown during the last years. In addition, the small size of the industry and its position on the important domestic market now appears to be such that any further decline can have a serious impact for its possibilities to survive in the long run.

Sweden (cont'd)

- Among the measures taken with respect to this sector - in addition to the trade policy measures referred to earlier - reference could be made to the special support scheme which was introduced in 1972 with a view to facilitating investments in the textile and clothing industry in areas of special importance from the point of view of economic defence.
- Labour market policy measures directed to the textile industry have mainly comprised a temporary employment grant for the benefit of elderly workers introduced in 1977. The aim was to slow down the production capacity reduction in companies with a high portion of elderly workers, thereby facilitating a development towards a new structure.
- During the 1950s and 1960s, the Swedish shipbuilding industry developed into an internationally competitive export industry. This was achieved by the large without Government intervention. Market conditions led to concentration on large-scale production of standardized tank and bulk cargo tonnage. Large tankers were a particularly profitable business area, due partly to the Suez crisis, with the result that capacity in this sector was still being expanded in the early 1970s.
- As was the case in other countries, shipbuilding in Sweden was hit very hard by the exceptionally dramatic decline in shipping orders after the 1973-74 oil crisis, coupled with rising international competition. Specialization in tank and bulk cargo tonnage, which had once been profitable, now proved to be very unfortunate.
- When the oil crisis struck, the Swedish shipyards had a work force of about 30,000, whereas the volume of incoming orders during the following years corresponded to a much lower level of employment. An immediate, drastic reduction of employment was not considered acceptable for social and labour market reasons. Instead, a long-term adjustment and co-ordination of capacity cuts at the big Swedish yards was initiated. The State already had proprietary interests in the shipbuilding industry. These interests were augmented; and in 1977 a fully State-owned holding company - Svenska Varv AB - was formed which now owns all four of Sweden's major shipyards.
- A very heavy reduction of shipbuilding capacity followed. In fact, Sweden had already in 1976 - as the first country in the world - decided on a reduction of national shipbuilding capacity, the aim being a reduction of capacity by 30 per cent between 1974 and 1978. This reduction was accomplished according to plan. Further cuts have been made since then, and still further reductions have been decided. In this way capacity is to be further reduced until 1984, by which time the number of employees in the Swedish shipbuilding industry will be only a quarter of what it was in 1974.

Sweden (cont'd)

- Paralell to these capacity cuts, the big yards have become more specialized and their activities have developed into new business areas. Thus one of the original four big yards has converted to offshore equipment and technology, another has concentrated on special purpose tonnage, a third is continuing with conventional shipbuilding and the fourth is to be closed down. According to a structural plan adopted by the Board of Directors of Svenska Varv, the Group will regain profitability by 1985 at the latest.
- The Swedish steel industry also suffered a heavy loss of demand in the mid 1970s. Capacity utilization in 1975 was down to 55 per cent. Talks were opened concerning co-operation between the three major integrated ordinary steel mills, one of them State-owned and the other two private owned. In 1978 these negotiations resulted in a merger in the form of a semi-State-owned corporation, Svenskt Stal AB (SSAB).
- According to a structural plan drawn up by SSAB, the company would become profitable with a long-term competitive potential after a five-year reconstruction period. In order to achieve this, extensive structural changes have been made by means of investments and closures, so that the three steel mills have been able, through product exchanges etc., to specialize in different product fields. The structural plan envisaged a reduction in the number of employees by about 20 per cent between 1973 and 1982. Owing to the deterioration in the steel market, the SSAB Board of Directors has decided to step up the structural transformation process, which means that employment cuts will proceed ever more rapidly.
- It is important to note that the measures that the Swedish Government had to take with respect to the serious structural situation in certain industrial sectors have been of a temporary character. Furthermore, the measures have aimed at an orderly adaptation to new competitive conditions and they have been linked to capacity reductions and other conditions with a view to achieving a necessary restructuring and restored competitiveness. It was considered that, given the particular phase of the business cycle in which the structural crises occurred, a policy non-intervention would have led to an unacceptable increase in unemployment, to serious regional problems and to a scrapping of capital in excess of what was warranted on the basis of medium-term considerations. At the same time, general economic policy aimed at reducing inflation, eliminating imbalances and restoring international competitiveness.
- A number of policies in other areas have been designed with a view to facilitating industrial growth and structural adaptation.

Sweden (cont'd)

- An adequate level of efforts in the field of technical research and development is an important element in the overall efforts aimed at restructuring, improved competitiveness and industrial renewal. Expenditure in Sweden for these purposes is substantial. OECD statistics indicate that R+D expenditure rose from 1.5 to almost 2 per cent of GNP during the 1970s. The greater part of R+D expenditure - roughly 60 per cent - is borne by private industry. However, Government support has increased in recent years, mainly with a view to strengthening efforts in key technology areas, stimulating innovation and facilitating large scale high-risk projects in new technology areas. A particularly important programme has been launched in the field of energy research and development, as a part of Sweden's endeavours to reduce dependence on imported oil.
- In the field of financing and banking, the Government has taken a number of measures which aim at facilitating the implementation of certain investment projects, especially high-risk projects. In Sweden like in other countries, a system exists which provides state-supported export credits.
- Small and medium-sized enterprises play an important role in the Swedish economy. They also play a significant role in the process of structural adjustment, inter alia, as originators of new products and processes. Several measures have been taken by the Government with a view to promoting the development of small and medium-sized enterprises, mainly through special regional development funds.

Regional policy

- Seen in a European context, Sweden is a large country with a fairly small population (roughly 8 million). The average population density is less than 20 inhabitants/km².
- The population is unevenly distributed and particularly the northern countries are very sparsely populated. Local labour markets are often very small. It is a common pattern that small towns are heavily dependent on a single industrial company and it is often difficult to commute to alternative job sites. This of course means that a close-down of a firm as a part of a structural adjustment can have very severe consequences for the people living in such a region.
- Against the background of the serious regional imbalances that have occurred as a result of the structural transformation of the post-war Swedish economy, it has been necessary to develop a regional policy which aims at correcting some of the regionally and socially unacceptable consequences that this transformation entails. The general objective of Swedish regional policy is to increase equality in economic, social and cultural terms between people in the various regions. A number of

Sweden (cont'd)

measures have been taken to this end, in particular grants and loans to encourage investment. An underlying principle is of course that regional development aid is only given to projects, plants and firms which can be assumed to become economically viable and in no need of further aid once the investment has been made.

Labour market policies

- The existence of an active labour market policy has to a large extent made possible the far-reaching restructuring of the Swedish economy. Active labour market policies have thus constituted an integral part of the structural adjustment process in Sweden in the post-war period. Structural transformation of the 50s and the 60s was based on a high mobility of the labour force, both in the geographical and the occupational sense. In order to improve the functioning of the labour market the government devoted considerable resources to the expansion of the services performed by the employment offices. Other important parts of these policies were the support to geographical mobility and a comprehensive system of training centres, which could assist in the process of matching the job seeker with the available job opportunities. Parallel to these mobility improving measures a system of relief works was organized in the cyclical downturns in order to create jobs for those temporarily unemployed in local labour markets where cyclical fluctuations had a particular impact on the level of economic activity. Such relief works were concentrated on the expansion of local infrastructure in the form of projects which had been planned anyway, but which were executed earlier.
- During the period of recession and structural crises in the latter part of the 1970s, several exceptional measures were introduced with a view to safeguarding employment and smoothing the structural adjustment process. The importance of these exceptional measures is being progressively reduced and the main focus of present labour market policies is on the traditional mobility supporting measures like job procurement services, relocation assistance and vocational training.

Conclusion

- The Swedish economy has undergone a very dramatic structural transformation in the post-war period, as a result of, inter alia, productivity increases, competitiveness and liberal trade policies. This process of restructuring and adaptation to new international economic conditions will continue.

Sweden (cont'd)

- The process of structural adjustment mainly takes place as an interplay between the operation of free markets, decentralized decision-making, evolving comparative advantages and cost relationships. The ability of the Swedish economy to go through structural changes with little Government intervention while still achieving economic and social objectives has been amply proven in the past.
- During the period of recession and structural crisis in the late 70s it was necessary, for social as well as for economic reasons, to take temporary measures to control the pace and orientation of the adjustment process in certain industrial sectors. As a result of these measures, important capacity reductions have been achieved in a socially acceptable manner.
- The adjustment of Swedish industrial structure to the international economic conditions that emerged after the oil price increases in the 1970s has been very considerable. It should be possible that the future process of structural adjustment takes place mainly without Government direct intervention, since there is hope that the same kind of severe structural crises that struck certain industrial sectors in the mid-70s will not reappear.
- It should be borne in mind, in this context, that the Swedish economy is very much exposed to changes in the world economy and to changes in world industrial structures. A small country with a highly specialized and export-oriented industry is always very sensitive and vulnerable to such changes.
- In looking at Swedish policies in the field of structural adjustment, particular attention must be paid to the magnitude of the regional problems and to the policies that have been introduced in order to mitigate unacceptable regional imbalances.
- Another policy area which has an impact on industrial structures is the field of economic defense. Against the background of the Swedish policy of neutrality, it has been considered that the level of self-sufficiency in textile and clothing could become unacceptably low if present trends continue. Consequently, measures have been taken to support this industry, including certain trade policy measures.
- During the major part of the post-war period, the Swedish economy has shown a great capacity to adjust to changing international economic conditions. The Government clearly recognizes the importance of maintaining this capacity to adjust also in the future. However, there are in the present situation certain factors related to conditions on the labour market which could reduce mobility and consequently also flexibility and adaptability (i.e. accumulation of personal fixed assets, both husband and wife having jobs, a highly specialized labour force.)

Sweden (cont'd)

- A policy which is based on a recognition of the importance of structural adjustment and free trade must also include instruments that the Government can use in order to influence, in certain circumstances, the pace and the orientation of the adjustment process or otherwise mitigate politically, economically or socially unacceptable consequences of a very high degree of exposure to world economic developments. Clearly such instruments should, as was the case in the past, be used with great care and within the framework of existing international obligations.

- B. - The Swedish Government decided in late 1978, having obtained Parliament's Approval, to establish the Swedish Fund for Industrial Co-operation with Developing Countries, SWEDFUND.
 - SWEDFUND is an independent public foundation with an authorized capital of Swedish Kronor 100 million. In addition the Fund is empowered to borrow three times this capital against a Government guarantee. The work of the Fund is directed by a board appointed by the Government and selected from the public and private sector as well as from organized labour.

 - The purpose of SWEDFUND is to encourage the formation and development of manufacturing industries in developing countries. Its main activities will be:
 - . to act as a contact broker between interested parties in developing countries and in the Swedish business community;

 - . to help finance feasibility studies and also contribute in other ways to such studies;

 - . to contribute with equity and loans to joint ventures between partners in developing countries and Swedish enterprises;

 - . to guarantee loans raised for the purpose or projects supported by SWEDFUND.

 - At the end of 1981 SWEDFUND had concluded agreements and committed funds to six projects; five in Africa and one in Latin America. The total investment for the six projects amounts to 274.3 million Swedish Kronor with SWEDFUND providing a total of 43.4 million Swedish Kronor or 16 per cent.

- C. - Sweden has participated actively in the System of Consultations. Sweden also supports the plans for the system for the biennium 1982-83 adopted during 1981. It is difficult to assess the practical value of the meetings held so far. The meetings have provided useful forums for experts in the sectors under discussion. Many Swedish experts have found these meetings interesting and of high quality. In promoting concrete industrial projects other channels have however been used, within and mainly outside UNIDO.

Sweden (cont'd)

- D. - (No reply on this issue)

SWITZERLAND

- A. - Switzerland favours a redeployment of industrial activities; it regards this as a global phenomenon, which affects the world economy as a whole and not merely the transfer of production from the industrialized countries to the developing countries. The redeployment of industrial activities can take many forms. It is one of the aspects of a continuous adaptation to changing economic structures - an adaptation which must be guided by market forces, as far as possible avoiding State intervention, especially in regard to international trade.
- Between 1970 and 1980, international competition severely affected a number of sectors of the Swiss economy. For example, 32,000 jobs have disappeared in the watchmaking sector, and 24,000 jobs have been lost in the textile sector. Despite the problems arising from these structural changes, and more particularly the difficulties they occasion in certain regions of the country, the Swiss authorities have refrained from taking any protectionist measures and have confined their intervention to encouraging rationalization, promoting new investments in the regions that are threatened, applying policies of sectoral diversification and adopting social measures in favour of workers (e.g. unemployment relief or retraining). Thus, in particular by keeping markets open, they have enabled industrial structures in sectors where a number of developing countries hold an increasingly important position to be developed considerably.
- B. - Switzerland encourages the establishment of production capacities in developing countries in several ways. The chief measures of aid are as follows.
- At the request and with the co-operation of UNIDO, the Swiss authorities have set up an office of the United Nations Industrial Development Organization (UNIDO) in Zurich, whose function is to promote investment in the Third World. This office serves as a catalyst between private industry and the developing countries. In order to enable this UNIDO office to promote the implementation of investment projects of small and medium-sized Swiss enterprises in the industrial sector of the Third World, we have endowed it with a fund for financing pre-investment studies of industrial projects.
 - Apart from the fact that the projects chosen must be in line with development objectives, they must also be designed in such a way that entrepreneurs in developing countries and those in developed countries can be closely associated in their implementation, for example through equity participation.

Switzerland (cont'd)

- The UNIDO office in Zurich also runs an industrial promotion programme, whose principal purpose is to support the activities of an expert from a developing country for one year. In order to make the country concerned known and to introduce the expert to Swiss industrialists, an investment promotion forum is organized at the beginning of his stay. Over the next year, four countries will actually benefit from this measure (Sri Lanka, Egypt, the Camerouns and Peru).
 - Through voluntary contributions to the United Nations Industrial Fund (UNIDF) Switzerland has supported projects for establishing industries in the Third World.
 - The execution of these projects is encountering certain difficulties, for which a satisfactory solution will have to be found before Switzerland will announce a further voluntary contribution to UNIDF.
- C. - Switzerland believes that the System of Consultations is useful as a channel of dialogue between partners in industrial development. Our country will continue to take part in this activity. However, we have three comments to make on the subject. In the first place, we should like to recall that according to the International Development Strategy for the Third United Nations Development Decade, the System of Consultations is to be "strengthened, developed and made more effective". It is obvious that an uncontrolled expansion would run counter to any "strengthening". That is why it must be seen to, that each consultation is carefully prepared and that the number of consultations in any one year does not exceed the absorption capacity both of the Secretariat and of the participating countries. Secondly, we think that in some consultations far too much importance has been assigned to drafting model contracts for the transfer of technology. The latter is so dynamic and takes so many different forms, that it is virtually impossible to frame pertinent general rules. On the other hand, preparation of a checklist of the principal points to be covered in any licensing contract would be of the greatest value for the developing countries negotiating such contracts. In the third place, we wonder whether consultations on such general sectors as capital goods or foodstuffs are useful. These matters are much too broad and touch on such a wide variety of problems that it is practically impossible to discuss specific questions of co-operation at the enterprise level. Far greater results could be achieved by limiting discussion to narrower and more well defined subjects.
- D. - (No reply on this issue)

UNION OF SOVIET SOCIALIST REPUBLICS

Assistance by the Soviet Union in establishing production capacities in developing countries

- Steadfastly adhering to the principles of equality between countries, respect for sovereignty and territorial integrity, non-interference in domestic affairs and mutual advantage, and actively advocating the implementation of these principles at the United Nations and in other forums, the Soviet Union supports the developing countries in their struggle for the restructuring of international economic relations on an equal and fair basis and for the establishment of a new international economic order. It consistently strives for the eradication of inequality, discrimination and dictation from the conduct of international economic relations.
- "We are ready to assist", said L.I. Brezhnev, General Secretary of the Central Committee of the Communist Party of the Soviet Union and Chairman of the Presidium of the Supreme Soviet of the USSR, addressing the Twenty-sixth Congress of the CPSU, "and in practice we are assisting in the establishment of fair international economic relations."
- The Soviet Union organizes co-operation with the young independent States on the basis of a comprehensive approach to the problems of the development of those countries, aimed at creating a rational economic structure applicable to the specific conditions prevailing in each country. As a rule this co-operation is extended under comprehensive, long-term intergovernmental agreements and programmes of economic, trade, production, scientific and technical co-operation, which are worked out for a period of 10-15 years.
- Under these agreements the Soviet Union carries out tasks of planning, research and geological prospecting, provides complete sets of equipment and the necessary materials for the construction of installations abroad, carries out construction and assembly work and assigns Soviet specialists to assist in the construction of installations, the assembly and commissioning of equipment, the finding of outlets for the products and the solution of specific problems in the national economy. It organizes and carries on, while the installations are under construction, the training of nationals of developing States in production technology in the territory of those States and at enterprises in the USSR. It assists in the training of skilled workers at local educational institutions and trains specialists from developing countries at Soviet educational institutions.
- Under these agreements the Soviet Union assists in setting up sectoral and territorial production (industrial and agro-industrial) complexes in the young States, in laying a national scientific and technical infrastructure and in instituting modern systems of public education and personnel training.
- Noteworthy features of the Soviet Union's economic links with developing countries are, firstly, the transfer of techniques and technology with a view to the establishment of production complexes in specific areas and for the national economy as a

Union of Soviet Socialist Republics (cont'd)

whole, and secondly, assistance in the establishment of key enterprises and entire branches of industry in the State sector, thus providing a basis for independent development, helping to inculcate the principles of planning and giving greater stability to the developing economy.

- Experience gained in co-operation between the socialist countries has shown that, if co-operation is pursued in concurrent planning periods, it becomes easier to execute policies of industrialization and to speed up the rate of industrial growth in the developing countries, and that this arrangement contributes to the effective implementation of the agreements concluded on economic, scientific and technical co-operation. Consequently, the economic co-operation of the Soviet Union is always co-ordinated with the development plans of the liberated countries and often plays a decisive part in their successful implementation.
- Under agreements concluded during the tenth five-year plan (1976-1980), 155 installations were built and brought into full or partial operation in the developing countries, including power plants generating 2,400 MW, a smelting capacity of 4.4 million tonnes of iron and 4.5 million tonnes of steel, mills with a capacity of 2.4 million tonnes of rolled steel, and an oil extracting capacity of 25.9 million tonnes. Power transmission lines were laid over a distance of 1,500 km, gas and oil-product pipelines over a distance of 1,600 km, and so on.
- Under the agreements concluded, 680 installations were brought into operation in the developing States with the assistance of the USSR between the start of co-operation and 1 January 1981, and a further 513 are under construction. Between 1961 and 1980 inclusive, the Soviet Union supplied the developing countries with materials and equipment for complete plants to the value of 7,604.7 million roubles.
- Export of equipment and materials for complete plants

<u>Years</u>	<u>1961-1965</u>	<u>1966-1970</u>	<u>1971-1975</u>	<u>1976-1980</u>
Millions of roubles	1,013.0	1,443.5	1,878.3	3,269.9

Geology and mineral prospecting

- Under the agreements concluded, the Soviet Union has undertaken to build 89 installations for geological and mineral prospecting purposes, 44 of which had been completed and brought into operation by the beginning of 1981.
- Forty-five oil and gas deposits have been discovered in India, five of them in 1980. Eighty per cent of the country's oil is extracted from State oilfields equipped with the assistance of

Union of Soviet Socialist Republics (cont'd)

of the Soviet Union. The Indian party has been supplied with technical plans for the equipment of the Jandra mine, with a capacity of 2.8 million tonnes, and for the Giant opencast coal workings, capacity 10 million tonnes, in the Singrauli coalfield.

- In Afghanistan work has continued on geological prospecting for oil and gas and on the construction of installations for the gas industry. A number of natural gas deposits have been discovered and two gasfields with an annual capacity of 4,100 million m³ have been brought into production at Hoja-Gugerdak and Jarnuduk. Gas industry installations are being built and a complete laboratory is being established for the analysis of solid minerals. Cartographic surveys are being carried out.
- In Iran the Northern Rumaila oilfield has been brought into production with an annual capacity of 42 million tonnes. The first stage of the flooding system at the Rumaila oilfield was completed and brought into operation in 1980 and studies were made in preparation for drawing up a long-term programme for comprehensive development of the country's oil and gas industry for the period 1976-1986, with forecasts up to 1996.
- With the assistance of the USSR a National Geological Service has been set up in Algeria and mercury, barytes, non-ferrous metal and non-metallic mineral deposits have been explored. Soviet specialists have made a practical contribution to the search for new oil and gas deposits, the drilling of boreholes and the opening up and working of deposits. Twenty-two heavy-duty drillings rigs for deep-boring for oil and gas have been supplied by the Soviet Union and national programmes have been drawn up for the execution of geological prospecting work.
- In 1980 alone Soviet assistance to Iran was instrumental in bringing into operation an enrichment plant at Zarand with a capacity of 2 million tonnes of coal a year and the "Babnizu" coalmine with a capacity of 200,000 tonnes a year; work is now being completed on the "Pabedana" coalmine, which will have an output of 600,000 tonnes a year. Geological prospecting work has been carried out in search of solid minerals, and a large-scale deposit of hard coal has been discovered in the Tabas area.
- Soviet organizations have continued to provide technical assistance in developing the oil extraction industry in Syria. A total of six oilfields are already in continuous production and had yielded 85 million tonnes of oil by the beginning of 1981.
- A general plan has been prepared for comprehensive development of the gas industry in Libya over the long term, up to the year 2000, and in April 1981 a contract was signed for a geological mapping operation in Libyan territory over an area of 100,000km².

Union of Soviet Socialist Republics (cont'd)

- An iron ore deposit has been discovered in Nigeria. Geological prospecting for solid minerals is being successfully carried on in Mozambique. A start has been made on the practical implementation of the long-term agreement of 10 March 1978 with Morocco concerning co-operation with regard to phosphates. A contract has been signed for the execution of geological exploration work on the Meskala phosphorite deposit.
- Geological prospecting for solid and liquid mineral resources has been carried out in Madagascar, Guinea, the People's Democratic Republic of Yemen and other developing countries.

Energy Supply

- Approximately 30 per cent of all Soviet assistance to young States in the field of industrialization relates to installations for the supply of energy. The total installed capacity of electric power stations which have been, are being or are to be built amounts to 19,370 MW, of which 7,370 MW are already being generated. Of 106 energy installations to be built under agreements, 62 have already been brought into operation.
- The Euphrates hydroelectric power station in Syria, with an installed capacity of 800 MW and a reservoir volume of 12,000 million m³, came into continuous operation in March 1980; this station generates 70 per cent of the electric power produced in the country. To transmit this power, 1,675 km of power lines have been laid, carrying 220,000 V; these have become the main arteries of the country's newly created State power system.
- The largest energy installation set up in the developing countries with the assistance of the USSR is the Aswan hydroelectric power complex in the Arab Republic of Egypt, which has tremendous significance, first and foremost, for the development of the country's agriculture. More than 3,500 villages have been electrified and 21,000 km of power transmission lines have been laid. The Aswan High Dam power station generates more than 50 per cent of all the electric power produced in the country.
- Four electric power stations have been built in Afghanistan with Soviet assistance and 224 km of power transmission lines have been laid. Assistance is still being rendered in expanding the capacity of the thermoelectric power station at Mazar-i-Sharif.
- An agreement signed with India on 10 December 1980 provides for assistance in the construction of the Vaidan hydroelectric power station with an initial capacity of 1,000 MW, to be increased subsequently to 3,000 MW, and in laying 900 km of power transmission lines. A total of 17 electric power stations with an aggregate capacity of about 6,500 MW have been or are being built in that country with the assistance of the Soviet Union.

Union of Soviet Socialist Republics (cont'd)

- Further large quantities of equipment were supplied to Iran in 1980 and 1981 to expand the "Pamin" thermoelectric power station at Ahvaz, which has a capacity of 1,260 MW, and the Esfahan thermoelectric power station with a capacity of 840 MW.
- The installation of a generating set with a capacity of 210 MW has been completed at the Guddu thermoelectric power station in Pakistan, which is the largest unit in the country and supplies the Provinces of Baluchistan and Sind with electric power.
- In Iraq work was completed in 1981 on the construction of the Majibia thermoelectric power station (200 MW), the Dunan hydroelectric plant (400 MW) and the Nasiriya thermoelectric plant (840 MW). Work is continuing on the construction of, and supply of equipment for, a hydroelectric power station and reservoir on the river Euphrates in the Al-Hadithar area, with a capacity of 570 MW.
- Work began in the People's Democratic Republic of Yemen in 1980 on the foundations of a thermoelectric power station incorporating a desalination plant.
- In 1978 a contract was signed with the "Agua y Energía Eléctrica" State organization in Argentina for assistance in carrying out planning and survey work for the first phase of the Paraná Medio hydroelectric power station.
- Soviet organizations are rendering technical assistance to Peru in carrying out planning and survey work in connection with the Olmos hydroelectric and irrigation complex, incorporating two hydroelectric power stations with a total capacity of 600 MW.
- The USSR is assisting in the construction of power-generating capacity and power transmission lines in Sri Lanka, Algeria, Libya, Bangladesh, Tunisia, Nepal, Angola and other developing States.

Agriculture

- In order to solve their problem of food supply, the developing countries are interested in obtaining the economic and technical assistance of more highly developed countries. The Soviet Union, in helping the developing countries to deal with this problem, actively participates in the reclamation of virgin land, the creation of irrigation systems, the setting up of State arable and stock-breeding farms, and the construction and equipment of machine-tractor stations, workshops, veterinary laboratories and hospitals, scientific research laboratories and scientific and experimental stations.

Union of Soviet Socialist Republics (cont'd)

- Out of a total of 69 irrigation and reclamation projects, 31 State and other farms and 17 veterinary and scientific research laboratories and experimental stations which the Soviet Union has undertaken to set up in the young politically independent States, the construction of 26 irrigation networks, 25 State and other farms, 7 veterinary hospitals and a number of scientific research laboratories and experimental stations had been completed by the beginning of 1981.
- The Jalalabad irrigation complex created in the Democratic Republic of Afghanistan with the assistance of the USSR comprises an irrigation channel 70 km in length, bringing water to several thousand hectares of hitherto virgin land on which two highly mechanized multisectoral State agricultural enterprises are in operation, specializing in growing citrus fruit and olives. The irrigation system in the area of the Sardeh dam provides about 80,000 hectares with water. The Soviet Union is setting up machine-tractor stations and supplying agricultural equipment.
- In Iraq a general plan is being completed for the utilization of the country's water and land resources. In addition to what has already been built, work is in progress on digging a canal 65 km long from Lake Tharthar to the river Tigris and building a water-raising dam at Felluja on the river Euphrates, together with a number of main canals which, in conjunction with the Al-Hadithar reservoir, will provide irrigation for 600,000 to 650,000 hectares and improve the water supply to 1 million hectares of land already under irrigation. State rice and cotton farms and a medicinal plant farm have been set up in the country and four machinery hire stations have been built and equipped.
- In Syria work was completed in 1980 on the establishment of a State farm 4,000 hectares in an area near the junction of the Euphrates. The construction of an irrigation network covering an area of 17,000 hectares in the Mesken mountain range has been continued. On the basis of the exploratory work now completed, a general plan will be drawn up for irrigation in the Aleppo area. A total of 47 km of main and basic canals have been dug. A common pumping station has been brought into operation.
- Soviet and Turkish organizations are jointly constructing a dam and a reservoir on the frontier river Akhuryan, from which it will be possible to irrigate 52,000 hectares of Turkish territory.
- In the People's Democratic Republic of Yemen work has continued on drilling and fitting out wells for irrigation in the Alwar and Hadhramaut areas. Main canals are being dug and irrigation networks laid out over an area of about 3,000 hectares. Three agricultural machinery repair stations have been established.

Union of Soviet Socialist Republics (cont'd)

- A thousand hectares of new land have been cleared in the Yemen Arab Republic and wells have been drilled to provide water.
- In the Arab Republic of Egypt irrigation is being developed on the basis of the Aswan hydroelectric scheme and desert land is being reclaimed for the growing of cotton, cereals, sugar beet, fruit and vegetables. More than 30,000 hectares have already been brought into use with the assistance of the Soviet Union and in 1970 a mechanized farm came into operation to grow cotton on 4,200 hectares of irrigated land.
- Intergovernmental instruments have been signed with Ethiopia on co-operation in the agricultural development of the country. In the Gabela area an earth dam is to be built on the river Alvero under a comprehensive scheme for the development of water and land resources, and an irrigation system has been installed to reclaim 10,000 hectares of land, which will make it significantly easier to solve the food supply problem and to provide agricultural raw materials for industry.
- In Angola an experimental wheat farm was brought into operation with the assistance of the Soviet Union in 1979, followed by a State cotton farm in 1980.
- The USSR is providing assistance in laying irrigation systems, building dams and barrages, drilling wells and organizing State farms and agro-industrial units in Algeria, Guinea, Mali, Madagascar, Libya, Benin, the Congo, the United Republic of Tanzania, Zambia, Tunisia, Morocco, Mozambique, Burma and Peru. In Nigeria an agro-industrial complex with a production capacity of 100,000 tonnes of sugar a year is to be set up by a consortium of organizations from Poland, the USSR and Cuba.

Ferrous and non-ferrous metallurgy

- Large-scale iron and steel works have been and are being built with the assistance of the USSR in India, Iran, Turkey, Egypt, Algeria, Pakistan, Sri Lanka and Nigeria.
- By the beginning of 1981, production capacities of 10.8 million tonnes of cast iron, 9.7 million tonnes of steel and 7.5 million tonnes of rolled products had been commissioned. Capacities to produce 13.5 million tonnes of agglomerate and 8.8 million tonnes of coke had also been brought into operation.
- In India work continued in 1980 on expanding the Bhilai and Bokaro steelworks to an annual output capacity of 4 million tonnes of steel each. A start was made on implementing the agreement on co-operation in the construction of a third steel-works at Vishakhapatnam with a capacity of 3 million tonnes of steel a year.

Union of Soviet Socialist Republics (cont'd)

- In Iran converter with a capacity of 100 tonnes and two sintering plants with an output of 2,516,000 tonnes of agglomerate annually were brought into operation at the Esfahan iron and steel works.
- Assistance to Turkey has been continued with the expansion of the capacity of the Iskanderun steelworks from 1 million to 2 million tonnes of steel a year, while a plant with a capacity of 1.1 million tonnes of steel a year has been installed in Pakistan.
- At the El Hadjar steelworks in Algeria, where work is in progress to expand the annual output capacity from 0.41 to 2.0 million tonnes of steel, a coking battery, a 2,000 m³ blast furnace and two converters with a capacity of 85 tonnes each have been brought into operation.
- A type-450 rolling mill with a capacity of 200,000 tonnes of high-grade rolled products has been brought into operation at the Helwan steelworks in Egypt. Progress has been made in the construction of a steelworks with an annual output capacity of 1.3 million tonnes of steel at Ajaokuta in Nigeria.
- Under an agreement concluded in the non-ferrous metals field on 10 December 1980, the Soviet Union undertook to co-operate with India, on a compensation basis, in the construction of an alumina works with an annual output capacity of 600,000-800,000 tonnes in the State of Andhra Pradesh. An aluminium plate processing line and a heavy-duty press have been brought into operation at the aluminium plant built at Korba with the assistance of the USSR, which has a capacity of 100,000 tonnes of aluminium a year.
- An aluminium plant with a capacity of 100,000 tonnes a year was brought into operation at Nag-Hammadi in Egypt in 1977; its capacity was increased to 166,000 tonnes of aluminium a year in 1980.
- An agreement was signed in March 1981 for assistance to Turkey in expanding the capacity of the Seydisehir aluminium plant.
- A protocol on the further development of co-operation in connexion with the bauxite mining industry was signed with Guinea in July 1980, providing for a further expansion in the capacity of the bauxite extraction complex at Kindia.

Oil and chemicals

- The capacity of the oil refineries already installed by the beginning of 1981 was 11.6 million tonnes of crude oil a year out of a total of 23 million tonnes scheduled under the agreements.

Union of Soviet Socialist Republics (cont'd)

- The construction of a very large refinery with capacity to process 6 million tonnes of oil a year has been completed at Matura in India.
- Deliveries of equipment are continuing to increase the oil-refining capacity at Aliaga in Turkey from 5 to 10 million tonnes a year.
- The largest undertaking in the State sector in Ethiopia is the oil refinery at Aseb, which was built with the assistance of the USSR and which supplies virtually the entire requirements of the country for the main types of oil products. Soviet organizations are continuing to provide assistance in running and reconstructing the refinery and in building oil depots.
- During 1980 deliveries of equipment were made for the construction of an oil depot in Afghanistan and another at New Kharkeh in Iraq. Work was continued on the building of three oil depots in Angola.
- In the chemical industry, the Soviet Union has built a nitrogen fertilizer factory at Mazar-i-Sharif in Afghanistan with a capacity of 105,000 tonnes of carbamide a year; in Turkey it has built a sulphuric acid factory and delivered equipment for a hydrogen peroxide plant at Bandirma.
- The tire factory established in Sri Lanka with the assistance of Soviet organizations in 1967 is meeting the country's tire requirements almost completely, thus enabling it to avoid spending substantial amounts of foreign exchange on imports of tires.

Mechanical engineering and metal-working

- The most significant installations built in this field with the assistance of the USSR have been set up in India. The most prominent among them are the heavy mechanical engineering works at Ranchi, the heavy electrical equipment factory at Hardwar and the mining machinery plant at Durgapur. An instrument factory at Kota and a stage-by-stage production and assembly plant for tractors have come into operation.
- Fifty per cent of Iraq's requirements for agricultural machinery are being met by the factory at Al Iskandariyah. An agricultural equipment factory in Nepal, repair workshops for agricultural machinery in Guinea, a motor vehicle repair plant in Afghanistan and other plants in Iran, the Arab Republic of Egypt, Bangladesh, Angola, Mozambique and Ethiopia have been built.

Building materials

- Of 17 housing construction combines provided for in the agreements, six have already been brought into operation.

Union of Soviet Socialist Republics (cont'd)

- Reconstruction of the housing construction combine at Kabul in Afghanistan was continued in 1980. Assistance was rendered for the construction of 12 large-panel housing factories in Iran.
- Work is in progress to increase the output capacity of the cement works at Bajil in the Yemen Arab Republic from 50,000 to 250,000 tonnes a year. The assembly stage has been completed and the operations of starting up and adjustment have begun at the cement works in El-Tabbin in Egypt; further equipment has been supplied for the cement works at Asyut. A works with a capacity of 500,000 tonnes of cement a year has been brought into operation in Iraq.
- Assistance has been provided in the building of glassworks in Iraq, Turkey and Algeria.
- A sawmill has been built in Guinea. An agreement has been signed for the provision of assistance to Nepal in the construction of a factory in the State sector to produce resin and turpentine, and work was started in 1981.

Medicine

- In 1977 the building of a microbiological and virological research laboratory was completed at Kindia in Guinea with the assistance of the Soviet Union. Factories for the manufacture of antibiotics and pharmaceutical preparations have been constructed in Iraq and Egypt. Three large factories to produce medical requisites have been built and are in successful operation in India. In 1980 the bulk of the equipment and materials for a 300-bed hospital were supplied to the People's Democratic Republic of Yemen.

Light industry and food industry

- Forty-six grain elevators have been built in developing countries with the assistance of the Soviet Union. Of a total of 150 plants scheduled to be built for the light, food flour-milling and combined-feed industries under the agreements signed, 89 are in operation.
- In Ethiopia grain and combined-feed depots with a total capacity of 206,000 tonnes are under construction, cold stores are being designed and elevators are to be built. The planning work has been completed for the building of a milling combine with an elevator at Tamatave in Madagascar. In 1979 a fish-canning factory was brought into industrial operation at Mukalla in the People's Democratic Republic of Yemen and a start was made on building a fishing port at Aden.

Union of Soviet Socialist Republics (cont'd)

- In Iraq two grain elevators came into operation at Kirkuk and Samawa in 1980; assistance is being provided in building a further six elevators and in expanding the capacity of several already in existence.
- In Iran a grain elevator with a capacity of 64,000 tonnes came into operation at Kereja in 1980; a further eight new grain elevators with a total capacity of 380,000 tonnes and a mill with a capacity of 300 tonnes a day are being built. The Soviet Union is continuing to supply equipment for six fish-breeding establishments.
- The Soviet Union is providing assistance to Afghanistan in building a bread-baking plant, a grain elevator and a flour mill at Mazair-i-Sharif, flour mills at Pul-i-Khumri and Herat, a bread-baking plant at Kabul and a bottling factory for citrus fruits and olives at Jalalabad.
- Since the start of the Soviet Union's aid to developing countries, a bread-making combine consisting of two flour mills, a grain elevator and a bread-baking plant has been built at Kabul in Afghanistan and a further grain elevator at Pul-i-Khumri. In Iraq 10 grain elevators with a total capacity of 104,000 tonnes have been brought into operation, as have 33 grain elevators in Iran. A canning factory and a meat chilling plant have been built at Mamou in Guinea, and a cold store with a capacity of 300 tonnes at the port of Conakry. A cold store with a capacity of 350 tonnes has been built in the Yemen Arab Republic, while at Birganj in Nepal a sugar refinery built with the assistance of the USSR processes 1,000 tonnes of sugar cane daily and supplies up to 70 per cent of the country's sugar output. A milling combine built and extended by Soviet organizations has been in operation in Sri Lanka since 1968. Soviet organizations have supplied and assembled equipment for cold stores and diesel-electric power stations for the fishing port under construction at Paita in Peru.
- In the Sudan two elevators with a total capacity of 150,000 tonnes of grain, canning factories at Bau and Kerma capable of producing 3 million standard cans a year, a dried-milk factory at Babanus and a dried-onion factory at Kassala have been built.
- Cotton-spinning mills have been built in Egypt, Pakistan, Turkey and Uganda, as have a sewing and knitting factory and a cotton manufacturing combine in Iraq.

Union of Soviet Socialist Republics (cont'd)

Transport and communications

- Co-operating in the development of transport and communications in the developing countries, the Soviet Union has provided assistance in laying 1,700 km of railway line and 2,100 km of paved roads.
- The Kamyshli-Latakia railway was opened for regular freight and passenger traffic in 1978; the Akkar-Homs railway and that of the Min phosphate mines in the Palmyra region have also been brought into operation. A start has been made with the building of motorway bridges over the river Euphrates in Syria, and several bridges have been brought into use. The Soviet Union is co-operating successfully in the restoration of road and railway bridges in Angola. Fifteen hundred km of metalled roads have been laid in Afghanistan.
- The Jolfa-Tabriz railway in Iran has been electrified. Railways have been built in Iraq, Guinea and Bangladesh. Motorways have been built in the Yemen Arab Republic and Nepal. Reinforced concrete railway sleeper factories built with the assistance of the Soviet Union are the main suppliers of sleepers for railway construction in Syria and Iraq. The first underground railway line, extending over a distance of about 17 km, is under construction at Calcutta in India.
- A very important item of Soviet assistance to several developing countries is the development of pipeline transport. Work was completed in Nigeria in 1979-1980 on laying two systems of oil-product pipelines over a total distance of 906 km, with five pumping stations and four metering points, having an aggregate throughput capacity of 18.7 million tons of oil products a year. In Libya a gas pipeline is being built covering a distance of 573 km from El-Brega to Misrata. In Afghanistan a gas pipeline has been laid to the USSR frontier and a further pipeline from the gasfield in the Shibarghan area to the town of Mazar-i-Sharif. A 53 km section of the main gas pipeline between Afghanistan and the USSR came into operation in 1980. In Iraq pipelines covering 728 km have been laid with the assistance of the USSR, and in Iran the northern section of the main trans-Iranian gas pipeline has been completed.
- With the assistance of the Soviet Union, the river port of Khairaton in Afghanistan has been endowed with up-to-date, highly productive equipment. The port of Al Hudaydah has been built in the Yemen Arab Republic. A number of harbour installations have been constructed at the port of Conakry in Guinea and special moorings equipped for the transfer of ore from rail to ship. Work is in progress on expanding the port of Latakia in Syria to handle up to 7 million tons of freight a year. Soviet organizations are assisting Iran to rebuild the obsolete ports of Enzeli and Noushakhr on the Caspian Sea by supplying powerful cranes and dredging the navigable channel.

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

- A. - Adjustment is a complex process which in market economies is not the preserve of Government. However, the UK has a long history of adjustment to changing patterns in the world's trade and industrial development. The UK welcomes such adjustment in that it should encourage a more efficient allocation of industrial and human resources and should enable both developed and developing countries to make use of their respective comparative advantages to gain maximum benefit from the international trading system.
- The Government's view is that the main determinant of structural change in industry is the process whereby existing as well as new firms respond to changing consumer demand (and cost pressures) by continually adapting their goods and services to market requirements. The Government does not wish to manage industry: its main role is to provide the climate and incentives for industry to respond to the opportunities which are there and to adapt to changing circumstances. As for adjustment, however, the Government recognises that this is often a difficult process, and one which calls for Governmental concern. In the last 25 years some of the UK's more traditional industries, e.g., shipbuilding, steel making and textiles have declined sharply, with accompanying drops in employment and a redeployment of resources. Almost half a million jobs have been displaced in the textile and clothing industry over the past 10 years. This process, accentuated by the effects of the current recession in the world economy, inevitably creates social as well as economic problems. The Government therefore introduced the following measures which are designed to alleviate these problems and thereby facilitate the adjustment process:
- . As in all European community countries, the Government's regional policy is designed to steer investment both in private industry and in infrastructure to areas where, through long-term industrial decline, remoteness from markets, or other natural disadvantage, there are problems of high unemployment and low investment.
 - . In the field of research and development, the Government will spend between £150 million and \$200 million in 1981-82. The emphasis will be on basic research and the development and bringing to market of new inventions and products.
 - . In order to stimulate investment and development, the Government has chosen some sectors and technologies for special attention and support, including information technology, microelectronics, fibre-optics and the application of advanced manufacturing techniques. In the field of information technology, £80 million has been set aside for improving awareness and to encourage the development and launching of new products and processes over a 5 year period; £25 million has been allocated to a 5 year Fibre-Optics Support Scheme; and support is available to increase awareness of Computer Aided Design/Computer Aided Manufacture (CAD/CAM) and to support the application and manufacture of robotics.

United Kingdom (cont'd)

- . Tax incentives and grants under the 1972 Industry Act are available to attract inward investment in sectors where new or expanded capacity is viable and desirable; and finally the Government attaches great importance to the encouragement of small businesses by providing financial incentives and removing obstacles to their development.
 - . Benefits under the Government's schemes of social security are provided to people made redundant from "adjusting" industries, to help with their maintenance and their re-entry into other employment or business, with necessary training where appropriate.
- B. - The UK has a positive approach to international discussions on the industrialization of developing countries. However, it is not the policy of the Government to direct or manage industry. It is for industry in a market economy country to take decisions on its home and overseas operations according to its commercial judgement.
- A major contribution to the industrialization process overseas is investment. Over the years the UK Government has taken a number of practical measures to facilitate investment by UK companies in developing countries. These include the negotiation of bilateral Investment Protection Agreements and Double Taxation Agreements; an investment insurance scheme; and a pre-investment study scheme. Now that exchange controls have been lifted individuals or companies in the UK are free to invest their money, along with their technology and their expertise, in the place where they consider it appropriate to do so. This freedom should be of assistance to those developing countries anxious to encourage inward investment by the private sector and prepared to offer stability and security to such investors.
 - In addition to private flows, the UK has maintained a substantial official aid programme - amounting to a gross sum of over £1 bn. in 1981-82. Two-thirds of bilateral aid goes to the poorest countries who need help with the financing of development but many of whom, for a variety of reasons, do not find it easy to attract private investment. In addition, the UK provides substantial funds to the international financial institutions, e.g., in connexion with the recent replenishment of the IDA, the UK's share of which is 10.1 per cent. The relative importance of official aid to market borrowing has changed drastically over the past 10 years. In 1970 official flows and private flows were roughly equal but private flows are now twice as large as official aid. The total of both official and private flows from the UK to developing countries substantially exceeds the UN target of one per cent of GNP. Some details of the UK's policies and measures in the field of industrial development co-operation are given in other sections of this questionnaire.

United Kingdom (cont'd)

C. - System of Consultations

The UK has continued to participate fully in Consultation meetings. The Government considers that the potential of the System could be enhanced by the adoption of the following measures.

- The UK Government sees value in the opportunity provided by Consultation meetings for a frank and free exchange of views on the practical problems of industrialization, in particular between industrialists in developed countries and their counterparts in developing countries. Unfortunately, experience at Consultation meetings has shown, in general, that representatives drawn directly from industrial undertakings have been a small proportion of the whole, with the result that there is little opportunity for the sort of dialogue between industrialists that is essential if the system is to achieve the goal of improving and deepening the understanding of the problems that arise on both sides. It is important, therefore, that ways and means should be found to encourage the much greater involvement of industrialists from all participating countries.
- In the view of the UK a further problem is that discussion at Consultation meetings is too wide-ranging and generalized for the time and resources available. One aspect of this situation is that not enough time and resources are devoted to identifying the specific needs, resources and abilities of the various developing countries. These vary so widely that it will usually be unrealistic for a Consultation meeting to attempt to produce a global blueprint for action. Focussing on finite situations at the country or regional level would be more beneficial.
- The UK Government considers that in any succession of Consultation meetings on a given sector, sufficient time should be allowed between meetings for the completion of work resulting from earlier meetings. The level of expenditure on this programme of Consultation meetings should be kept in due proportion, from a cost effectiveness viewpoint, to expenditure on other activities within UNIDO's over-all budget. Attention should continue to be paid to avoiding work that duplicates what is being done by, or is more appropriate to, other international bodies; and, where appropriate, to tapping the results of work by those bodies.

Investment Promotion

- UNIDO's investment promotion activities appear to be pitched at the right level. The response to individual project opportunities and attendance at seminars and the Investment Forum series of meetings will of course vary with different circumstances, such as the degree of investment protection obtaining in the developing country concerned.

D. - (No reply on this issue)

III. FINANCIAL AND TECHNICAL ASSISTANCE

Governments were invited to supply information on both public and private activity relating to the following topics:

- A. Financial flows for development of the manufacturing sector in the developing countries.
- B. Size and form of bilateral technical assistance programmes.
- C. Special measures taken for the Industrial Development Decade for Africa.
- D. Special measures taken in the following groups of developing countries.
- E. Other relevant topics

INFORMATION RECEIVED FROM DEVELOPED COUNTRIES IN RESPECT OF THE ABOVE :

AUSTRIA

A. Table III-1

	Amount (current \$US)			
	1975	1978	1979	1980
Direct investment (Total private)	6.83	19.90	12.86	20.02
Flows to multilateral institutions (Total) official	(14.53)	(43.45)	(69.21)	(28.25)
Manufacturing sector	-	-	-	-
Bilateral ODA for the manufacturing sector <u>1/</u>	35.48	80.68	19.74	90.17
Other (specify)	-	-	-	-

B. Table III-2

	Volume of programme (current \$US)			
	1975	1978	1979	1980
Overall technical assistance (total) programme - official	9.65	33.68	37.99	42.04
Technical assistance programme for industrialization <u>2/</u> - official	1.95	2.02	3.24	4.24

1/ export credits + technical assistance

2/ crafts, industry, mining, commerce and tourism

Austria (cont'd)

- C. - Austria's technical assistance activities focus on the African continent. Current programmes include feasibility studies for electrical power stations, the extension of industrial plants, the improvement of telecommunication systems; the modernisation and expansion of communicative networks in Algeria and particularly in East Africa; feasibility studies for iron and steel plants, and for the exploration of mineral resources; etc.
- D. - Special attention is given to African LDC's and MSA countries. Projects in these countries are primarily designed to meet basic needs, e.g., rural water supply, basic health services, training of technical and maintenance personnel, public works.
 - The Federal Ministry of Finance has established a programme of assistance to the customs authorities of least developed, landlocked and island developing states and is supplying these with technical material and information.
- E. - (No reply on this issue)

BELGIUM

A. Table III-1

	Amount (in millions of current \$US)			
	1975	1978	1979	1980
Direct investment	-	108.2	187.4	143.6
Flows to multilateral institutions (Total)	(-)	(175.0)	(142.5)	(101.0)
Manufacturing sector ..	----- Not available -----			
Bilateral ODA	-	245.5	312.5	322.5
Other (specify) Manufacturing sector	----- Not available -----			

B. Table III-2

	Volume of programme (in percentages)			
	1975	1978	1979	1980
Overall technical assistance programme	-	100	100	100
Technical assistance programme for industrialization	-	2.5	3.4	3.2

Belgium (cont'd)

- C. - The African Continent continues to lead the list of the beneficiaries of Belgian financial and technical assistance.
- D. - Least developed: At the Paris Conference Belgium pledged to contribute 0.15 per cent of its GNP to the least developed countries.

Lank-locked: no special information

Island: no special information.

Most seriously affected: Belgium participated in the special action on behalf of the most seriously affected countries.

E. - Activities of the Belgian International Investment Company

Established in 1971, the Belgian International Investment Company (SBI) was set up to contribute to the financing of enterprises located outside the country, principally through shareholding or through bonds convertible into shares. As of 30 September 1980, investments backed by the Company's own funds totalled 414 million Belgian francs, with about half of this amount in developing countries. In addition, acting on behalf of the State, the company carried out operations in Zaire amounting to 300 million francs.

- Guarantee of Belgian investments abroad

The Dacroire National Office (OND) is authorized to guarantee direct Belgian investments abroad against political risks. This system of guarantee, which is applicable to the entire world, is of particular interest in respect of investments in developing countries. OND's investments during 1980 totalled 206.8 million Belgian francs and the total insured amount as of 31 December 1980 stood at 1,064,100,000 francs.

- Fiscal measures

In accordance with its internal legislation, Belgium has reduced the tax on business revenue earned abroad (e.g., by a business establishment or branch office) and already taxed there, as well as on income from real estate located abroad, to one-quarter or one-half of the normal liability, depending on whether the beneficiary of this provision is a company or physical person (individual).

- Under the agreements that have been concluded to prevent double taxation, such income may even be taxed only in the foreign country in which it was earned (although as a fictional device it is taken into account in order to determine the tax rate applicable to the beneficiary's taxable income). Agreements of this kind are in effect between Belgium and the following

Belgium (cont'd)

developing countries: Brazil, India, Indonesia, the Ivory Coast, Malaysia, Malta, Morocco, the Philippines, Singapore, South Korea, Thailand and Tunisia, and agreements are expected to come into force in the near future with Argentina, Pakistan and Sri Lanka.

- In addition, Belgium - even as a unilateral measure - virtually exempts from all taxes dividends earned through the permanent participation (of whatever size) of Belgian companies in the capital of foreign firms (e.g., the dividends from foreign subsidiaries).
- Finally, as a general practice Belgium has reduced its tax on other income from investments abroad (stocks, bonds, etc.) by applying a "fixed foreign tax credit" in the amount of 15 per cent of the income net of foreign taxes, all that is necessary being that the income has in fact been taxed in a foreign country, regardless, incidentally, of the rate.
- Moreover, in its agreements with developing countries Belgium applies the so-called "tax-sparing credit" or fictional credit, allowing, in certain cases, for the deduction from taxes paid in Belgium of amounts greater than the taxes actually levied in the developing countries.

CANADA

A.

Table III-1

	Amount (current millions \$US)			
	1975	1978	1979	1980
Direct investment	293	558	100	289
Flows to multilateral institutions (Total) (disbursements)...	(268)	(412)	(462)	(396)
Manufacturing sector	-	-	-	-
Bilateral ODA for the manufacturing sector (commitments)	1	16	14	14
Other (specify)	-	-	-	-

Canada (cont'd)

B. -

Table III-2

	Volume of programme (current \$US)			
	1975	1978	1979	1980
Overall technical assistance programme	57	55	50	(99)
Technical assistance programme for industrialization	N/A	N/A	N/A	N/A

C. - (No reply on this issue)

D. - Point 8 of the Canadian Strategy for International Development Co-operation 1975-1980, clearly indicates Canada's intention to pay special attention to the poorest countries: "The development assistance programme will direct the bulk of its resources and expertise to the poorest countries of the world". As part of the "Special Action Program" emanating from the Conference on International Economic Co-operation (CIEC), Canada agreed to adopt an all-grants programme for the Least Developed Countries and to convert to grant all outstanding loans (both disbursed and undisbursed) to these countries. Many of the most seriously affected, land-locked and island developing countries are also LLDCs and are therefore, included in Canada's special measures for LLDCs outlined above. Canada does not accept that special measures taken on behalf of LLDCs should automatically apply to MSAs, island and land-locked countries. We believe that the special problems of these countries are most appropriately addressed in terms of regional or individual country needs and we are confident that existing programming, such as our emphasis on transportation infrastructure for many island and land-locked LLDCs, reflects these needs.

E. - (No reply on this issue)

CZECHOSLOVAKIA

- The Czechoslovakian reply to this chapter was given in conjunction with Chapter V. See Chapter V.

DENMARK

A. TABLE III-1

	Amount (current million \$US)			
	1975	1978	1979	1980
Direct investment				
Flows to multilateral institutions				
(Total) ^{2/}	(94,64)	(165,97)	(201,06)	(214,62)
Manufacturing sector ..				
Bilateral ODA for the manufacturing sector ^{3/}	1.27	27.26	13.24	1.77
Other (specify) ^{1/} , ^{3/}	6.81	8.90	9.32	5.87

^{1/} The Industrialization Fund for Developing Countries

^{2/} on a disbursement basis

^{3/} on a commitment basis.

Source: DAC statistical annex to the memorandum of Denmark 1975, 1978, 1979 and 1980.

B. TABLE III-2

	Volume of programme (current million US\$)			
	1975	1978	1979	1980
Overall technical assistance programme ^{x/} ^{1/}	28.77	68.45	76.88	105.19
Technical assistance programme for industrialization ^{2/}	0.06	4.26	-	-

^{1/} on a disbursement basis ^{2/} on a commitment basis

^{x/} Technical assistance programme includes contributions for the supply of equipment. The share of such capital expenditure is roughly estimated to amount to 50%.

Denmark (cont'd)

- C. (No reply on this issue).
- D. - The terms of development loans to least developed countries is especially favourable.
- Fifty years maturity, including a grace period of 10 years, implying a grant element of 90 per cent. In pursuance of UNCTAD resolution 165 (S-IX), Denmark has extended debt relief to all least developed countries who have wished to enter into individual negotiations on retroactive terms of adjustment on past ODA loans.
 - At the Conference of the Least Developed Countries in Paris in September 1981 Denmark pledged 15 million D.Kr. for UNDP's Special Measures Fund for Least Developed Countries.
- E. - Bilateral Danish Loans (commitments):

<u>Year</u>	<u>Current US\$</u>	<u>New loan agreements</u>
1975	61	7
1978	147	18
1979	118	10
1980	101	9

Reference is made to Denmark's Development Assistance, Annual report 1980, Chapter 2: Terms, conditions and procedures, pages 8-9.

FINLAND

A.

TABLE III-I

	<u>Amount (current SUS million)</u>			
	<u>1975</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Direct investment (disbursements)	2.6	6.1	15.4	26.5
Flows to multilateral institutions (Total ODA disbursements). (20.9)	(20.9)	(31.9)	(47.5)	(45.2)
Manufacturing sector	-	-	-	-
Bilateral ODA for the manufacturing sector* (commitments)	3.4	4.5	16.0	46.2
Other (specify)				

* Grant

Finland (cont'd)

B. TABLE III-2

	Volume of programme (current \$US million)			
	1975	1978	1979	1980
Overall technical assistance programme (disbursements)	10.1	13.4	29.7	32.6
Technical assistance programme for industrialization	-	-	-	-

C. - (No reply on this issue)

D. - (No reply on this issue)

E. - (No reply on this issue)

GERMANY, FEDERAL REPUBLIC OF

A. TABLE III-1

	Amount (current \$US million)			
	1975	1978	1979	1980
Direct investment	n.a.	528.6	422.8	n.a.
Flows to multilateral institutions				
(Total) ODA	(719.2)	(870.2)	(1200.4)	(1243.0)
Manufacturing sector ..	No figures available			
Bilateral ODA* for the Manufacturing sector				
Other (specify)				

* ODA. excluding rescheduled debts, mixed financing, for financial co-operation amortizations are not accounted for.

Germany, Federal Republic of (cont'd)

B. TABLE III-2

	Volume of programme (current \$US million)			
	1975	1978	1979	1980
Overall technical assistance programme	636.8	755.1	844.6	990.7
Technical assistance programme for industrialization	24.1	39.0	38.2	60.1

C. - Co-operation requests from African countries concerning the industry sector, now under development, have top priority. In 1980 approximately DM 80 million in financial assistance and approximately DM 28 million in technical assistance were made available (disbursements) for the industry, mining and construction sectors of Africa. See also II.B and IV.A.

D. - Least developed: In 1980 DM 1.2 million were donated to technical assistance (disbursements)

Land-locked: no figures available

Island: no figures available

Most seriously affected: for industry, mining and construction approximately DM 192 million in financial assistance, and DM 20.5 million in technical assistance were made available in 1980 (disbursements)

E. - (No reply on this issue)

GREECE

A. - (No reply on this issue)

B. TABLE III-2

	Volume of programme (current \$US)			
	1975	1978	1979	1980
Overall technical assistance programme				
Technical assistance programme for industrialization	204.500	264.000	260.000	324.000

Greece (cont'd)

- C. - (No reply on this issue)
- D. - (No reply on this issue)
- E. - (No reply on this issue)

IRELAND

A. - A table setting out the details of Ireland's ODA provisions and B. for 1982 is enclosed. The bilateral component which amounts to almost £10 million represents 37 per cent of overall ODA and continues to have a heavy concentration of technical assistance. The provision for ODA in 1982 of £26.335 million represents 0.22 per cent of GNP. The growth of ODA since 1979 is set out below.

	1979	1980	1981	1982
Total expenditure (£m)	12.99	15.18	17.80	26.34
Percentage of GNP	0.18	0.18	0.18	0.22

A. TABLE III-I

	Amount (current \$US)			
	1975	1978	1979	1980
Direct investment				
Flows to multilateral institutions				
(Total)	()	()	()	()
Manufacturing sector ..				
Bilateral ODA for the manufacturing sector		234,430	350,912	586,760
Other (specify)				

- C. - No specific measures have been taken. However, the Bilateral Aid Programme is predominantly directed towards Africa.

Ireland (cont'd)

- D. - A considerable portion of the Bilateral effort is devoted towards the least developed countries. Ireland supports the Substantial New Programme of Action adopted by consensus at the UN Conference on the Least Developed Countries held in Paris in 1981.
- E. - (No reply on this issue)

ITALY

- Italy is at present examining relevant programmes, both on a national and on a regional scale, concerning the mechanization of agriculture, the installation of machinery for the exploitation of forestry resources, the development of the agro-alimentary industry, the frozen food industry connected with the rational exploitation of animal and sea-food resources, the transport industry (infrastructure and means of transport) on road as well as on rail and on rivers and lakes, the industry of telecommunications systems and of data transmission, the mining industry and the industry of mineral transformation, and last but not least the industry connected with the exploitation of new and renewable energy sources (geothermics and so on) existing in the individual countries.
- In this context, special strategies have been adopted, on a bilateral as well as on a multilateral level, in favour of some geographical areas in Africa.
- Interventions of co-operation - also on the regional level - are presently being studied, particularly for the less advanced countries (especially the Sahel area and subtropical Africa). These interventions ought to be as integrated as possible and should allow situations of serious emergency existing in these areas (e.g. the process of desertification, soil erosion, indiscriminate felling of forests, aridity and droughts) to be faced.
- Therefore the most important co-operative interventions are concentrated in the following sectors: agriculture, irrigation, capturing and agriculturalisation of new land, exploration and rational utilization of water-courses and water-bearing strata, and finally the construction or the improvement of various infrastructures in order to reduce the isolation of those regions concerned.
- As far as inland countries are concerned, interventions are being studied which concentrate on infrastructure and on road and railway connections, especially between the inland centres of agricultural and industrial production or the centres of mining industry, and the coastal centres where the products of these industries are consumed or shipped to export markets.
- Italy is actively working to reach co-operation with those countries of tropical Africa which have no direct access to the sea. In this context Italy is giving priority to interventions of a subregional and regional character in order to improve and to integrate the various existing structures and systems of transportation.

Italy (cont'd)

- Also some island countries have been included in the programmes of technical co-operation promoted by Italy in the fields of exploitation of new and renewable energy sources as well as in those of agricultural and mineral resources and infrastructures.
- As far as Italy's policy of intervention in favour of those countries which are suffering most from natural calamities or emergency situations is concerned, Italy is endeavouring to face the most urgent situations, granting support in the alimentary, monetary and transport sector, or promoting ad hoc programmes on a regional scale. Anyway, on a medium and long-term basis, and in relation to the geographical-sectoral priorities foreseen by the various Italian strategies of co-operation, Italy retains that preference should be given to intervention in favour of those countries which most need immediate help in order to fight against hunger, widespread poverty, illiteracy and disease.

THE NETHERLANDS

A. Table III-1

	Amount (current \$US) million		
	1978	1979	1980
Flows to multilateral institutions (Total).....	230	230	230
Manufacturing sector ...	10	15	30

B. Table III-2

	Volume of programme (current \$US) million		
	1978	1979	1980
Overall technical assistance programme	480	510	570

- C. (No reply on this issue).
- D. Least developed including:
Land-locked - 230 million \$US.
- E. (No reply on this issue).

NORWAY

A. Table III-I

	Amount (current \$US) in millions			
	1975	1978	1979	1980
Flows to multilateral institutions				
(Total).....	(81.7)	(162.6)	(180.7)	(202.4)
Bilateral ODA for the manufacturing sector	12.5	18.2	18.0	29.8
Manufacturing sector <u>x/</u>				

x/ It is rather difficult to pick out flows to the manufacturing sector from national contributions to multilateral institutions.

B. Table III-2

(including bilateral assistance administered by multilateral institutions)	Volume of programme (current \$US) in millions			
	1975	1978	1979	1980
Overall technical assistance programme	19.2	37.5	37.9	42.3
Technical assistance programme for industrialization	2.1	2.7	1.9	2.8

Descriptive details, if any:

Based on data provided to DAC.

C. No special measures have been taken in this connexion.

A very considerable part of Norway's bilateral assistance, however, goes to Africa (1980: 50.6%). Industrial co-operation is also part of this, i.a. as contributions through national financial institutions. (ref. para.II B).

Increased emphasis has been given to encourage co-operation between the industrial sector in Norway and our partner countries, and certain measures have been launched to achieve this (ref. para.II B and IV D).

D. Norway is giving high priority to the needs of the least developed countries both in bilateral programmes and in contributions for multilateral assistance. Norwegian ODA disbursements to the LDCs at present amount to 0.27 per cent of GNP which is the highest share of any industrialized country.

Norway (cont'd)

- At the United Nations Conference on the Least Developed Countries Norway pledged a special contribution of approximately US\$ 2.5 million to the Special Measures Fund for the Least Developed Countries and approximately US\$ 4 million to the United Nations Capital Development Fund, earmarked for the IDCs. This will be followed up by a substantial increase in the 1982 contributions to the same institutions.

SWEDEN

A.

Table III-1

	Amount (current \$US) millions			
	1975	1978	1979	1980
Direct investment	69	142	116	-
Flows to multilateral institutions (Total)	(192,8)	(309,6)	(336,8)	(247,3)
Manufacturing sector ^{1/}	-	-	-	-
Bilateral ODA for the manufacturing sector ^{2/}	7.2	17.8	79.5	132.8

1/ These figures are not accounted for separately and thus not available.

2/ Only 1975 figure refers to disbursements - the others are commitments.

C. (No reply on this issue).

D. Most of the Swedish Government funds for bilateral assistance is directed towards the least developed countries.

During the last years activities in the industrial sector have been started or substantially increased regarding Tanzania, Mocambique and Guinea-Bissau, while activities regarding Vietnam are maintained at a high level.

B.

Table III-2

	Volume of programme (current \$US)			
	1975	1978	1979	1980
Overall technical assistance programme	42,5	87,2	89,6	108,8
Technical assistance programme for industrialization ^{1/}	-	-	-	-

1/ These figures are not accounted for separately and thus not available.

SWITZERLAND

A.

Table III-1

	Amount (current \$US) in millions			
	1975	1978	1979	1980
Manufacturing sector ^{1/}	-	0.3	1.3	0.1
Bilateral ODA for the manufacturing sector	2.6	6.9	11.3	8.6

1/ Contribution to the United Nations Industrial Development Fund.

B.

Table III-2

	Volume of programme (current \$US) in millions			
	1975	1978	1979	1980
Overall technical assistance programme	34.1	74.9	98.0	103.7
Technical assistance programme for industrialization	2.6	7.2	12.6	8.7

- C. Since the greater part of the aid supplied by Switzerland goes to the most disadvantaged countries, the measures described below apply for the most part to countries in that category. In this connection it may be observed that Africa, where many of the most disadvantaged countries are to be found, is a priority concern of Swiss development policy.
- D. As stated in our reply to question C above, the priority objective of Swiss development policy is aid to the most disadvantaged countries. Thus, a special effort is made for the benefit of the least developed countries. On the multilateral level, Switzerland participates, for example, in the UNDP fund for the least developed countries.
- E. (No reply on this issue.)

UNITED KINGDOM

A.^{1/}

Table III-1

	Amount (current \$US) million			
	1975	1978	1979	1980
Direct investment	331.9	502.3	447.0	-
Flows to multilateral institutions (Total) ^{2/}	(346.0)	(612.0)	(943.0)	(526.9)
Manufacturing sector ^{3/}	N.A.	N.A.	N.A.	N.A.
Bilateral ODA for the manufacturing sector ^{4/}	-	300.0	478.7	335.4

1/ "Manufacturing" and "industrialization" have been interpreted to include mining, energy and construction.

2/ ODA flows only, mostly to the World Bank Group, UN development agencies, European Community aid programmes and Regional Development Banks (African Development Fund, Asian Development Fund, Caribbean Development Bank and Inter American Development Bank).

3/ Definitions vary between the institutions, as do the respective proportions of total activities going year by year to manufacturing. Further information is obtainable from the institutions concerned.

4/ Figures include both official development assistance and other official flows.

B.

Table III-2

	Volume of programme (current \$US) in million			
	1975	1978	1979	1980
Overall technical assistance programme	213.9	294.0	393.5	505.5
Technical assistance programme for industrialization ^{1/}	-	35.1	43.7	61.5

1/ "Manufacturing" and "industrialization" have been interpreted to include mining, energy and construction.

C. Decade for Africa

In 1980 gross official development assistance to Africa South of the Sahara under the UK's bilateral aid programme accounted for 38% of the total programme. This compared with 34% in 1979. Total official flows for industrialization in the region in 1980 amounted to £55.3m.

United Kingdom (cont'd)

- The projects approved for assistance by the UK Government in 1980 and 1981 included the Sudan Power III Project to which it has agreed to provide £71m. In the same period the Commonwealth Development Corporation has agreed to make available £6.8m for a tea factory project in Kenya and sums of £3.6m and £2.5m for the expansion of textile mills in Tanzania and Zambia respectively.
 - The UK Government provides substantial support to industrial development in Africa through multilateral institutions and agencies such as the World Bank Group, UNDP, the African Development Fund, the European Development Fund and the Commonwealth Fund for Technical Co-operation. It hopes before long to join the African Development Bank.
- D. In 1979, out of the £490m of net bilateral aid allocatable by countries, 25% or £123m went to the least developed countries. In 1980 this rose to 30% or £141m. This is in conformity with the Government's policy of concentrating aid in the poorest countries including the least developed countries.
- The distribution of UK bilateral aid country by country is not specifically categorised by the definitions of land-locked, island or most seriously affected. However, priorities in distribution and terms of aid take due account of the geographical, economic and other national circumstances affecting recipients' need. Commitments to the poorest countries (including the least developed) have, since 1975, been on grant terms. British loan commitments to other developing countries can, if the recipient wishes, be untied for procurement in the poorest developing countries.
 - The United Kingdom was one of the first countries to implement resolution No. 165 (S-IX) of the Trade and Development Board regarding the burden on the poorest countries of servicing past aid loans. Retrospective Terms Adjustment agreements have now been signed with 18 of the poorest countries. Eleven of the 18 are amongst the least developed countries.
 - The UK Government is providing significant support to the international organizations which give special consideration to the needs of the low-income countries, including the least developed. For example, British contributions to the International Development Association have been among the largest (the United Kingdom's share of the Sixth Replenishment will be 10.1% or \$1.212 billion), and much of the IDA's lending has been to the least developed countries.
- E. (No reply on this issue.)

IV. INDUSTRIAL TECHNOLOGY

Governments were invited to supply information on both public and private activity relating to the following topics:

- A. Measures taken to develop technologies suitable for the conditions of developing countries.
- B. Special measures taken to develop energy-related technology for the needs of the developing countries.
- C. Measures taken in co-operation with developing countries for the provision of a flow of information on industrial technology.
- D. Measures taken to support the transfer of technology to developing countries.
- E. Other relevant topics.

INFORMATION RECEIVED FROM DEVELOPED COUNTRIES IN RESPECT OF THE ABOVE :

AUSTRIA

- A. - The development of technologies for use in developing countries is regarded as an important feature of Austrian development assistance and encouraged by the government in a number of ways. Intensive efforts are being undertaken by research institutes as well as by individual firms to produce technologies geared to the specific needs of developing countries.
 - A short survey of the Government's measures in this field would have to include the general research fund which subsidizes research for such technologies; the system of soft loans and risk guarantees for new plants in developing countries, which stimulates Austrian enterprises to direct their efforts at the conditions of these markets; the active Austrian participation in the endeavour to speed up the transfer of technology by international action; the work done at the national research centers and indeed the whole of Austria's assistance in building new industries and in training. It goes without saying that no project is realized without taking into account the special conditions and requirements of its site, which often necessitate an adaptation of the technology used.
- B. - Within the framework of Austria's general research assistance, research in this field is given priority.
 - Logical parallel measures are subsidies to relevant scientific publications.
 - Austria has actively participated in and co-financed UNIDO programmes for alternative energies (for instance a symposium on small hydro-power stations in Latin America). The special

Austria (cont'd)

- expertise of Austria in hydro-power stations is employed wherever feasible. Studies for the construction of such stations are at present being carried out in a number of developing countries.
- C. In addition to the various measures described above, Austria supports the flow of information on industrial technology through participating in and subsidizing, or financing altogether a number of courses and workshops as well as plant visits. Recent courses were held on the subject of plastic technology, man-made fibres, and plastic mould making. Austria has co-operated with UNIDO in workshops e.g., on fertilizer plant maintenance, on the maintenance of oil refineries, on the construction of small hydro-power stations, and a workshop for industrial training managers. Various Austrian enterprises regularly train individuals from developing countries upon special request. In developing countries training is provided through the efforts of technical advisers, experts and volunteers.
- For developing countries lacking a comprehensive patent documentation, Austria has introduced a search service which is being operated in the framework of the Permanent Legal-Technical Programme of the World Intellectual Property Organization (WIPO) for the acquisition of technology by developing countries. The service which is operated by the Austrian Patent Office, gives developing countries access to one of the most comprehensive sets of documentation in the field of patent literature in the world with over 20 million patent specifications. The search service is available to these countries free of charge.
- The Patent information service of the Austrian-WIPO State-of-the-Art Search Program is accessible to the users of the Industrial Enquiry Service and the Industrial and Technological Information Bank (INTIB) of UNIDO.
- Under an agreement between Austria and WIPO, the International Patent Documentation Centre (INPADOC) has been set up in Vienna. With this statistical information centre, the developing countries have at their disposal an institution capable of providing a comprehensive Patent Classification Service, a Patent Family Service and a Patent Document Copy Service.
- Since 1977, annual training courses on the use of patent documentation as a source of technological information are organized for experts from developing countries. So far, experts from 34 developing countries have participated.
- D. (No reply on this issue).
- E. (No reply on this issue).

BELGIUM

From the private sector we have received the following comments regarding part IV of the questionnaire, entitled "Industrial Technology"

1. A long and distinguished history of involvement in the third world, together with the constraints that operate in a small, highly industrialized country, have compelled the Belgian private sector, since it first began to export on a large scale, to adapt its technologies to the technical capabilities of the users of its equipment in the developing countries. How else is one to explain the fact that, on a per capita basis, Belgium is the world's leading exporting country?
 - As a consequence, the problem of "appropriate technology", which for the past several years has been a subject of international debate, is a constant concern of our companies.
2. Belgian enterprises are thus aware of this problem and make every effort, to the degree that their financial resources permit, to satisfy the requirements that are brought to their attention by their customers or can be identified from the information available to them.
 - On this last point, is it not regrettable that many United Nations organizations, always so ready to proclaim slogans and declarations (one of the latest being that companies in the industrialized nations should design consumer goods or equipment to meet the needs and capabilities of the developing world), have confined themselves too much to discussions of matters of principle and have failed to attach enough importance to the collection and dissemination of appropriate and readily usable information (forecasts, statistics, long-range studies, etc.) which would enable business circles to judge the extent and precise nature of world demand.
3. Belgian manufacturers and designers pass on practically no information, either to their branch federations or to the Federation of Belgian Enterprises (FEB), on their research and development activities for the adaptation of their products to the requirements of third-world countries. As a result, at this stage in our information, we are unable to provide you with detailed replies to the three questions under point IV.
 - Nevertheless, it would appear from our day-to-day contacts and experience that, regardless of the sector to which they belong, many Belgian enterprises and several research centres, established under the so-called "De Groote" law, are developing technologies appropriate to the situation of the developing countries.
4. It is our impression that the number and nature of the applications filed by our exporters with the DuCroire National Office, the Foreign Trade Fund and other public agencies and organizations are proof that Belgian products are sought by third-world countries and that our manufacturers are endeavouring to adapt these products to the technical capabilities of their overseas customers.

Belgium (cont'd)

5. We are prepared to discuss with our members the terms of reference of a survey which would permit you to develop detailed replies to the different questions contained in part IV of the UNIDO questionnaire.

CANADA

- A. Canada does not have a general policy of incentives to promote the development of technologies suitable for the conditions of developing countries. It does have several programs directed at promotion, development and export of technology based goods and services. Beyond these general programs there are two specific ones which have a bearing on the question. The first is the Industrial Co-operation Program which in general terms is directed at promoting co-operative areas of common interest and benefit. Within the programme, there is the Canadian Technology Transfer Facility which is directed towards encouraging and helping Canadian companies to test and adapt their technology to the conditions of LDC partners. The second program is that of the International Development Research Centre (IDRC), an international organization totally funded by the Parliament of Canada. IDRC funds many research projects which are directly or indirectly designed to increase the R and D capacities of LDC's, including the development of appropriate industrial technology.
- B. In general terms, the same comments apply as in A above. Additionally, as was announced at the UN Conference on NRSE in August 1981, IDRC is being provided with an additional \$10 million over 4 years to develop an energy program which it did not have previously.
- C. The major program which deals with information questions in co-operation with LDC's is housed within IDRC. The MINISIS information system, with which UNIDO is familiar, was developed by the information sciences division of IDRC. In addition, both the National Research Council of Canada, specifically its Technical Information Service, and the Canada Institute for Scientific and Technological Information have, on a selective basis, in the past worked with counterpart institutions in LDC's and have many agreements for the exchange of information. They have also, on occasion, provided technical assistance to LDC's (though usually funded outside sources).
- D. (See A above).
- E. (No reply on this issue).

CZECHOSLOVAKIA

- A. Czechoslovakia is interested in deepening the collaboration with developing countries on the development of technologies suitable for them especially in the following fields:

Chemical industry: technology of feeding proteins production of non-traditional raw materials (crude oil);

Technology of urine production;

Textile industry: technology of stockings and socks knitting;

technology of open-end spinning of natural and synthetic fibres;

technology of weaving through the system of inserting the webs by water and air jets;

Other: technology of tanning and finishing of leather.

- B. Heating systems of the thermal power stations supplied by Czechoslovakia have been adjusted to make possible alternate use of either fuel oil or natural gas. Such systems have been supplied, for instance, to the Moshed power station in Iran and to the Skikda power station in Algeria.

- In the deliveries of Czechoslovak sugar mills processing sugar cane, the heating systems have been adjusted to suit local conditions and to make possible the use of bagasse. This applies primarily to the deliveries of sugar cane processing mills for Egypt.

- D. Licensing agreements between the CSSR and the developing countries are concluded either within or outside the scope of inter-governmental agreements on economic or scientific and technical co-operation. When entering into licensing agreements with developing countries, Czechoslovakia reflects the specific conditions and needs of the developing countries. In spite of the fact that licensing agreements represent a minor part of the overall technology transferred from Czechoslovakia to the developing countries (because licensing usually requires a certain industrial and technical level both in the country of the licensor and in the country of the licensee), several cases of licence agreements have been registered:

India	- alarm-clocks, fuel-injection equipment, poly-graphic machines; synthetic diamonds production and production of trolley buses are to be introduced;
Turkey	- various types of machine tools, pick-up cars, fork-lift trucks;
Nigeria	- machine tools;
Mexico	- machine tools, production of jewellery;

Czechoslovakia (cont'd)

Brazil - production of alarm-clock components and their assembly, glass production.

In most cases the technology transferred through licenses has been adapted to local conditions in individual developing countries.

- E. In co-operation with UNIDO, a project on the establishment of the Institute for Tropicalization and Corrosion in Vietnam has been worked out and the Institute is under construction.

DENMARK

- A. When selecting multi by-projects for financing it is generally stressed that they should be technologically and technically appropriate for the developing countries.
- B. Five research and development projects totalling approximately \$ 200,000 have been financed by Denmark in Sudan, Kenya and Tanzania within the field of solar energy and small-scale hydropower. The research activities comprise refrigeration appliances and water pumps based on solar energy, as well as simple spiral pumps run by hydropower from rivers. Local craftsmen are trained in order to establish local production of the spiral pumps, which are used for irrigation and supply of drinking-water.
- Modern wind power technology has reached an advanced stage in Denmark, and the first major wind power project is now planned to be implemented in co-operation with the United Nations Sahelien Office on the Cap Verde islands. The project will cost approximately 1.5 million \$ and comprises large-scale as well as small-scale wind-mills which will supplement the electricity supply in an otherwise oil-based electricity distribution network. The greater economic efficiency of the windmills as compared with oil-based power stations is expected to be demonstrated quite clearly in this project, which also comprises a major training element.
 - Advanced Danish combustion technology can offer a contribution to combustion efficiency in developing countries in many fields, including inexpensive stoves for cooking. Pilot projects amounting to approximately \$US 1 million are planned in co-operation with United Nations Sahelien office within the field of biomass-energy in Gambia and Senegal. The aim is to reduce and rationalize the consumption of fuel wood, partly by the substitution of briquetted peanutshells for fuel wood, partly by the production and promotion of improved cooking stoves.
 - Fact Sheet on Danish Technological Capability in the Field of New and Renewable Sources of Energy etc. is attached.

Denmark (cont'd)

FACT SHEET

Danish Technological Capability in the Field of New and Renewable Sources of Energy; and

Denmark's Programme for Development Assistance to Developing Countries in this Field

I. Technology

1. Windmills

Danish enterprises have developed many different types and sizes of windmills suited for various wind velocities. 500 modern windmills are in use at present. They are mainly designed for power production and can easily be adapted to various voltage levels and frequencies. Other possible uses are for heating, cooling and water pumping, for instance, in connexion with irrigation projects. Most Danish windmills have vertical 3-vane propellers. The capacity of most models range from 22kW to 55kW, in some cases to 630kW.

2. Solar Energy

a) Solar Heat Systems

At present 2-3 thousand solar energy modules are operating in Denmark, primarily for water heating, but to some extent also for roomheating. Extensive R and D programmes are being carried out to encourage further exploitation of solar energy, not only in Denmark but also in warmer latitudes with a higher and more reliable sun radiation. Many types have reached the level of commercial use.

Danish technology on solar energy is well-suited for air-conditioning, including cooling, both in large houses and in minor buildings, in particular in warm countries where the sun shines almost every day and where electricity is expensive. In case of cloudy weather a back-up boiler can be used if the temperature of the heated water in the storage tank is too cold. The initial cost for the solar cooling system will be about 3 times the cost of traditional chilled water house cooling plant, but in general a solar cooling plant only needs 2-10 per cent of the electric power used by a traditional chilled water plant.

b) Photovoltaic Systems

As prices of solar cells are expected to fall considerably soon, one of the major telephone companies in Denmark considers using photovoltaic systems to supply new decentralized telecom equipment using digital techniques with insignificant power consumption. Since 1979 pilot plants in this field have provided know-how on photovoltaic systems, in particular on:

Denmark (cont'd)

- systems design and solar cells efficiency on the various field conditions;
- battery efficiency in photovoltaic applications;
- the correlation between theoretical system optimizing calculations and field test experience; and
- the economic liability of photovoltaic systems.

Danish technology on photovoltaic systems is expected to develop rapidly in the coming years.

3. Geothermal Energy

Dansk Olie og Naturgas A/S (Danish Oil and Natural Gas) is a state-owned limited liability company with the object of procuring, transporting and selling oil, petroleum products and natural gas. The company is also engaged in the exploration and extraction of geothermal energy.

Since 1977 the company has conducted a national survey and an analysis of potential geothermal reservoirs with the purpose of establishing a geothermal plant in Denmark. The experience gained so far indicates that about 40 per cent of Denmark has promising geothermal potential. In 1981 a study will be published of the geology, market and economics for potential plants in Denmark.

The expertise developed in the course of this work can also be applied outside Denmark in places where utilization of geothermal low-temperature reservoirs (70-100C°) is desired.

4. Biomass

a) Biogas Technology

When organic waste, like pig and cow manure and sewage is enclosed without oxygen being present a biological decomposition takes place in which microbes convert the waste to methane and carbondioxyd. This gas mixture represents a combustible fuel with considerable calorific value which can be used for heat and electricity production. In 1978 the Danish Government launched a comprehensive research development programme on utilization of animal waste for on-farm production of biogass. Three demonstration plants representing three different types of digesters were set in function during the period 1978-1980.

The experience gained so far is very promising and could with minor adaptations be transferred to other countries.

b) Sewage as Source of Energy

For several years a Danish company has been working on developing techniques for the treatment of domestic and industrial sewage. The company has designed a plant for treatment of sewage from a Danish city, Fredericia, with 150,000 inhabitants. After treatment the sewage produces methane. This fuel is utilized in an engine which produces energy partly as electricity and partly as heat. The electricity is primarily used in the sewage treatment. The surplus is delivered to the local electricity grid. The heat is used in the plant for the heating of digestion tanks and buildings.

Denmark (cont'd)

The annual production is approximately 1 million kWh of electricity and 2 million kWh of heat energy.

The company has also developed a "bio-denitro-process" by which the chemical energy bound in the nitrogen in sewage is related. During this process about 10-20 per cent of energy for the treatment process can be saved.

c) Energy from Waste Water

A Danish company has developed 3 systems by which valuable components from liquid wastes can be extracted (e.g. energy, fertilizers and water).

Practical application is in progress in several schools in Swaziland and could also be applied in other developing countries as well.

d) Briquettes from Agricultural Residue

Many developing countries depend heavily on energy sources such as firewood, charcoal, crop residues, etc. The demand for such fuel has grown faster than the supply and has already created serious problems with deforestation. In order to reduce this problem a promising Danish feasibility study has been carried out in Gambia in which briquettes are produced from ground-nutshells with a calorific value of more than twice as high as the value for firewood. In Africa the fuel resource in form of ground-nutshells is equivalent to approximately 5 million cubicmeters of firewood based on the calorific value.

Besides ground-nutshells many other forms of agricultural residues can improve the energy situation all over the world: straw from barley, wheat, sorghum, elephant grass, etc. Also residues from wood production are obvious raw materials.

A number of Danish companies can offer several designs of machinery for briquetting of agricultural residue and further R and D activities in this field are under way.

e) Combustion Technology

Danish enterprises have developed considerable number of advances and very efficient technologies for combustion. They range from large boilers designed for district heating systems to small and simple burners suited for minor projects, including inexpensive stoves for cooking. They comprise boilers for oil, gas, coal, wood and untraditional fuels, such as briquetted agricultural residues. In many fields Danish technology can offer a contribution to combustion efficiency in developing countries.

f) Alcohol and Syrup as Engine Fuels

Alcohol can be used as fuel in engines, in mixture, and in pure form. Brazil has an ambitious programme for utilization of alcohol as engine fuel, in particular in cars. Other countries are developing similar programmes. The implementation will require huge quantities of alcohol.

Denmark (cont'd)

Alcohol can be produced from any starch - containing material such as cane-juice, molasses, various grains, sweet potatoes or manioc. Denmark is contributing to the Brazilian project with the enzymes that break down starch-containing materials to alcohol. Denmark is a world leader with the research and production of the enzymes for industrial purposes.

This technology could be applied in many countries all over the world, where sugarcane or other biomass is available at low economic costs.

5. Small Scale Hydro Power Systems

Hydro power systems are normally perceived as large projects with huge river dams and cheap electricity for industrial production.

Danish industry has, however, developed several small systems, mainly in 2 varieties based on either a paddle wheel or a small turbine.

The small scale hydro power system is ideally suited for remote villages and locations with a small river or stream nearby as some systems can work with as little as a 2 meter drop over water flow.

II. Development assistance

1. Bilateral financial and technical assistance in the energy field

a) Development loans

Hitherto, the bulk of Denmark's development assistance energy field has been of a traditional character, comprising mainly projects for conventional oil-based electricity production and distribution. Development loans amounting to approximately \$ 40 million have been extended in the period 1978-80 for conventional electrification projects in the modern sector of a number of recipient countries (Jordan, Indonesia, Togo, Sudan and Senegal). More projects of this type are planned.

Under a development loan to Gambia, finance in the amount of approximately \$ 1/2 million has been provided for a plant for briquetting of peanut-shells. The briquettes are intended for use i.a. in household cooking.

b) Grant-financed project assistance

On a grant basis rural electrification projects amounting to approximately \$ 5 million have been approved in Tanzania. One of the projects is planned to include the construction of a hydro-power station.

The first major wind power project under the Danish assistance programme is now planned to be implemented in cooperation with the United Nations Sahelian Office on the Cap Verde islands. The project will cost approximately

Denmark (cont'd)

\$ 1.5 million and comprises two large-scale windmills which will supplement the electricity supply in an otherwise oil-based electricity distribution network. The greater economic efficiency of the wind-mills as compared with oil-based power stations is expected to be demonstrated quite clearly in this project, which also comprises a major training element.

Other pilot projects amounting to approximately \$ 1 million are planned in co-operation with United Nations Sahelian Office within the field of biomass-energy in Gambia and Senegal. The aim is to reduce and rationalize the consumption of fuel wood, partly by the substitution of briquetted peanut-shells for fuel wood, partly by the production and promotion of improved cooking stoves.

c) Research projects

A number of research and development projects, amounting to approximately \$ 200,000 have been financed by Denmark in Sudan, Kenya and Tanzania within the field of solar energy and small-scale hydro-power. The research activities comprise refrigeration appliances and water pumps based on solar energy, as well as simple spiral pumps run by hydro-power from rivers.

2. Forms and criteria for the extension of bilateral development assistance

a) General

Extension of development assistance within the field of energy is, like other Danish development assistance, subject to two general criteria:

- The assistance shall be extended in accordance with the priorities and wishes of the recipient countries. The selection of assistance activities thus takes place on the basis of requests from the recipient countries.
- The target group is primarily the poorest population groups in the poorer developing countries.

More specific criteria are established for each of the various forms of assistance offered under the bilateral Danish development assistance programme. The programme consists of the following components:

	Appropriation for fiscal year 1981 (\$ mill.)
Grant-financed project assistance	77.7
Development loans	94.2
Experts	12.7
Fellowships	2.2
Emergency assistance, volunteer programme and other	12.5
TOTAL	<u>199.4</u>

Denmark (cont'd)

b) Grant-financed project assistance

i) Geographical distribution

The project assistance is to a large extent concentrated on Denmark's four main programme countries: Tanzania, Kenya, India and Bangladesh. These countries receive approximately 75% of the project assistance. As will be seen project assistance can only to a limited extent be extended to developing countries outside this group.

ii) Project preparation

The projects to be financed are selected in accordance with the wishes and priorities of the recipient countries. Development co-operation with the main programme countries takes place within the framework of rolling five-year country programmes. The project assistance is untied and comprises expert assistance, deliveries of capital equipment, cash contributions for the financing of buildings and plants and financing of local costs. No minimum size of projects has been stipulated, although project budgets normally exceed half a million dollars.

iii) Co-financing

Apart from the joint Nordic projects the only case of co-financing so far has been a major project in the educational sector in Tanzania. The co-financing partners are Denmark, IDA and Tanzania. However, co-financing in the form of parallel financing may be entered into whenever, upon the wish of the recipient country provided that this financing model is feasible in general.

c) Development loans

i) Geographical distribution

Development loans are extended to developing countries having an annual GNP per capita of less than \$ 550. Two thirds of the loan funds were in 1980 extended to countries with GNP per capita amounting to less than \$ 350.

ii) Financial terms

The Danish development loans are extended on the following terms:

Denmark (cont'd)

Country category	Maturity	Grace period	Interest	Grant element
	- years -			
Least developed countries (LDCs)	50	10	0	90%
GNP per capita 250 \$	35	10	0	86%
250 \$ GNP per capita 550 \$	25	7	0	76%

The development loans are tied to the procurement of Danish capital goods and services with certain modifications. For example, transport services are not tied, and in cases related to the two poorest country categories, provision for local cost financing, typically amounting to 25% of the loan, is included in the loan agreements.

iii) Preparation of the loan agreement

While grant-financed project assistance is primarily extended with the aim of covering the basic needs of the poorest population groups belonging to the traditional sector of the recipient country, development loans are extended also to the modern sector of the economy. Thorough investigations are carried out by expert missions before approval of the projects to be financed under the loan. The costs of investigations and feasibility studies are financed on a grant basis.

iv) Co-financing

Danish development loans can be used in co-financing arrangements with other donors in the form of parallel financing. In 1981 three loans have been extended under parallel financing arrangements. Two of the co-financing arrangements include the World Bank.

d) Experts

i) Geographical distribution

Expert assistance is extended to developing countries having an annual GNP per capita of less than \$ 1,000. The geographical distribution is influenced by the fact that experts primarily are assigned to tasks in connection with Danish project assistance or development loans. However, the geographical distribution of experts is wider than is the case for other forms of Denmark's development assistance. Expert assistance is extended only upon official request from the recipient country.

Denmark (cont'd)

ii) Experts within the field of energy

Danish experts may be recruited for energy planning or conservation purposes, for project preparation or training purposes, as professionals in the central administration of the recipient country, as advisers for private industry etc. Assignments are normally for two years or more, but short term experts are also provided.

e) Fellowships

i) Geographical distribution

Fellowships are generally granted only to nationals of developing countries having an annual per capital GNP of up to \$ 1.500 in exceptional circumstances up to \$ 2.000.

ii) Fellowships within the field of energy

Fellowships for studies of energy planning and conservation or within relevant technological disciplines can be granted either separately or in conjunction with other energy co-operation activities in the countries in question. Fellowships are not granted for lengthy basic studies but only for specialised studies to candidates who have completed their basic studies. The average duration of studies financed by fellowships is five months.

f) Development research

Appropriations for development research activities amount to approximately \$ 1 million in 1981. Financial support is given to Danish nationals or institutions only. The research and development activities may, however, be conducted partly or totally in developing countries, possibly in connection with normal project assistance. Increased support for research with regard to the application of new and renewable energy sources in developing countries is foreseen.

- C. (No reply on this issue).
- D. No reply on this issue).
- E. According to the Principles for Denmark's funds-in-trust co-operation with UN specialized agencies, the projects should include a large education or training component, and should follow a basic needs strategy.

The courses and seminars under DANIDA's co-operative programmes should among other things promote the development and creation of training institutions in the developing countries.

FINLAND

- A. The Finish Fund for Industrial Co-operation is the only special agency in Finland which purpose is also to promote the transfer of technology to developing countries. (See II B).
- B. See I.
- C. See II B.
- D. The government supports the transfer of technology by granting loans and financial assistance to the enterprises participating in such projects which also promote transfer of technical know-how.

GERMANY, FEDERAL REPUBLIC OF

- A. Since the mid-sixties the Government of the Federal Republic of Germany has introduced and supported to a greater extent measures to develop and transfer technologies for and in developing countries.

These measures consist of the following:

- Technologies designed to meet the requirements of the developing countries are developed in pilot projects of the Federal Ministry for Economic Co-operation (economic co-operation) and the Federal Ministry for Research and Technology (scientific and technological co-operation) and under co-operation between these two ministries in research and development projects in the Federal Republic of Germany.
- Under bilateral technical co-operation with partners in developing countries scientific and technological institutions are set up or expanded and projects implemented to test, further develop, adapt and disseminate technologies in developing countries. The focus is on Africa.
- In projects of scientific and technological co-operation with a number of advanced developing countries technologies used in the Federal Republic of Germany are tested and adapted and new technologies developed with a view to applying them in developing countries. By contrast with technical co-operation the focus here is on research and development.

The measures focus on the following:

- new and renewable energies
- water supply, irrigation and drainage
- building technology, low-cost-housing
- farm mechanics

Germany, Federal Republic of

The following funds were made available for these measures (in DM million):

1978	1979	1980	1981	1978-1981
48.8	123.2	150.4	171.8	494.2

- B. The 1980 Federal Government Guide Lines for Co-operation with Developing Countries stress the importance of co-operation in the energy field.
- Apart from promoting conventional measures concerned with the exploration, production and distribution of energy the Government of the Federal Republic of Germany has also substantially intensified the promotion of projects designed to use renewable sources of energy since 1979.
 - Bilateral technical co-operation in this area was extended to over 25 countries. In ten focus countries under a "Special Programme for the Utilization of Renewable Sources of Energy" (Kenya, Sudan, Tanzania, Senegal, Mali, Niger, Upper Volta, Philippines, Peru, Colombia) projects were planned and launched, on the basis of intensive requirement analyses, in co-operation with the partner institutions, designed to develop and disseminate simple, easily manageable energy technologies to satisfy basic needs and improve living conditions particularly outside the major cities.
 - The projects cover the full range of renewable sources of energy and areas of application. The focus is on biomass, solar and wind energy and small hydro-power resources.
 - In addition, the development of suitable energy technologies, within scientific technological co-operation, forms a particular focus.
 - The following funds were made available for the measures listed under A. above (in DM million):

1978	1979	1980	1981	1978-1981
25.7	85.3	92.9	93.1	297.0

- C. The technological exchange of information is promoted by means of co-operation in joint projects of technical and scientific/ technological co-operation with the developing countries, by the exchange and training of scientists as well as by conferences and seminars.
- In addition a working unit known as the German Appropriate Technology Exchange (GATE) was set up in 1978 within the German Agency for Technical Co-operation (GTZ) to promote and disseminate adapted technologies in developing countries.

Germany, Federal Republic of

The tasks of GATE include the following:

- to collect, process and distribute information on adapted technologies (question-answer-service)
- to identify technological requirements
- to promote the development and adaptation of technologies for developing countries
- to advise the MBZ and BMFT on questions related to adapted technologies for developing countries
- to promote and advise in the establishment of production capacities for adapted technologies in developing countries by arranging the transfer of technologies and production know-how.

GATE is linked to the international information and documentation system SATIS.

- . The inclusion of technological information from developing countries and the integration of institutions in developing countries in the information system gives special emphasis to the co-operation among developing countries (TCDC).
- D. All measures listed under IV A, B and C either have the transfer of technology as their immediate objective or they serve to prepare and support the transfer of technology.
- . In addition to the activities mentioned above, the Government of the Federal Republic of Germany started a new programme in 1981 concerning the economic application of new technologies in developing countries. The programme includes the granting of low-interest loans to small and medium-sized German firms which apply new technologies for production purposes in developing countries in the form of joint ventures with partners in these countries. The amount of the loan is fixed according to the technical and economic risk involved and corresponds as a rule to 50% of the value of the investment of the German partner in the project. Repayment of the loan may be waived in whole or in part if the new technologies are not economically successful. The programme is designed to reduce the risk taken by the firms in introducing new technologies in developing countries. It is intended as an incentive in the transfer of technology (risk financing).

In addition measures designed to promote the transfer of technology to developing countries which were started at an earlier date, are being continued.

These include the promotion of:

- research and development institutes, centres of technology and productivity, standards facilities;
- technical colleges and technical training institutes;
- scientific and technical services;
- national centres of technology transfer.

HUNGARY

A. The elaboration in Hungary of technologies appropriate for the circumstances of the developing countries is rendered difficult by different geographic and climatic conditions, by differences in the economic structure and in the labour supply. Hungary had no colonies in the past, and in the former colonies the structure constituting the technological basic conditions had been called into being by the ex-colonial powers according to their own standards. Also the multinational corporations carry on at present technological development in the developing countries primarily in accordance with their own interests and not with the development goals and potentialities of the developing countries.

In Hungary industrialization unfolded along broader lines after World War Two only. This means that the technics applied, the experience gained in the course of development stand much closer to the problems now expecting solution in the developing countries. In the majority of cases the Hungarian technologies may be made suitable by just a slight adaptation to the conditions of the developing countries. Besides, in a number of fields technological development is taking place expressively in consideration of the developing countries' requirements:

- energy economy
- bauxite and aluminium manufacture
- pearlite processing
- building industry use of tropical laterite, gypsum and quartz sand
- manufacture of railway sleepers, pylons, and building industry concrete pieces
- management of water resources
- agricultural and food processing systems
- educational systems
- vegetable protein manufacture /Nepex process
- public health systems / establishment of complex health provision for individual districts
- telecommunications systems /involvement of provincial districts in the micro-wave network
- infrastructure / building systems, road, railway, harbour development.

B. Our heat and hydroelectric power station equipment, the technologies applied for them, the long-distance transmission lines, the elaborated system of substations offer solution to the contradiction between the developing countries' increasing energy demands and the concerns caused by rising energy costs. The applied technologies are energy-efficient. The Hungarian technology of hydroelectric power stations is internationally acknowledged. The heat power stations may be located on the fuels occurring in abundance in the developing countries.

Hungary (cont'd)

- C. The industrial technology transfer to the developing countries occurs in every instance together with the supply of a considerable amount of information. A promotion of information flow is met among others by the agreement between the Hungarian government and UNIDO, which envisage joint programmes in the field of e.g. the instrument industry, the electronics and telecommunication industry, alumina manufacture and aluminium industry. We render assistance to the developing countries also in other branches for an acquisition of information on technologies. The Institute for Building Science, for example, has compiled a directory of the Hungarian building and building materials industry technologies and of the economical housing technologies meeting the demands of the developing countries. The information materials are available to the developing countries through UNIDO.
- D. Hungary's technological co-operation with the developing countries is realized in the first place with the state sector of these countries' national economy. All the same, there are numerous examples for technology transfer to the private sector too.

The established forms of technology transfer:

- trade and payment agreements: within the framework of these transfer of technology is realized in the form of selling and buying.
- technical and scientific co-operation agreements: on the basis of these, long-term co-operation may be established for the exchange of scientific information, experts and technological experiences;
- economic co-operation agreements: these may cover deliveries of production systems, plants, where the transfer of technology is embodied in machinery, equipment, manufacturing processes, designs, technical documentation, and consultancy.

- E. Hungary's technology transfer to the developing countries occurs according to the following basic principles:

- expansion of economic, technical and scientific relations with the developing countries on a mutually advantageous basis, free from all discrimination;
- technology transfer should promote a modernization of the affected developing countries' national economy, increase their economic independence, and raise their technical and technological standard.

The transfer of technology is realized - in accordance with the demands of the developing countries - mainly in the following areas:

Hungary (cont'd)

- energy producing sector of the developing countries;
- branches manufacturing capital goods;
- food production and processing;
- pharmaceutical industry, chemical industry;
- alumina and aluminium industry;
- technological development of small and medium-sized plants.

IRELAND

- In general, the weight attached to technical assistance in the Bilateral Aid Programme derives from Ireland's concern to transmit technological information and expertise which has been useful in developing its own resources, to recipient developing countries. Accordingly the policy outlined in 1979 still guides our position in international fora concerned with the transfer of technology. It remains our position, as a technology importing country ourselves, that the volume and quality of technology being transferred to developing countries should be constantly increased and improved. In addition to the Community and national agencies referred to in our reply of 1979 Ireland is an active participant in UNCTAD, and places a high value on its role in disseminating information and protecting against Restrictive Practices and abuses.

ITALY

- A. As far as the setting-up of technologies corresponding to the situation and to the requirements of developing countries is concerned, it must be underlined that Italy is actively endeavouring to provide the developing countries with technologies which should be as adaptable as possible to the individual local realities.
- B. Italy is giving the utmost priority to co-operation in the field of energy sources, especially new and renewable ones. In this context, Italy has developed technologies which are particularly apt for being transferred to developing countries, especially in the sector of geothermics, gas, solar energy, wind energy and energy of the biomass.

Furthermore, Italy is sensitive to training and professional qualification programmes in these sectors.
- C.D. Most of the technologies transferred concern the installation of industrial plants or the transfer of processes of technical assistance.

Italy is also concerned about the problem of the training of necessary personnel and future experts and is acting also within the framework of the Community in order to supply the developing countries with information regarding industrial technology.

Italy (cont'd)

- As far as the measures for the promotion of the transfer of technologies to developing countries is concerned, it is well-known that for years the United Nations have been carrying out negotiations for the approval of an international Code of Conduct for the above transfers.
- In this context Italy has endeavoured and is still endeavouring within the framework of the UN to reach final approval of a code which corresponds to the interests of both sides.

NETHERLANDS

- A. Courses, bilateral industrial contacts.
Various activities in field of agricultural machinery production, adapted to the needs of the DC's.
- B. Regional development programmes with integrated production, technological processing and marketing. Bilateral programmes for land-evaluation, education research and technology.
 - . Stress on rural energy.
- C. Courses, fellowship programmes cooperation activities between research, scientific and educational institutes.
- D. Promotion of industrial development in DC's by models for international labour partition and restructuring activities in the Netherlands.
 - . Bilateral and multilateral projects.

NORWAY

- A. Projects aiming at developing suitable technologies have received support through research-grants to institutions in the main partner countries as well as in Norway. (ref. also para.IV D).
- B. Extensive Norwegian research in the field of fuelwood is presently being carried out. It includes higher yield fuel plantations, transformation of fuelwood to charcoal, as well as the use of timber and woodfueled engines. Also simple and inexpensive wood and charcoal stoves are being developed which have an efficiency almost ten times as high as fire-places presently in use.

A course in oil-technology for fellows from developing countries is held annually in Norway.

A Council for co-operation with developing countries in the petroleum sector was established in January 1981. The Council, which is a follow-up of the UNCSTD, will make it possible to evaluate inquiries from developing countries regarding operation in the petroleum sector.

In addition to the official body, a consultative council, representing private institutions and companies, will assist in co-ordinating private and official activities in this sector.

Norway (cont'd)

- C. (No reply on this issue).
- D. The following support has been given within the framework of Norway's bilateral assistance:

Technical assistance

- This includes technical experts, consultants and scholarships. The bilateral experts will often be assigned to industrial projects or programmes supported by Norway - and the aim itself of such technical assistance is transfer of know-how.
- For consultancy-studies, the aim is more often to produce a professional report or survey concerning a development project. Lately such assistance has to a great extent been within the oil-sector.
- The scholarship-programme gives emphasis to training relevant to the financial support. Courses in oil-technology and pulp and paper production have annually been arranged in Norway.

Research

- Grants are given to promote research in the developing countries and in Norway relevant to development efforts. Some of the projects supported by this scheme aim at developing appropriate technologies for industrial production in developing countries.

SWEDEN

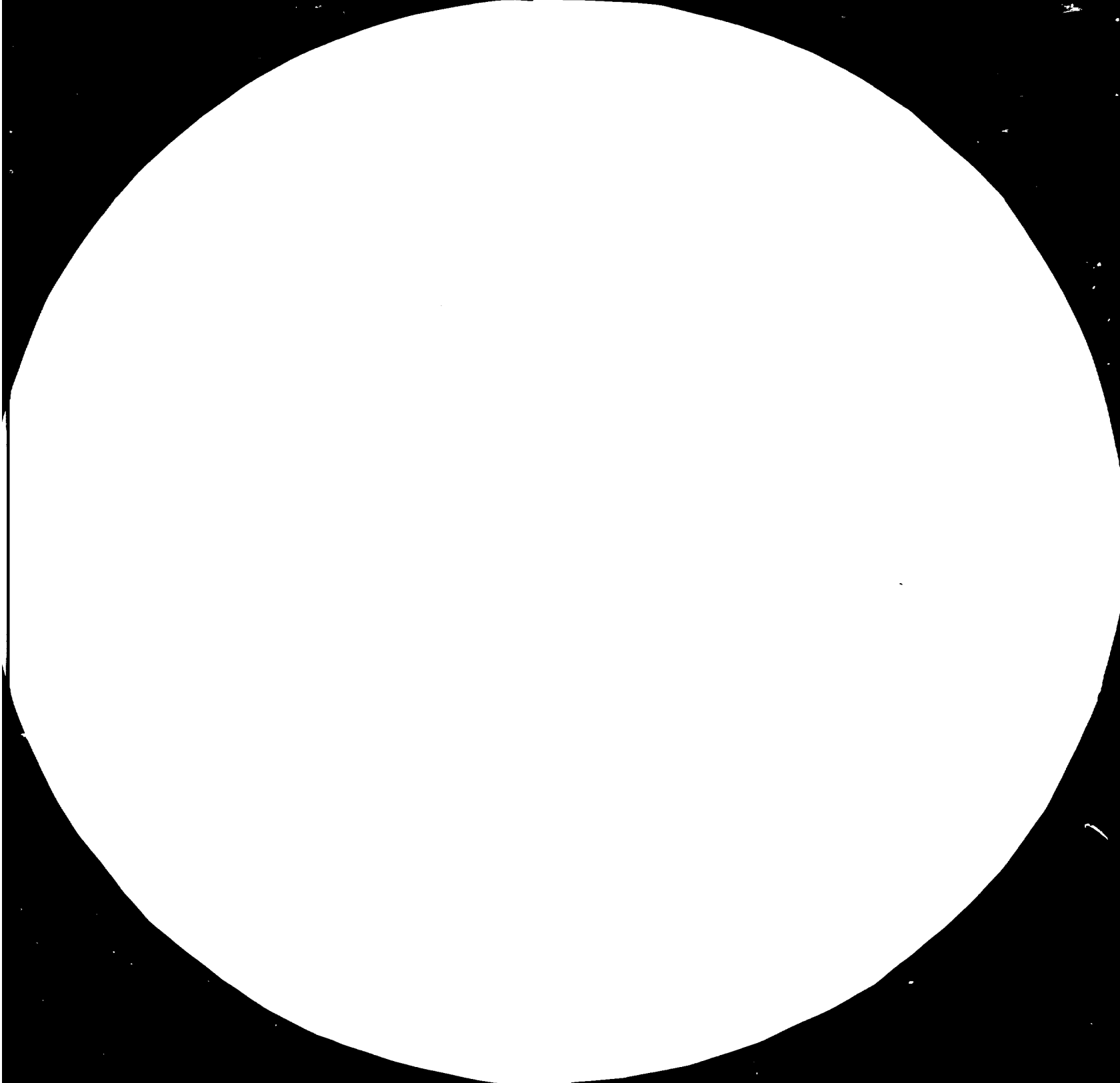
- A. Within the framework of bilateral agreements on research co-operation with a number of developing countries, these countries can request support from SAREC for the above referred purpose. In the past support has this way been given to a number of projects in the fields of building and energy technology. SAREC also provides financial assistance to the research on appropriate technology undertaken within ILO's World Employment Programme.
- The National Board for Technical Development (STU) has adopted a programme for appropriate technology, aiming at promoting adaptation of Swedish technology to the needs of the developing countries. The major part of technology adaptation takes place through direct contacts and negotiations between Swedish firms and enterprises from developing countries.
- B. SAREC supports development of more efficient methods for production of charcoal in Zambia, and development of solar crop dryers in Nicaragua. In January 1982 SAREC will convene a workshop on energy research with participants from about 20 developing countries.
- SIDA has started a programme for assistance in the energy field.
- C. (No reply on this issue).

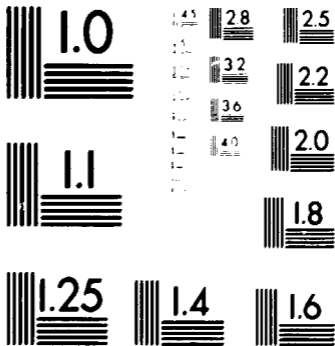


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Sweden (cont'd)

- D. Transfer of technology is an integrated part of SAREC's support to the strengthening of research capacity in developing countries. Such transfer is for instance promoted through support to research co-operation between research institutions in developing and developed countries, including shorter specialized training of researchers from developing countries. Fields where such scientific exchanges have been facilitated includes engineering geology, geothermal energy, building techniques and metrology.

SWEDEFUND (see II.B)

The Swedish Commission for Technical Co-operation with Developing Countries (BITS) has been established with the purpose of promoting transfer of technology to DC:s. BITS receives its annual contribution of about 100 million SEK from the development co-operation budget. BITS main fields of activities are:

- financing of feasibility studies
- financing of pre-investment studies
- granting soft loans or grants to projects of interest to both Swedish industry and developing countries.
- training courses on technical and management level.

SWITZERLAND

- A. An effort is being made on an ever larger scale to develop and apply more appropriate technologies, particularly in rural areas. The conditions for the provision of aid by Switzerland (choice of type of action, nature of the resources made available, choice of equipment and tools, structure and integration into the environment, production and distribution systems established) are today no longer studied simply in the light of their economic profitability, but also with a view to their implications in terms of employment, modification of social structures and effects on the physical and economic environment.
- B. Financing of research aimed at better use of existing technologies (wood burners, use of agricultural wastes, etc.) and the development of new appropriate technologies (biogas, solar energy).
- . Surveys for mini and micro hydroelectric power plant projects and their application on the spot.
 - . This action is taking place mainly in Nepal, India and Bangladesh.
 - . Switzerland is also financing surveys with a view to launching an over-all energy plan in Rwanda and Colombia.

Switzerland (cont'd)

- C. Switzerland endeavours to disseminate information mainly through its support of training services in developing countries. The Swiss Confederation provides substantial financial support for a Swiss institute specializing in the dissemination of information on techniques suitable for the developing countries
- D. Switzerland is making considerable efforts in regard to the transfer of technology to the developing countries. The various examples of specific activities set out below make it possible to gain a fuller appreciation of these efforts.
- Switzerland supported three institutions in developing countries (International Rice Research Institute, Philippines; Asian Institute of Technology, Thailand; Appropriate Technology Development Association, India) to enable them to attend the Fair "Technology for the People", held in Geneva in 1980 and in Mexico in 1981. The aim of this Fair was to provide an opportunity for industrialists or institutions in industrialized countries and developing countries to display those of their products designed mainly to meet the needs of developing countries. An event of this sort is a specific example of effective action for promoting the transfer of appropriate technology. If such a transfer is to be made on a large scale, it must take place on a commercial basis.
 - The marketing of industrial technology is an indispensable factor for guaranteeing the future of the industrial development of the developing countries. For many Third World countries, it is difficult to apprehend this market; the initial financial effort is considerable, and the risks are high. Giving industrial agents of developing countries the opportunity at international fairs to establish numerous business relations and to get to know the world outside enables them subsequently to conduct their commercial policy more authoritatively.
 - Moreover, Switzerland has over the last ten years played a part in university education in several Third World countries. It is also actively participating in the United Nations Conference on an International Code of Conduct on Transfer of Technology.
- E. (No reply on this issue.)

UNITED KINGDOM

- A. Support for the development of appropriate technology forms an important element of the British aid programme. In 1977 a Working Party considered how the UK could do more through this programme to facilitate the use in developing countries of appropriate technology, and its recommendations for an extension of aid activities in this area were approved by the UK Government.
- In 1981/82 £5.5m was provided under the ODA's Research and Development subhead for the development of technologies appropriate to conditions in developing countries, particularly in the engineering, natural resources and energy fields. The UK Government also funds Intermediate Technology Industrial Services (ITIS), whose functions include the development, adaptation, testing and demonstration of new technologies. Other specialist units supported by the UK Government include the Tropical Products Institute (TPI) and the National Institute of Agricultural Engineering (NIAE), which undertake research and development work in appropriate post-harvest and on-farm technologies respectively, and the Overseas Units of the Building Research Establishment and the Transport and Road Research Laboratory.
 - Moreover, in the private sector the adaptation and development of appropriate industrial technologies is an integral part of much of the overseas work of UK companies. Research, and work on design and for production, is undertaken both in the UK and in developing countries in co-operation with local partners. Products, and related production techniques, are geared to suit local patterns of use, production and maintenance capabilities, and the extent of locally available labour and other necessary inputs. Through the private sector much has been and is being achieved in, for example, the fields of machinery for agricultural cultivation and processing, production engineering at low to medium levels of technology, assembly plants incorporating a rising proportion of locally made components, food and drink production, the utilization of agricultural waste products, etc.
- B. The UK Government resolved in July 1981 that the promotion of the better use of energy in developing countries was one of the areas of the aid programme which called for special attention. At the UN Conference on New and Renewable Sources of Energy in 1981 it announced a special allocation of £2m to be used to assist developing countries to establish or strengthen their energy planning capabilities.
- Under its bilateral technical assistance programme the UK is well placed to assist industrial concerns in developing countries to examine and, where possible, to improve energy efficiency. Research and development projects funded by the UK Government under the aid programme include the development of a low-head micro-hydroelectric turbine, support for wind-pump development in Kenya, development of a small steam-electricity generating unit and support for solar crop drying. The ITIS has been undertaking works into solar, wind and small-scale hydro-electric power. The TPI has established

United Kingdom (cont'd)

a group of engineers and technologists to work within its Industrial Development Department on assisting the developing countries to meet a greater proportion of their energy needs from biomass sources. It has laid particular emphasis on the application of technology on the small to medium scale, e.g., through the development of improved transportable metal kilns for charcoal production and of biogas digesters using animal and vegetable waste.

- C. The UK recognises the importance for developing countries of having access to information, e.g. in data banks, on the range of technologies available. The government bodies previously mentioned all engage in activities for the dissemination of such information.
- However, experience seems to show that any information service needs to be supported with assistance on the adaptation, testing and demonstration of technologies appropriate to the individual situation. To this end the ITIS operate a Technical Enquiries Service which responds to enquiries from developing countries by putting them in touch with appropriate sources of technological information, but goes further than this and where necessary will actively co-operate with the developing country and with firms and institutions in developing countries in assessing the suitability of the information for their needs. A similarly broad approach is taken by the Tropical Products Institute and the other technological units described in Section IV A.
- D. The UK fully supports the objective of increasing the technological capacity of developing countries. It operates an active programme together with the Intermediate Technology Development Group through ITIS in assisting the transfer of small-scale industrial technologies to developing countries. In 1981/82 funds totalling £750,000 have been provided for these purposes. In addition to funding the support costs of ITIS and its projects activities which are directly linked to the adaptation, testing and demonstration of specific industrial technologies, funds are also provided to assist the development of institutional capability within developing countries to undertake research and development of appropriate technologies themselves. The UK Government also supports the work of specialised units such as the Tropical Products Institute, National Institute of Agricultural Engineering and the Building Research Establishment, which are actively involved in assisting the transfer of appropriate technologies to developing countries. In addition, the UK Government continues to encourage the dissemination of technologies at different levels through its assistance to various forms of technical education and training.
- The UK plays an active part in negotiations on a UN International Code of Conduct on the Transfer of Technology and will continue to work for a generally acceptable and workable Code.
- E. (No reply on this issue.)

V. DEVELOPMENT OF HUMAN RESOURCES OF DEVELOPING COUNTRIES

Governments were invited to supply information on the following topics:

- A. Availability and expansion of training facilities in institutions and in industry for trainees from developing countries
- B. Support for training facilities in developing countries
- C. Measures taken to support international programmes for the effective integration of women in the industrialization of developing countries
- D. Other relevant topics

INFORMATION RECEIVED FROM DEVELOPED COUNTRIES IN RESPECT OF THE ABOVE:

AUSTRIA

- A. As has been stated under (I), Austria is fully aware of the paramount importance of training in the development of new industries. The establishment of new industries with Austrian participation usually involves the transfer of considerable know-how. But training facilities are also being offered and maintained on a fairly broad scale. Scholarships in any field are available to those who wish to conduct special research projects at Austrian universities. In the fields of mineral exploration and ground water tracing, which are vital to many developing countries, special postgraduate courses are provided for participants from developing countries, most of whom attend on a scholarship basis. Other courses specially for trainees from developing countries are conducted in Salzburg and concern the training of middle management in hotels and tourism industries and of trainees in the field of tourism.
 - . Apart from all this the Austrian Institute for Development and Technical Co-operation with Developing Countries has been conducting courses for Industrial Training Managers for the last three years with UNIDO involvement. These courses, have been annually attended by participants from about 12-14 developing countries.
 - . As an efficient customs system is essential for the technological development of any country, Austria has organized four courses on the subject of customs systems in 1979 and 1980, which were attended by 49 officials from 23 developing countries; 19 officials came from the least developed countries. At the same time Austrian experts on the subject are being sent to developing countries to lecture on the General System of Preferences and its applications.
- B. Examples of Austrian aid in support of training facilities in developing countries have already been given under IV.C. Austria also supports an FAO-training course for forest harvesting and construction of access roads, a vocational training school in Upper Volta, a school of journalism in Kenya,

Austria (cont'd)

the training of maintenance personnel for isolated power stations in Sudan, and the placement of individual trainees in institutions or companies on special request. The latest project of this kind is a co-operation project with a technical secondary school in Tanzania.

BELGIUM

- A. In principle, all training facilities in Belgium are available to trainees from developing countries. Every year, Belgium takes in an impressive number of trainees who come to our country to upgrade their skills. They are financed either through bilateral or through multilateral co-operation arrangements, or by the countries involved themselves.
 - Within the framework of this technical co-operation, the General Administration for Development Co-operation (AGCD) concludes a number of contracts with firms specializing in the arrangement of training programmes.
- B. Through bilateral (and multilateral) co-operation, Belgium has, in many countries, supported or established vocational training centres and also industrial technical training institutes. Initiatives of this type are taken after local surveys have been carried out to determine how the programme can be tailored to fit the requirements of the users. The training offered is mainly for skilled technical workers, other skilled workers and plant foremen.
 - Apart from these activities, Belgium participates in many developing countries in the training of senior management staff with a university background.
- C. (No reply on this issue).
- D. (No reply on this issue).

CANADA

- A. Canada has available an extensive range of academic training facilities for post secondary training which can respond to the development needs of human resources from developing countries. Programs can be provided which cover a wide range of disciplines at the diploma and undergraduate and graduate levels. These facilities can provide training in either the English or the French language. Similarly, the Canadian para public and private sectors have the capacity to respond to the provision of on-the-job training in both technical and management sectors. Through a variety of government to government or special scholarship programs, many individuals from developing institutions are annually undergoing academic or practical training programmes in Canada.

Canada (cont'd)

- B. Canada provides extensive support for training facilities in developing countries through numerous government to government programs and projects, through extensive use of non governmental programmes as well as support to many international agencies. These various channels of support contribute in a significant way to development of human resources in the developing countries. Canadian support ranges across a broad spectrum of activities such as the building, staffing and equipment of institutions to small village training facilities.
- C. The Industrial Co-operation Programme of the Special Programs Branch of the Canadian International Development Agency (CIDA) responds to initiatives from the Canadian private sector and encourages greater female participation in joint development projects. For example, the ICP encourages women to take part in industrial training and management courses in Canada for long term projects.
- CIDA supports in its bilateral assistance, and in Canadian NGO and INGO channels, the development of production co-operatives managed by women, and encourages small and medium enterprises by women in non-traditional sectors, as in Guyana fisheries, Lesotho diamond-mining, Nepal's Karnali-Bheri integrated rural development program, and the Montserrat Handicrafts program to name four.
- D. The World Bank Report for 1981 stresses the good investment which emerges from the training of human resources. It follows that CIDA's programs for training women in skills suited to local small-scale enterprises will not only improve the quality of family life and of women's status, but will also be a sound investment in long-term community progress.
- It is CIDA's policy to seek to reduce health risks to women from unsanitary and unsafe working conditions in developing countries and to stop the abuses and the exploitation of women as cheap labour in certain industries. This is done through the distribution of health and safety information in training programmes involving women, and participation in UNIDO activities by officers of the Resources Branch of CIDA.

CZECHOSLOVAKIA

- A. Bilateral technical assistance to developing countries can be distinguished as:
- Technical assistance provided together with supplies of industrial plants, machinery and equipment.
 - Technical assistance not connected with deliveries of goods.
- ad 1. Technical assistance is materialized both in the developing countries and in Czechoslovakia and its main forms are:
- Training of personnel in the course of construction, assembly and operation of industrial plants built in the developing countries with Czechoslovak assistance. In connection with the above more than 2,000 Czechoslovak specialists work annually in developing countries. The result is the overall extension of technical and tech-

Czechoslovakia (cont'd)

nological knowledge and skills which can be utilized in a broader framework. The aim is to train from the very beginning that personnel, to whom the plant or equipment is to be handed over.

- Training of specialists at educational establishments set up in the developing countries with Czechoslovakia assistance. Czechoslovak foreign trade corporations build training centres or provide the required equipment - for instance, three training centres have been built in Angola, one in Mozambique, several machinery-oriented centres in Cuba, Mongolia, Afghanistan, Nigeria. Further extension of this form of co-operation will continue with Ethiopia, Guinea, Tunisia, Algeria, Iraq, Zambia, Libya. A poly-technic school is to be established in Nigeria.
- Moreover local staff are trained in the maintenance and assembly of machinery and equipment delivered from the CSSR (machine tools, trucks, tractors). Positive experience has been accumulated for instance in Iraq, Syria, Burma, Mozambique, etc.
- Training of personnel from the developing countries in Czechoslovakia in vocational technical schools and in higher specialized secondary establishments.

ad 2. Technical assistance not connected with deliveries of goods includes:

- Sending specialists and experts of diversified professional background to developing countries.
- Training personnel from developing countries in Czechoslovakia (without supplies of plant, machinery, etc.).

Both forms of the above assistance are materialized under bilateral intergovernmental agreements on scientific and technical co-operation.

Specialists and experts:

- The task of the specialized personnel sent from Czechoslovakia is twofold: to cover part of the needs of the developing countries in highly qualified personnel, in particular in the development of production and, to undertake training of local personnel on the spot.
- These specialists render technical assistance in various fields of industry, mining, agriculture, education etc. and are sent individually or in groups. The number of experts sent to the developing countries annually tends to grow and represents about 1,000 experts/year of whom one quarter is represented by specialists in technical fields. In addition, some 60 experts are sent annually to the developing countries on the costs of the Czechoslovak Government.

Czechoslovakia (cont'd)

- A significant role in increasing the theoretical knowledge and the whole engineering and scientific bases of the developing countries is played by Czechoslovak professors and teachers functioning at specialized high schools and universities in developing countries. Of these 200 pedagogues, one third is represented by specialists in technical fields.

Training of personnel:

- The purpose of training is to improve the theoretical and practical knowledge and qualification of the personnel of the developing countries. There are two main categories of trainees. The first comprises skilled workers, foremen and technicians at an intermediate level. Their professional and vocational training takes place as a rule in industrial enterprises, mines, repair shops, etc. An average number of trainees is 500/year.
- The other category comprises professional post-graduate training of personnel with university degrees. Such training is done individually or in courses. Post-graduate training covers a wide range of subjects from project designing, research and development training etc. In order to overcome the language barrier, long-term post-graduate courses for trainees from various countries using a common language are being arranged. In 1980, 471 and in 1981, 651 post-graduates were trained in Czechoslovakia.

DENMARK

A. Study programmes - 1982

<u>Course or training programme</u>	<u>Organizer</u>	<u>Commencing Date</u>	<u>Duration</u>
Seed pathology	Institute of seed pathology for developing countries, Copenhagen	1 March and 1 September	6 and 12 months
Housing and urbanization	The Royal Danish Academy of Art, School of Architecture, Copenhagen	1 September	9 months
Schistosomiasis	The Danish Bilharziasis Laboratory, Copenhagen	1 March and 1 September	4 months and 3 1/2 months
Aerodrom control course and procedural approach control course	College of Aeronautical education, Copenhagen	18 March and 20 October	42 weeks

Denmark (cont'd)

Advanced ATC course	College of Aeronautical education, Copenhagen	12 January	6 weeks
ATPL/Dispatchers course combined	College of Aeronautical education, Copenhagen	18 August and 2 September	16 weeks 14 weeks
Management course (junior managers involved especially in production management or in marketing management)	DANIDA	September	3 months
Adult education (probably supplemented by further study periods)	Askov Folk High School	10 May	2 months
Dairy technology	Danish Turnkey Dairies Ltd.	31 March	2 months
Dairy maintenance	Danish Turnkey Dairies Ltd.	19 August	3 months

B. Tanzania:

- Support of D.kr 16 million in the period 1979-83 for the construction and equipping of a cement training institute and a vocational training school.

Kenya:

- Support of D.kr. 17 million in the period 1968-82 for the establishment of an industrial training centre.
- Support of D.kr. 20 million in the period 1974-81 for the establishment of an industrial training centre.
- Support of D.kr. 2.5 million (1976-81) for the Harambee College of Technology, Kirinyaga.
- Support of D.kr, 3.8 million (1979-84) for the Harambee College of Technology, Nakuru.
- Support of D.kr. 1.0 million (1978-81) for the Harambee College of Technology, Kiambu.
- Support of D.kr. 5.3 million (1979-81) for educational equipment for the village polytechnics.
- Support of D.kr. 1.0 million (1978-81) for the Harambee College of Technology, Kiambu.

Mozambique:

Assistance to four technical schools. US\$ 1.0 million during the years 1977-81.

FINLAND

- A. The programme for Development Co-operation of the Helsinki School of Economics offers each year several courses and seminars in the field of trade and administration.
- . The Forestry Training Programme for Developing countries of the National Board of Vocational Education offers training in the field of forestry both in Finland and in developing countries.
 - . Training is arranged for participants from developing countries in various fields, including furniture and joinery industries, customs practices, etc. Finland offers a number of scholarships to students from developing countries as part of technical assistance mainly related to development co-operation projects. Also individual scholarships are based on scientific and cultural exchange mainly related to the Agreements on Economic Co-operation. Some special grants are available.
- B. Some of the above mentioned courses and seminars are held in developing countries. Some development projects carried out by Finland in developing countries include a training component, scholarships to enable them to acquire expertise in their field by studies abroad.
- C. The Ministry for Foreign Affairs adopted in 1980 a policy programme on women in development for the improvement of the status of women in the developing countries by the Finnish development co-operation. Women's role in development is regarded as an integral part of the development process and promotion of social equality. According to the Finnish policy women's role in development should be taken into consideration in all stages of development programmes, i.e. in planning, implementation and evaluation.
- . The programme states that in negotiations on country programmes with the recipients the issue of women in development should be brought up as a special matter and should be noted separately in the agreed minutes. Bilateral and multi-bilateral programmes where women can clearly be regarded as beneficiaries are dealing primarily with rural development, such as agriculture, water development etc. Financial support is given to the Voluntary Fund for the UN Decade for Women.

GERMANY, FEDERAL REPUBLIC OF

- A. The number of training places in industry is very high, though no statistics are available. On account of the lack of funds existing facilities are not being used to full capacity.
- B. The promotion of industrial and artisanal training still has a high priority in view of the lack of skilled workers in the developing countries, and also because the Federal Republic of Germany has particular experience in this field. Since experience has shown that problems are involved in meeting actual requirements by school training alone, and that this method is also very expensive, the dual system is generally preferred today combining training in a school with training on the job. According to the situation, different combinations of the dual system are developed in collaboration with individual developing countries. This may include further training for skilled workers in evening courses and a commercial training in addition to a technical training.
- . Today the priority measures include the promotion of the training of instructors.
 - . In 1980 the government of the Federal Republic of Germany developed a new programme to promote on-the-job training in developing countries. The programme, a long-term one under which 100% of the net training costs will as a rule be refunded, is designed to encourage entrepreneurs in developing countries to create new places for systematic on-the-job training in the industrial and commercial sphere. Approximately DM 10 million are available each year for this programme.
 - . The following funds were disbursed under technical co-operation to promote industrial training:

1975	approx. 172 million DM
1978	approx. 235 million DM
1979	approx. 282 million DM
1980	approx. 382 million DM
- C. The many projects designed to promote industrial production are not specifically intended for women but, in most cases, do benefit women in the form of jobs. With financial support from the Government of the Federal Republic of Germany many measures are implemented, some through private organisations and the churches, to promote the integration of women in the process of industrialization.
- D. (No reply on this issue).

GREECE

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).
- D. (No reply on this issue).

HUNGARY

- A. At present the Hungarian People's Republic has valid technical and scientific co-operation agreements with 47 developing countries. Under these agreements the training in Hungary of the developing countries' specialists takes place on respectively a paid and free basis in various fields of economic and scientific life and of industry. While in 1960 some 1000 persons, in 1981 already 3000 persons participated in training in this country. Up to now some 60 developing countries availed themselves of the Hungarian training and development possibilities.
- After a one-year preparation in learning the Hungarian language the candidates may participate in secondary-level professional education, in 3 to 6 months' professional extension training, in full-course university education, and graduates may participate in postgraduate professional practices.
 - Training is provided for specialists of the developing countries also in various domains of industry. Such domains cover in the first place the manufacture of sanitary machinery and equipment, medical instruments, buses, railway vehicles, prefab factories, agriculture and food industry, with the training taking place in Hungarian industrial plants having achieved outstanding results in the manufacture of the given equipment.
- B. Hungary sends an increasing number of specialists to the developing countries. In 1981 their number was around 1000. Part of these engage in educational activities, but also the rest contribute to the training of specialists. The Hungarian foreign trade offers complex educational systems to the developing countries, including the curriculum and the staff of instructors. Our health, water management, agricultural and food industry systems are made complete - if so required - with educational activity.
- C. Increasing the role of women.

IRELAND

- A. As will be seen from the BAP Report for 1981 Ireland is concerned to provide training courses and fellowships in Irish institutions covering a variety of skills required in developing countries.
- B. Specific emphasis is placed on the allocation of resources for the Bilateral Aid Programme on the need to support training facilities in developing countries. Ireland's efforts in that regard are exemplified particularly in the assistance it provides to the four priority countries as set out in the fact sheets.
- C. (No reply on this issue).
- D. (No reply on this issue).

ITALY

- A.B. The programmes for professional training in the developing countries are one of the most significant aspects - also in terms of quantity - of the co-operative activities with the developing countries undertaken by Italy in the framework of public development support. In particular, Italy has been engaged for a long time in programmes of professional training by:
- sending Italian experts and specialists to the individual countries;
 - creating numerous professional training centres in the developing countries;
 - granting scholarships to technicians of the developing countries for training and specialist courses in Italy;
 - sending teaching illustrative and audio-visual material for information programmes, especially in rural areas;
 - co-operating with already existing local structures in the field of professional training and qualification;
 - providing financial support for international training programmes for the developing countries.
- C. In the preventive evaluation of development projects, Italy takes particular consideration of the impact which development will have on the promotion of the condition of women in the single countries.
- D. (No reply on this issue).

NETHERLANDS

- A. Fellowship-programme, "à la carte" training courses, follow-up activities, literature-programme for universities in DC's, financial assistance for institutes and courses for international education and research.
Budget for 1982, 80 million US\$.
- B. Linkage-arrangements between universities and training institutions in the Netherlands and DC's.
- C. Single projects.
- D. (No reply on this issue).

NORWAY

- A. The bilateral scholarship-programme includes regular courses in Norway in:
- Pulp and paper technology
 - Hydropower development
 - Electric power distribution systems

Norway (cont'd)

- Fishing and fish technology
 - Petroleum prospecting and reservoir evaluation
 - Marine civil engineering.
- B. Norway gives fellowships for students at Asian Institute of Technology, Thailand, on a regular basis.
- C. Norway has been actively supportive of efforts aiming at the effective integration of women in the industrialization of developing countries (ref. Norway's position in the last meeting of the IIB). The integration of women in development has a high priority within the Norwegian development assistance, as well as in the selection of particular projects and programmes.
- Subject to parliamentary approval, Norway will in 1982 contribute 2 million N. Kroner (appr. 330,000 US\$) to the new institution Women's World Banking).

SWEDEN

- A. With financial support from SAREC the International Seminars in Physics and Chemistry organized by the University of Uppsala offer 30 stipends annually to researchers from developing countries for participation in research groups at Swedish institutes of physics and chemistry. Through BITS, representatives from developing countries are invited to numerous training courses in Sweden each year.
- B. This is a major activity for both SIDA and BITS.
- C. (No reply on this issue).

SWITZERLAND

- A. Organizing courses and financing training in Switzerland in vocational training schools, centres for technical further training (general and automotive mechanics, management) in private enterprises (in electronics, precision mechanics, watchmaking or textiles).
- Up to 1980, Switzerland provided financial support for some 400 trainees in technical schools and more than 200 trainees in industry.
- B. Switzerland assists a number of research institutes, universities or higher schools in developing countries, mainly in the areas of food technology, applied electronics or civil engineering. It also finances several training centres for mechanics, printers, electricians and other technicians.
- C. In the projects it supports, Switzerland is ascribing increased importance to conditions for the integration of women in the industrialization process. The Confederation encourages international institutions to adopt the same approach.

UNION OF SOVIET SOCIALIST REPUBLICS

- The Soviet Union, well aware that the industrial development of any country depends upon the availability of national staff of skilled workers, engineers and technicians, and drawing on its own experience in the industrialization of the country, pays a great deal of attention to providing the developing countries with assistance in the education and training of national personnel.
- The Soviet Government appropriates significant resources from the national budget to the education and training of highly skilled workers, foremen, technicians and engineers at various educational establishments and on courses and seminars held within the country.
- Under the regulations governing the training of foreign nationals in the USSR, foreign students enjoy all the benefits afforded by the Soviet system of education, including:
 - Free education and medical care and the use of reading rooms, libraries, sports and cultural facilities, and institutions;
 - All foreign students are provided with accommodation in students' hostels;
 - All foreign nationals receive a monthly grant on the following scale:
 - Students at vocational and technical training establishments and specialized secondary institutions: 80 roubles;
 - Students at higher educational institutions: 90 roubles;
 - Post-graduate students: 100 roubles; and
 - Trainees: 150-200 roubles a month.
- Personnel training in the USSR is co-ordinated with the economic development plans and programmes of the countries of Africa, Asia and Latin America. The types of training are determined by the governments of the developing countries in the light of the current and prospective needs of the young States. The professional training curriculum also takes into account the requirements of branches of industry or individual installations, those of agriculture, and those of planning, administration and other spheres in which the Soviet Union co-operates with developing countries. For example, when a hydroelectric scheme was under construction on the river Euphrates, Soviet higher educational institutions, at the request of the Government of Syria, accepted a large number of Syrian nationals for specialist training in the construction and operation of such schemes.
- Training in such specialities as pedagogy, medicine and cultural work is of great importance to industrial development.
- The distinguishing feature of personnel training from the developing countries in the USSR is that, while making use of the capacities of its existing system of personnel training, the Soviet Union has seen fit to create additional facilities for the training of foreign nationals, to ensure that qualified specialists are trained according to the requirements and specific characteristics of the developing countries in question. To this end, special training faculties have been established in the Soviet Union with the main aim of preparing foreign students for

Union of Soviet Socialist Republics (cont'd)

further study at higher and specialized secondary educational institutions in the country. For foreign students, some changes are being made in curricula and teaching programmes, special courses are being introduced, and special faculties are being set up at some of the higher educational institutions. For example, at medical schools attended by students from developing countries in the USSR, special courses in tropical medicine have been introduced, and at agricultural schools special courses in tropical agriculture. A total of 120 special courses have been devised for students from the developing countries studying in the USSR. At the present time foreign nationals are undergoing training in 150 specialized fields at more than 300 higher educational institutions and technical schools in the Soviet Union.

Number of students from developing countries studying at higher and specialized secondary educational institutions in the USSR

<u>Continent</u>	<u>1960-1961</u>	<u>1970-1971</u>	<u>1979-1980</u>
Africa	933	6,337	16,000
Asia	1,407	5,662	15,000
Latin America	188	1,469	5,000

- A special place in this system is held by the Patrice Lumumba Friendship of People University, established in the Soviet Union expressly to train national specialists for the developing countries. More than 1,250 teachers are employed in the 84 departments of the University, including 134 professors and doctors of sciences and more than 600 assistant professors and candidates in sciences. An important feature of the teaching curricula and programmes of the University is that they take into account the specific characteristics of the countries of Africa, Asia and Latin America. A graduate of the University, in addition to holding his specialist qualification, is qualified to teach in his own discipline. By means of post-graduate study and the organisation of traineeships for foreign specialists, the University trains highly qualified staff for higher educational institutions and scientific centres in Africa, Asia and Latin America.

Number of students at and graduates from the Patrice Lumumba Friendship of Peoples University

	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1979</u>
Number of undergraduates, post-graduate students and trainees from developing countries studying at the university	3,340	4,225	5,000	6,700
Number graduating from the university (cumulative total)	288	2,335	4,250	8,638

Union of Soviet Socialist Republics (cont'd)

- Courses for skilled workers and foremen last 2-3 years, depending on the particular qualification aimed at. These courses are based on the standard curricula and teaching programmes, adapted to take into account the special requirements of training for specialists and workers from the developing countries. They are held in the system of vocational and technical schools, and also at up-to-date industrial plants, on collective and State farms, and at other installations.
- The Soviet Union renders substantial assistance to the developing countries in the creation and development of national systems of vocational and technical training and of higher and specialized secondary education.
- Over the years of co-operation, 140 vocational and technical training establishments have been set up with Soviet assistance in the developing countries, including 20 in Algeria, four in Angola, 45 in the Arab Republic of Egypt, five in Afghanistan, 12 in Iran, three in the People's Democratic Republic of Yemen, two in Cameroon, three in Mozambique and 45 in other countries. The Soviet Union has established or is establishing 42 higher educational institutions and technical schools in various developing countries.

Higher and specialized secondary educational institutions established or being established with the assistance of the USSR in the developing countries*

Nature of higher or specialized secondary educational establishment	Country and town	Planned number of students
1	2	3
African Petroleum and Textile centre	Algeria, Boumerdes	
Institute of Petroleum, Gas and Chemistry	" "	3,000 (gift of the Soviet Union to Algeria)
Petroleum Technical School	" "	
Institute of Light Industry	" "	2,500
Mining and Metallurgical Institute	Algeria, Annaba	3,000
Mining and Metallurgical Technical School		
Hydraulic Engineering and Land Reclamation Institute	Algeria, Blida	....
Institute of Applied Mathematics and Industrial Chemistry	Algeria	

*/ Incomplete data.

Union of Soviet Socialist Republics (cont'd)

1	2	3
Higher Veterinary School	Algeria, El Harrach	
Mining and Metallurgical Institute	Arab Republic of Egypt, El Tabbin	150
Polytechnical Institute	Afghanistan, Kabul	2,000
Automobile Engineering Technical School	Afghanistan, Kabul	1,000
Mining and Petroleum Technical School	Afghanistan, Mazar-i-Sharif	500
Technological Institute	Burma, Rangoon	1,050 undergraduate students 100 post-graduate students Expansion to 3,000
Polytechnical Institute	Guinea, Conakry	4,000
Technological Institute	India, Bombay	1,500 undergraduate students 400 post-graduate students
Independent faculties:	India:	
Faculty of Metallurgy	Kharagpur	
Faculty of Geophysics	Hyderabad	
Aircraft Engineering	Bombay	
Automation and Computer Technology	Bangalore	
Technical School of Mechanical Engineering	Ranchi	
Polytechnical School	Baroda	
Polytechnical School	Bhopal	
Metallurgical Technical School	Durg	
Technological Institute	Indonesia, Ambon	1,000 undergraduate students 100 post-graduate students
Higher Administrative School	Mali, Bamako	250
Agricultural Institute	Mali, Bamako	300
Higher Engineering School	Tunisia, Tunis	700

Union of Soviet Socialist Republics (cont'd)

1	2	3
Polytechnic Institute	Ethiopia, Bahrdar	1,000
Petroleum Institute	Nigeria, Barri	
Mining and Metallurgical Institute	Nigeria, Ajaokuta	
Faculty of Engineering	Zambia, Lusaka	
Faculty of Medicine		
Technical Faculties of the University	People's Republic of the Congo	
Institute of Fishery Resources	People's Democratic Republic of Yemen, Aden	
Technical School of Industrial Education	Angola, Uamba	600

-
- A practice which has become widespread in recent years is for skilled workers to be trained on site, while the installations are under construction, by Soviet specialists seconded to foreign countries. Over the period of co-operation as a whole, more than 500,000 workers have been trained by this method in developing countries.
 - The developing countries also receive assistance in training national personnel through group and individual study for foreign nationals in the USSR under United Nations technical assistance arrangements. Eighteen international seminars, symposia and courses of instruction for United Nations fellowship-holders were held in the Soviet Union in 1980, including 10 in-plant group training courses sponsored by UNIDO.
 - By the beginning of 1981 a total of about 850,000 engineers, technicians and skilled workers from the developing countries had received training of one type or another with the assistance of the Soviet Union.

Union of Soviet Socialist Republics (cont'd)

Number of specialists and skilled workers trained for the developing countries
by 1980 with the assistance of the USSR, in thousands

Trained in the developing countries			Trained in the USSR	
During the construction and operation of installations built by co-operation	At the training centres set up with the assistance of the USSR	At higher educational institutions and technical schools set up with the assistance of the USSR	At higher education institutions, technical schools and vocational and technical training establishments	On courses under the sponsorship of international organizations
528	223	38	50	7.5

UNITED KINGDOM

- A. The United Kingdom has a long-standing tradition of industrial training for developing countries. Many British colleges, companies and indeed whole towns have close relations with developing countries and have been receiving developing country trainees since the 1940s. All training is open to non-nationals and developing country trainees are to be found in a very large number of industrial and technical training courses throughout the United Kingdom.
- In addition to public technical education and training courses, developing country trainees take part in a large number of specially arranged individual or group training programmes in universities, polytechnics, colleges and other training institutions. Apart from these institutional training facilities, a very substantial volume of training is also arranged on a direct industry to industry basis by companies. Furthermore, in large overseas projects where companies have a significant role, the training of associated developing country personnel would be a normal part of the implementation.
 - Training forms an important part of technical co-operation under the UK Government's bilateral aid programme. In 1980 it accounted for just over 50% of total expenditure of £26.4m (\$61.5m) on technical co-operation for industry. The total number of aid-financed students and trainees in Britain was 15,507 in 1980, of whom 3,868 or 24.9% were taking courses directly relevant to industry.
 - The UK aid programme also provides funds for the Technical Education and Training Organisation for Overseas Countries (TETOC) which identifies and enlists UK resources to help meet the developing countries' needs in the field of industrial and other technical training.
- B. The United Kingdom has continued to devote a considerable proportion of its bilateral technical assistance programme to training in developing countries, with emphasis on practical training, both technical and management, for the maintenance of essential services - water and sanitation; railway, road and water transport; and electricity supply. Only limited direct training support to manufacturing industry is provided through the bilateral aid programme, not because this is considered of low priority but because all aid is given in response to official requests from the receiving government, which generally allocates preference to the public sector. Training is provided by British industry as an integral part of its investment and contracting work in developing countries.
- Wherever possible assistance in this field under the technical co-operation programme is provided to national training organisations, to help them to organise themselves to offer more and better quality training - including both off-the-job training and also in-plant training. Here and throughout the technical assistance programme there is special emphasis on producing a multiplying effect through the training of trainers.

United Kingdom (cont'd)

- While technical and industrial training aid is made available to all levels from skilled workers to management, special attention is given to an important category which is found to be relatively neglected in many developing countries - namely, technicians. Through institutions in some cases specially set up for the purpose with British aid, technicians are trained for industry, with the double intention that the technicians will be of direct value in helping to increase production, and that the institutions will become prototypes for copying by their national governments.
- For the essential supporting services of industrial training, such as standard setting and testing, British experience is also made available to developing countries in every possible way, and official support through the aid programme is given to institutions like the City and Guilds of London Institute and the Engineering Industry Training Board to undertake work requested by developing countries.
- The above reply concerns itself solely with teaching of a practical and industrial flavour. In addition the UK provides large-scale support for education and training facilities in developing countries through:
 - . official aid projects involving the creation of new places at secondary and tertiary level educational and training institutions, including technical colleges and universities;
 - . British personnel as teaching staff and for curriculum development work, research, etc.;
 - . the equipment of educational institutions;
 - . planning assistance to Ministries of Education and Industry."
- C. The UK Government contributes to international agencies such as UNDP, UNIDO, etc. and therefore to their programmes in support of women's integration in industrialization. It has also made a substantial contribution to the UN Voluntary Fund for the Decade for Women. With regard to the bilateral aid programme, the UK Government has a formal policy to consider the interests of women in all the projects and programmes which it supports, including those concerned with industrialization.

VI. TRADE IN MANUFACTURES

Governments were invited to supply information on the following topics:

- A. Specific data on trade in manufactures
- B. Policies and measures to encourage the importance of manufactures from developing countries
- C. Particular measures taken to encourage such imports from the following groups of developing countries:
 - Least-developed
 - Land-locked
 - Island
 - Most seriously affected
- D. Other relevant topics

INFORMATION RECEIVED FROM DEVELOPED COUNTRIES IN RESPECT OF THE ABOVE:

AUSTRIA

- A. (No reply on this issue).
- B. In formulating its foreign trade policy the Austrian Government has given positive attention to the need for developing countries, in particular for the least developed among them, to expand and diversify their exports, supplying manufactures and industrial exports rather than the traditional raw materials. It has continuously liberalized its customs policies to improve the developing countries' share in the Austrian market.
 - The Austrian GSP scheme has been fully effective since 1972, providing for industrial products - with only very few exceptions - a 50 per cent tariff cut; for the textile sector, a tariff cut of 35 per cent is provided. No quotas, ceilings or other quantitative restrictions apply under the Austrian scheme. In some cases, textile products are subject to measures in the framework of the multifibre agreement. Details of the Austrian scheme are published by UNCTAD.
- C. For the group of least developed countries, further preferences have been introduced in a law that went into effect on 1 January 1982. Industrial products from least developed countries except textiles, are now generally exempt from customs, while the customs on textiles were reduced by 50 per cent. At the same time many agricultural products were also granted preferences.

Austria (cont'd)

- In addition to this, Austria has concluded agreements providing for the free import of handicraft products with 34 developing countries, and several more such treaties are at present under consideration.
- D. In this context Austrian cooperation with third world countries to assist in the export of industrial goods (e.g. with India to realize projects in Thailand, Indonesia, a sugar factory in Kenya, bridges in Irak, etc.), should also be mentioned, as a contribution to the development and international reputation of industries in developing countries.

BELGIUM

A.

Table VI-1

	1975	1978	1979	1980
Imports of manufactures from developing countries (millions of current \$US)	856	2,015	2,415	2,899
Share of developing countries in total imports of manufactures (%)	4.36	6.10	5.97	6.41
Share of manufactures in total imports from developing countries (%)	20.24	29.75	27.84	24.79
Exports of manufactures to developing countries (millions of current \$US)	2,527	4,327	4,674	5,376
Share of developing countries in total exports of manufactures to all countries (%)	10.91	11.82	10.10	10.71

- B. As a member of the European Economic Community, Belgium participates in the formulation of the Community's policies designed to encourage the importation of manufactures from the developing countries, and it applies the measures which the Community adopts for this purpose.
- For example, under the Lomé Convention, concluded with the African, Caribbean and Pacific countries, and under the co-operation agreement with the Mediterranean countries, manufactures originating from both of these groups of countries can be imported into the Community area free of quantitative restrictions or measures of equivalent effect and of customs duties or taxes of equivalent effect.
- In addition, trade promotion measures, ranging from the production stage to the final distribution stage, have been introduced to ensure that the developing countries which are parties to these agreements derive maximum benefit from the provisions of the agreements and participate under the most favourable conditions in the Community's markets.

Belgium (cont'd)

- C. (No reply on this issue)
 D. (No reply on this issue).

CANADA

A.	Table IV-1			
	1975	1978	1979	1980
Imports of manufactures from developing countries (millions of current \$US)	764.9	1277	1696.2	1750
Share of developing countries in total imports of manufactures (%)	3.01	3.80	4.17	4.17
Share of manufactures in total imports from developing countries (%)	15.34	25.41	28.97	22.34
Exports of manufactures to developing countries (millions of current \$US)	1761.4	2572	2854.9	3850
Share of developing countries in total exports of manufactures to all countries (%)	10.56	10.15	9.44	11.36

Definition: Following UNCTAD statistical practice, developing countries are defined as all countries except developed market economy countries (DMEs) and socialist countries of Eastern Europe and Asia. DMEs are: the OECD countries (except Turkey), Israel, Yugoslavia and South Africa. Socialist countries comprise all members of COMECON except Cuba, plus Albania, the People's Republic of China and the Democratic People's Republic of Korea.

Note: The designation "developing" is intended for statistical convenience and does not necessarily express a judgement about the stage reached by a particular country or area in the development process.

- B. In 1977, Canada introduced a number of improvements to the General Preferential Tariff rates of duty on manufactured products. These changes were introduced following bilateral discussions with developing countries during the Tokyo Round of multilateral trade negotiations. Following a further review of the Preferential System for developing countries, the Canadian Tariff Board was directed in July 1980 to review possible improvements to the General Preferential Tariff. Subsequent recommendations by the Board for improvements were implemented effective November 13, 1981 (subject to Parliamentary approval) covering over \$50 million in imports from developing countries (based on 1979 trade data). Further reviews are being held by the Tariff Board.

Canada (cont'd)

- . The Trade Facilitation Office (TFO) was founded in Canada in May 1980. It is fully funded by the Industrial Co-operation Division of the Canadian International Development Agency (CIDA): Its mandate is to:

- Provide lists of Canadian importers, brokers and wholesalers of specified product lines.
- Notify Canadian importers of opportunities in developing countries.
- Provide information on Canadian import requirements and statistics.
- Arrange for trade-related seminars.
- Arrange itineraries for individual business visitors and advise those visitors on Canadian trade promotion activities and business practices.
- Organize programmes for trade missions.
- Distribute publications concerning Canadian market.
- Facilitate inclusion of Canadian importers in Canadian export missions to developing countries.
- Circulate information on Canadian market requirements.

- C. In November 1981, the Canadian Government introduced legislation to provide duty-free entry for products eligible for the General Preferential Tariff when imported from the least developed countries. In addition, the rules of origin requirements for least developed countries are being relaxed. The amount of foreign parts and materials which can be included in goods qualifying for General Preferential Tariff treatment is being increased to 60 per cent from 40 per cent. In addition, parts and materials sourced in other least developed countries will now be considered as domestic content for origin purposes.

The following illustrate measures taken by the Trade Facilitation Office:

- Least developed countries
 - . Funding of 2 Canadian importer trips to African LLDCs.
- Island countries
 - . Funding of an in-depth study of Caribbean exports to Canada.
 - . Participation in multi-country G.S.P. seminars in Barbados.
- Most seriously affected
 - . Funding of a Kenyan carver to participate in the Canadian Gift Show.

- D. (No reply on this issue).

CZECHOSLOVAKIA

A. (Figures in mil. Czechosl. Crowns for frontier of exporting country)	Table IV-1		
	1978	1979	1980
Imports of manufactures from developing countries (millions of current \$US)	640.0	698.8	735.6
Share of developing countries in total imports of manufactures (%)	1.8	1.9	2.1
Share of manufactures in total imports from developing countries (%)	19.3	18.6	16.5
Exports of manufactures to developing countries (millions of current \$US)	4,239.0	4,168.7	5,186.8
Share of developing countries in total exports of manufactures to all countries (%)	7.6	7.9	9.3

Note: Data have been prepared on the basis of the Foreign Trade Unified Classification of Goods of the CMEA countries. Manufactures cover group I - machinery and equipment, VIII - foodstuff and IX - industrial consumer goods.

B. With effect from 1 October 1978 Czechoslovakia introduced by the Decree of the Federal Ministry of Foreign Trade No. 59 the second stage of tariff preferences in favour of developing countries.

- One of the main elements of this improvement is the extension of tariff cuts on practically all items of Czechoslovak customs tariff by another 25 per cent, that is up to 75 per cent of the present valid MFN rates of duties. Preferential duty-free treatment was granted to all products originating and exported directly from the least developed countries.
- Czechoslovakia has been continuing to apply additional measures with a view to assist the expansion and diversification of imports from developing countries. One of these measures are long-term inter-governmental trade and economic agreements and agreements on economic, scientific and technical co-operation which in the long run constitute the reliable basis and serve as a stabilizing factor in the mutual co-operation with developing countries. Recently Czechoslovakia concluded more than 20 agreements with various developing countries such as Afghanistan, Benin, Democratic Yemen, Egypt, Guinea-Bissau, India, Kenya, Mexico, Mozambique, Nicaragua, Nigeria, Panama, etc.

Czechoslovakia (cont'd)

Another important instrument assisting especially to development of export capacities in manufactures are agreements on industrial co-operation. Although this kind of co-operation is still in the initial stage of development some positive results have already been achieved for example with India, Iran, Egypt, Argentina, Malta, etc.

One of the obstacles which slows down further expansion of imports from developing countries is the fact that many of their products are very little known to Czechoslovak consumers and to Czechoslovak foreign trade corporations which realize the purchases of goods as well. We therefore organize various trade missions to developing countries on different levels sponsored either by Government authorities or by individual institutions and enterprises. With a number of developing countries we have established Joint Commissions and Intergovernmental Committees respectively which evaluate regularly the development in mutual trade and economic relations and prepare concrete recommendations and proposals for their Governments aimed at further improvements of existing relations.

Czechoslovak participation in trade fairs and exhibitions abroad as well as those organized in Czechoslovakia are also important measures for export promotion of developing countries. Czechoslovakia takes part usually in about 10-12 trade fairs organized abroad (in developing countries), for instance in Baghdad, Caracas, Damascus, Teheran, Tripoli, Bogota, Guayaquil, New Delhi, etc. In connection with trade exhibitions organized in Czechoslovakia we appreciate the increased number of developing countries which participate in these events.

DENMARK

A.	Table IV-1			
	1978	1979	1980	1985 ^a
Imports of manufactures from developing countries (millions of current \$US)	329	444	507	695
Share of developing countries in total imports of manufactures (%)	3.4	3.8	4.4	5.8
Share of manufactures in total imports from developing countries (%)	22.6	22.0	24.0	25.0
Exports of manufactures to developing countries (millions of current \$US)	986	1098	1284	1469
Share of developing countries in total exports of manufactures to all countries (%)	14.9	13.5	13.5	12.8

a/ Estimated exchange rate per August 1981, yearly average.

Source: Danmarks Statistik (Bureau of Statistics) Exchange Rates by IMF Financial Statistics. No figures for 1975 because of the definition of SITC-Code by Bureau of Statistics.

- B. Contributions to multilateral assistance for trade promotion channelled through e.g. EEC, UNDP, UNCTAD and UNIDO.
- Voluntary annual grants to International Trade Centre (UNCTAD/GATT). For 1981 D.kr. 3,1 million.
 - In co-operation with the EEC-Commission the Danish Government has invited 7 developing countries (Bangladesh, Sri Lanka, Philippines, Malaysia, Thailand, Pakistan and Indonesia) to open trade promotion offices in the Bella Centre in Copenhagen. The first office was opened in September 1979. The Danish Government pays the rent for offices and office equipment over a two year period. The total contribution is approx. 1,1 million D.kr.
 - The Import Promotion Office for Products from the Developing Countries which was established in 1977 under the Danish Chamber of Commerce received a grant from the Danish Government of approx. D.kr. 380,000 in 1981. The purpose of the office is to prepare and implement visits to Denmark by trade delegations from developing countries and to assist businessmen from developing countries individually in their efforts to increase exports to Denmark.

Denmark (cont'd)

- . Measures for reducing tariff and non-tariff barriers for products of interest to developing countries as well as for granting of preferential access to exports of these countries fall within the competence of the European Economic Community.
- C. The measures described under B are as far as possible aimed towards these countries.
- D. (No reply on this issue).

FINLAND

A.	Exchange rate:	Table VI-1				1985a+/ 290.0
		3.679 1975	4.117 1978	3.896 1979	3.730 1980	
Imports of manufactures from developing countries (millions of current \$US)	57.4	143.3	168.6	224.6	290.0	
Share of developing countries in total imports of manufactures (%)	1.1	2.9	2.5	2.5	3.5	
Share of manufactures in total imports from developing countries (%)	8.1	18.3	12.6	11.1	15.0	
Exports of manufactures to developing countries (millions of current \$US)	283.0	609.0	685.6	983.9	1.085	
Share of developing countries in total exports of manufactures to all countries (%)	8.6	9.2	8.2	9.5	10.5	

+/ Preliminary estimation.

- B. (No reply on this issue).
- C. (No reply on this issue).

GERMANY, FEDERAL REPUBLIC OF

A.	Table VI-1			
	1975	1978	1979	1980
Imports of manufactures from developing countries* (millions of current \$US)	2,913	5,416	7,231	8,924
Share of developing countries* in total imports of manufactures (%)	7.1	7.5	7.9	8.6
Share of manufactures in total imports from developing countries* (%)	19.1	24.9	24.3	23.3
Exports of manufactures to developing countries* (millions of current \$US)	13,918	22,067	22,742	25,992
Share of developing countries* in total exports of manufactures to all countries (%)	17.5	17.6	15.1	15.6

*/ Non-European developing countries only.

B. The level of future increases in export from the developing countries will depend largely on whether free trade can be maintained in the world despite the present difficult world economic situation, and whether protectionist tendencies can be prevented. The Government of the Federal Republic of Germany is therefore internationally and within the European Community in favour of an open multilateral trade system in the world and against protectionist measures. The results of the multilateral trade negotiations which ended in 1979, the so-called Tokyo round in GATT, were an important contribution to the further liberalisation of world trade. A number of special arrangements offer the developing countries substantial scope for expanding their trade relations with the industrial countries.

Germany, Federal Republic of Germany (cont'd)

- . The Government of the Federal Republic of Germany regards the principle of flexible and more favourable treatment for developing countries, as agreed in the Tokyo round, an important step forward; however, it believes that more advanced developing countries which have generally or in certain areas already reached a high degree of international competitiveness, should themselves make an appropriate contribution depending on the stage of development reached, to the extension of international trade by granting more access to their market accordingly.
- . The government of the Federal Republic of Germany also regards it important nationally to maintain and improve access to the German market for developing countries. The Federal Republic of Germany has become the most important trade outlet for many developing countries. The high percentage of manufactures and semi-manufactures is remarkable. In 1981 they accounted for over half the imports from these countries compared with about one third in 1973.

General preferential tariffs for developing countries in the European Community

- The Federal Republic of Germany is continuing its efforts to improve the system of preferences, in particular for the less developed countries. The imports to the Federal Republic of Germany covered by the general preferential tariffs rose from DM 1.23 billion in 1973 to approx, DM 6 billion in 1981, an increase of over 450% in 8 years.
- This trend is not only an indication of the extent to which we allow these countries access to our market; it also highlights the increase in co-operation between companies in the Federal Republic of Germany and the countries concerned. The targets of the general system of preferences, to further the process of industrialization in the developing countries and improve their balance of payments, are still as relevant as ever after ten years of operations of this system.

HUNGARY

Table VI-1

A.	1975	1978	1979	1980
Imports of manufactures from developing countries (millions of current \$US)	13.6	84.1	100	125.6
Share of developing countries in total imports of manufactures (%)	1	2	2	2
Share of manufactures in total imports from developing countries (%)	14	12	14	15
Exports of manufactures to developing countries (millions of current \$US)	60.2	408.1	565.8	693.8
Share of developing countries in total exports of manufactures to all countries (%)	7	9	10	12

B. Simultaneously with the endeavours to effect a structural transformation of the Hungarian industry a broadening of the division of labour with the developing countries is also taking place. In the realization of these endeavours Hungary considers the developing countries as natural partners. A result of the expansion of the division of labour is that Hungary is an increasing outlet for the products manufactured by the developing countries' industry. Currently as much as 15 per cent of all Hungarian imports from the developing countries is made up of manufactures. From a wide circle of developing countries we buy textile and leather clothing items, cotton and other fabrics, footwear, telecommunication and entertainment electronic apparatuses, electric household appliances, tools, cosmetics, household chemicals, photographic and optical articles, sports equipment, writing utensils, carpets, handicraft products, fashion articles, canned food, synthetic fertilizer, pharmaceutical products, machinery, instruments.

C. The developing countries' exports to Hungary are promoted by extensive Hungarian preferential customs. As a result of constant improvements, the Hungarian customs system includes at present 1457 preferential customs items. Of these 165 are agricultural and food industry products, and 1292 are semi-finished and finished manufactures. In 1980, 98 per cent of all Hungarian imports from the developing countries were handled under the preferential customs scheme. The commodities of the least developed countries enjoy full exemption from duties.

IRELAND

- A. (No reply on this issue).
- B. Member States of the European Community are represented in multilateral trade negotiations by the Community itself. Accordingly the reply of the European Community should be consulted regarding foreign trade matters.

GENERAL: Ireland as a member of the European Community

As a member State of the European Community Ireland plays its part in the formulation, articulation and elaboration of the Community's policies and measures in the fields of industrial development and development co-operation generally, as set out in the Community's reply to the questionnaire.

- C. (No reply on this issue).

ITALY

- A. (No reply on this issue).
- B. (No reply on this issue).
- C. (No reply on this issue).

NETHERLANDS

A.

Table VI-1

	1975	1978	1979	1980
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Share of developing countries in total imports of manufactures (%)

	3	3.9	4.5	5.5
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Share of developing countries in total exports of manufactures to all countries (%)

	5.1	7.5	10	10
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- B. Projects for improving imports from DC's. Financing of these projects up to 25 mln. \$US (1982). Special Centre for improving imports from DC's (marketing, technical assistance, fairs, seminars, trade missions).
- C. Overall special stress on LDC's in the view of a general policy.

NORWAY

A.	Table VI-1			
	1975	1978	1979	1980
Imports of manufactures from developing countries (millions of current \$US)	315,2	165,5	287,5	344,3
Share of developing countries in total imports of manufactures (%)	3.2	1.7	2.7	2.9
Share of manufactures in total imports from developing countries (%)	31.9	13.5	22.4	21.1
Exports of manufactures to developing countries (millions of current \$US)	1060,8	1587,3	1826,5	1740,0
Share of developing countries in total exports of manufactures to all countries (%)	14.8	18.6	21.2	19.4

Figures for 1975 are given according to SITC, rev.1. Figures given in \$US are based on the average exchange rate for the given year.

- B. Norway introduced the generalized system of preferences (GSP) in 1971. The scheme has since been revised and expanded several times. The application of the scheme gives, with small exceptions, duty-free access for all industrial products from a great number of developing countries, and also duty-free access for certain agricultural products in Norway.
- 50.9 per cent of dutiable imports from beneficiary countries were eligible for preferential treatment in 1979. The corresponding figure for 1977 was 38.7%. In addition a large number of products can enter the Norwegian market duty-free on a MFN-basis.
 - In 1977, a public office (Norwegian Import Promotion Office for Products from Developing Countries - NORIMPOD) was established to give commercial guidance to producers and exporters from developing countries.
 - A guarantee scheme has recently been introduced to encourage private Norwegian importers to seek new sources of supply in developing countries. Norway is one of the biggest contributors to the International Trade Centre, whose function it is to assist developing countries in their export marketing efforts. A large ITC project involving marketing in the Nordic countries over a period of several years has been financed through Norwegian trust funds.

Norway (cont'd)

- C. In 1976, special treatment for the least developed countries was introduced in the Norwegian GSP-scheme, offering complete exemption from all customs duties for all imports from those countries. The list of beneficiaries of this special regime has recently been extended and covers now all the 31 countries currently classified as IDCs.
- The least developed and poorest countries are given special consideration by the Norwegian import opportunities office NORIMPOD mentioned above, as well as under the new import guarantee scheme and in the selection of ITC projects for financing through Norwegian funds.

SWEDEN

A.

Table VI-1

	1975	1978	1979	1980
Imports of manufactures from developing countries (millions of current \$US)	12,641	14,437	18,799	21,308
Share of developing countries in total imports of manufactures (%)	3.4	3.8	4.3	4.5
Share of manufactures in total imports from developing countries (%) ^{1/}	20.3	21.3	21.6	17.4
Exports of manufactures to developing countries (millions of current \$US)	13,827	17,936	22,268	24,533
Share of developing countries in total exports of manufactures to all countries (%)	14.7	15.4	14.2	15.0

^{1/} Imports of mineral oils included. If excluded the share of manufactures in percent of total imports from developing countries is as follows:

1975	1978	1979	1980
43	44.4	51.9	54.3

- B. Since 1 January 1972, the Generalized System of Preferences (GSP) is implemented by Sweden. The Swedish GSP scheme comprises most industrial and several agricultural products which are accorded total exemption from customs duties within

Sweden (cont'd)

the scheme. Thus, because of the Swedish GSP in addition to imports which are free of duty on an MFN basis, almost 90 per cent of the total imports from developing countries are free of duty in Sweden.

- Tariffs only remain for textile and leather products and some products in the agricultural field.
- Since the scheme was put into effect both the lists of beneficiaries and products have been extended several times, the latest occasion being 1 January 1981, when Zimbabwe was included among the beneficiaries and woven fabrics of jute added to the product list. The products added to the lists are contained both within COCN chapters 1-24 and 25-99.

C. (No reply on this issue)

D. A government body called IMPOD - The Import Promotion Office for Products from Developing Countries - was established in 1975 to assist developing countries and especially least developed countries in promoting their export to Sweden. IMPOD is offering information service about the Swedish market and can help the exporter to get in touch with potential Swedish importers. IMPOD is also assisting companies in developing countries in their marketing efforts in Sweden. The office has a visitors' service and arranges courses and market seminars.

SWITZERLAND

A.	Table VI-1			
	1975	1978	1979	1980
Imports of manufactures from developing countries (millions of current \$US)	477	886	900	1565
Share of developing countries in total imports of manufactures (%)	5.0	4.8	4.1	5.6
Share of manufactures in total imports from developing countries (%)	35.0	42.3	35.2	43.6
Exports of manufactures to developing countries (millions of current \$US)	2853	5536	3918	6386
Share of developing countries in total exports of manufactures to all countries (%)	23.7	25.2	17.0	22.9

Note: Trade in manufactures is defined to include SITC section codes 5 through 8.

Switzerland (cont'd)

- B. Since 1979 the Confederation has joined in this type of co-operation with the publication in several languages of a pamphlet on how to export to Switzerland. The promotion of jute is also being supported by a survey of the Swiss market and by participating in a multilateral project (ITC) for enhancing the trademark image of this product in Europe. In 1980, the Confederation initiated medium-term activity in favour of exports from three countries: Egypt, Senegal and Sri Lanka. This activity includes determination of exportable products, participation in Swiss fairs, and the adaptation of products to demand.
- C. In its import promotion programme, which relates mainly to manufactured products, but does not exclude basic products or agricultural commodities, the Confederation assigns priority to countries where the per capita income is less than \$US1,000.

Credits for the promotion of imports amount to two million Swiss francs for 1982, or twice the amount budgeted for 1981.

In regard to customs arrangements, the Confederation is considering granting new preferences to the least developed countries.

UNION OF SOVIET SOCIALIST REPUBLICS

- In 1980 the Soviet Union traded with 97 developing countries. Its biggest trading partner among those countries in that year was India. The volume of Soviet-Indian trade was 1,739.8 million roubles. Trade with Argentina increased substantially in 1980, reaching 1,192.5 million roubles, or 3.8 times the 1979 figure. Of the other developing countries, the largest trading partners of the USSR in 1980 were Iraq, with a turnover of 731.7 million roubles, Libya (450.9 million roubles), Turkey (443.2 million roubles) and Syria (321.0 million roubles).
- The total value of goods exported to the developing countries was 6,900 million roubles. Among Soviet exports to this group of countries, the essential items are deliveries of machinery and equipment to developed various sectors of industry, transport and agriculture. More than half of the machinery and equipment are exported in the form of complete sets.
- Goods worth 5,100 million roubles were imported from the developing countries. In 1980, in accordance with its principle of expanding the proportion of manufactures from the developing countries in its imports, the Soviet Union increased its purchases of the products of national industry from this group of countries. The value of imports from the developing countries in 1979 was 3,200 million roubles.

Union of Soviet Socialist Republics (cont'd)

USSR Foreign trade with the developing countries
(in thousands of millions of roubles)

	1975	1978	1979	1980	1980 as % of 1975
Trade turnover	6.3	8.6	9.5	12	189.6
Exports	3.3	5.7	6.3	6.9	207.5
Imports	3.0	2.8	3.2	5.1	169.8
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Developing countries' share in total imports of manufactures (%)	11.2	8.1	8.4	11.5	
<hr/>					
Developing countries' share in total exports of manufactures to all countries (%)	13	16	14.8	14	

Note: A detailed presentation of the policy pursued and measures designed to encourage structural reorganization in industry, with particular reference to changes in the division of labour with the developing countries, is given in the study "structural changes in the industry of the USSR and prospects of the division of labour with developing countries", which was prepared at the request of UNIDO by Mr. M.Y. Volkov, an official of the Institute of World Economy and International Relations of the USSR Academy of Sciences, and which is in the possession of the UNIDO Secretariat.1/

CONCLUSION

- All economic links between the Soviet Union and the developing countries are forged on a long-term basis and are governed by inter-governmental commercial and economic treaties and agreements.
- For example, an Agreement on Economic and Technical Co-operation was signed during his visit on 10 December 1980 by Mr. L.I. Brezhnev, the General Secretary of the Central Committee of the CPSU and Chairman of the Presidium of the Supreme Soviet of the USSR, and Mrs. Indira Gandhi, the Prime Minister of India; this Agreement provides for assistance to be rendered to India in the development of the fuel and energy sectors, in establishing thermoelectric power stations, in open-cast coal-mining, in laying electric power transmission lines, in prospecting for oil and coal and in expanding the capacity of the iron and steel works at Bhilai and Bokaro.
- A new agreement on Economic and Technical Co-operation between the USSR and Afghanistan was signed in Moscow on 24 December 1980.
- Under agreements signed in 1980 the Soviet Union is to render technical assistance to Mozambique in setting up a ship repair installation in the port of Maputo, in excavating three mines in the area of Moatize, in developing cotton production and in establishing five agricultural experimental stations in the Limpopo valley.

1/ Translator's note. Document ID/WG.357/3 of 8 January 1982.

Union of Soviet Socialist Republics (cont'd)

- A long-term agreement with Morocco on co-operation with regard to phosphates has been in operation since 10 March 1978.
- Trade agreements laying down the general principles of trade relations with Democratic Kampuchea, Gabon, Grenada and Nicaragua were concluded for the first time in 1980. Protocols have been signed with Democratic Kampuchea, Nicaragua and Sierra Leone on the establishment of Soviet trade missions in those countries.
- The co-operation of the Soviet Union with the developing countries is an integral part of the co-operation of the entire socialist community with that group of countries. At the thirty-sixth session of CMEA in 1980, the heads of delegations of the States members of the Council declared that "for the liberated countries, co-operation with the CMEA countries is one of the main conditions for reducing dependence on imperialist States and transnational corporations. The socialist community calls for the reorganization of international economic relations on the principles of equality and respect for the sovereignty of all States".
- Socialist economic integration opens up great prospects for co-operation by the CMEA countries with the developing countries both in executing a number of large-scale projects which are beyond the financial capabilities of individual States members of CMEA, and in giving effect to all new forms of industrial co-operation. A positive feature of such co-operation is that it enables countries and organizations to establish long-term relations, a factor which does much to promote the development of the international division of labour.
- Striving to strengthen commercial and economic links with the developing countries, the CMEA countries are orienting themselves towards such promising forms of co-operation as specialization and co-operation in the production and delivery of various forms of industrial equipment and joint execution of construction, assembly and other work. More than 190 installations are being built on a co-operative basis.
- A foreign trade enterprise of the German Democratic Republic, for example, has become the general supplier in the construction of a steel framework factory at Meda (Algeria), while the Czechoslovak Socialist Republic, the Hungarian People's Republic, the Polish People's Republic and the USSR have taken part in the export of individual items of machinery and equipment. A foreign trade concern of the USSR is acting as the general supplier in the expansion of the iron and steel works at Esfahan (Iran). Planning work and the supply of equipment for a medium-grade type-500 mill are being handled by an enterprise of the Czechoslovak Socialist Republic and for a fine-grade type-300 mill by an enterprise of the German Democratic Republic.
- Agreements on CMEA co-operation were signed with the Islamic Republic of Iran and the United Mexican States in 1975. These agreements provide for a wide measure of co-operation in various fields of production, science and technology.

Union of Soviet Socialist Republics (cont'd)

Number of installations built and scheduled to be built with
the assistance of the USSR in the developing countries
(as at 1 January 1981)

	Industry	Agriculture	Transport and communications	Geology and mineral prospecting	Science, education and health	Other sectors	Total
Provided for in agreements	501	152	130	89	303	18	1,193
Commissioned	300	73	72	44	183	8	680

Capacity of plants built or scheduled to be built in the
developing countries with the assistance of the USSR
(as at 1 January 1981)

702

	Electric power stations (installed capacity in thou- sands of MW)	Iron (millions of tonnes)	Steel (millions of tonnes)	Rolled products (millions of tonnes)	Coal output (millions of tonnes)	Oil (refining) (millions of tonnes)	Cement (thousands of tonnes)	Large- panel housing construc- tion (thou- sands of m2 of floor space)	Railway lines (length in km)	Grain elevators capacity in thou- sands of tonnes)	Land reclaimed (thousands of hectares)
Provided for in agree- ments	19.37	26.95	26.10	21.68	50.27	23.0	4,380	3,495	2,099	1,373	737.8
Commissioned	7.37	10.77	9.73	7.47	4.80	11.63	700	450	1,709	788	156.4

Union of Soviet Socialist Republics (cont'd)

- By 1 January 1981, 4,918 industrial and other installations had been built, were being built or were scheduled to be built with the economic and technical participation of States members of CMEA; 1,964 of these were in countries in Africa, 2,752 in Asia and 202 in Latin America. About 3,300 installations are already in operation and have passed into the full ownership of the developing States.
- At the present time the world is going through a difficult period, in which attempts are being made by the imperialist powers to revive the "cold war", to discredit the economic system of socialism, to intensify the arms race and to expose mankind to a direct threat of thermonuclear catastrophe.
- In these circumstances, combined efforts by the CMEA countries and the developing States in the struggle for disarmament and for principles of justice in international economic relations are an important factor in preserving and strengthening peace.

UNITED KINGDOM

A.	Table VI-1			
	1975	1978	1979	1980
Imports of manufactures from developing countries (millions of £ Sterling)	1113	2045	2633	2871
Share of developing countries in total imports of manufactures (%)	8.8	8.4	8.9	9.2
Share of manufactures in total imports from developing countries (%)	18.9	27.2	31.7	28.8
Exports of manufactures to developing countries (millions of £ Sterling)	4564	8260	7798	9112
Share of developing countries in total exports of manufactures to all countries (%)	28.4	29.5	25.3	26.2

Figures by value in millions of pounds sterling.

- B. Trade is an area where competence rests with the European Community rather than with individual member states.
- The European Community's general policy is to seek to maintain an open world trading system to the benefit of all countries and in particular to provide increasing access to the Community for the products of the developing countries in both the agricultural and industrial fields. The Community and its member states thus play a significant part in the various international fora in which trade is discussed and we would

United Kingdom (cont'd)

draw attention in particular to the operation of the Community's Generalised Scheme of Preferences (GSP), to the GATT multi-lateral trade negotiations (MTNs) concluded in 1979 and to the Community's commitment to the Second Lomé Convention.

- Generalised Scheme of Preferences

- . The Community's GSP is designed to help developing countries' industry and improve their export earnings by providing duty free access for industrial products (subject to limits for the more sensitive products) and either duty free entry or entry at a reduced duty rate without limit for a wide range of agricultural products.
- . Following a major review of the GSP the Community introduced a new scheme in 1981 to run for 10 years. The new scheme aims to concentrate the benefits on the poorer, less competitive developing countries. Since becoming a member of the GSP in 1974, the UK has played a constructive role in helping to improve the scheme especially in the agricultural sector.
- . For 1982 some modest increases in quota and ceiling limits have been adopted for many of the sensitive industrial products despite the adverse economic climate and advances have been made in the agricultural sector with a substantial number of products included for the first time.
- . The UK will continue to support measures to further improve the GSP as economic conditions in the Community allow.

- GATT multilateral trade negotiations (MTNs)

General

- . These negotiations resulted in agreement on a co-ordinated programme of measures to be implemented during the 1980's which provides for the liberalisation of tariff and non-tariff barriers. The United Kingdom firmly believes that a substantial relaxation of trade barriers will make an effective contribution towards an expansion of world trade to the benefit of developed and developing countries alike. For this reason, the United Kingdom will continue to play a constructive role within the European Community in implementing the various agreements resulting from the negotiations. The European Commission are responsible for negotiating on behalf of all Community countries.

Special and Differential Treatment

- . The United Kingdom fully supported the Tokyo Declaration commitment on measures for special and differential treatment on behalf of the developing countries and to give particular attention to the needs of the least developed among them. The Framework on Understanding, which was signed by all of the main developed country participants, confirmed that one of the distinguishing features of the Tokyo Round was to be "additional benefits for the developing countries as well as special and differential treatment for them, inter alia, in the tariff field and in several MTN codes".

United Kingdom (cont'd)

Tariffs

- In the tariff field, the European Community, inter alia, agreed a range of cuts deeper than those resulting from the application of the general tariff cutting formula on industrial products of particular export interest to the developing countries. In parallel a limited number of withdrawals from the Community's original tariff offer were made to maintain GSP or other preferential margins. The Community also made some improvements in the GSP scheme as a contribution to the global results of the MIN's.

Reciprocity

- The Community did not seek any concessions from the developing countries which are, to quote the Tokyo Declaration, inconsistent with their individual development, financial and trade needs. But the United Kingdom has always maintained that this commitment should not obviate the more advanced developing countries from making a meaningful contribution to the successful implementation of the agreements on tariff concessions and non-tariff barriers.

The Framework for the Conduct of International Trade

- In the context of the MINs, the developing countries are seeking changes in the structure of the GATT the effect of which would be to incorporate the principle of special and differential treatment in the main body of its text. The Community has shown its willingness to consider constructively as many as possible of the developing countries requests, for example for an enabling clause which would permit the developed countries to apply preferential access schemes like the GSP without the need for GATT waiver.

Second Lome Convention

- The European Community extends substantial trade and aid benefits by means of the Second Lome Convention to 61 signatory developing countries. The UK welcomed the Convention which entered into force on 1 January 1981 and increased the benefits available to signatory developing countries.

PART III

CONTRIBUTIONS BY INTERNATIONAL ORGANIZATIONS

ECONOMIC COMMISSION FOR AFRICA (ECA)

Questionnaire for Developing Countries

I. DEVELOPMENT PLANNING AND POLICIES

Most of the African countries are more or less devoting considerable attention and efforts to the issues of industrialization by developing appropriate strategies and policies with a view to achieving self-sustained industrialization and increased self-reliance.

The main activities undertaken by ECA in the field of development planning and policies were as follows:

- (a) A seminar of African Businessmen took place in Addis Ababa from 9 to 14 November 1981 to examine studies and make recommendations on development of industrial entrepreneurial capabilities in Africa.
- (b) The Secretariat gave high priority to the conference of Ministers of Least Developed and Landlocked African countries which was held in Addis Ababa from 27-30 July 1981. The Secretariat took also part in the preparation of and participation in the United Nations conference of least developed countries held in Paris from 25 August to 14 September 1981.
- (c) In the area of planning and projections, the work has focussed on the preparation of the conference of African planners, demographers and statisticians held in Addis Ababa from 7-18 March 1982.
- (d) The Sixth Conference of African Ministers of Industry met in November 1981, reviewed progress on matters arising from their fifth session (October 1979) and the extraordinary meeting of the Follow-up Committee on Industrialization in Africa (March 1980) and approved the Industrial Development Programme for Africa.

II. INDUSTRIAL PRODUCTION

At the regional level, Africa as a whole has been able to realize the Lima target of one per cent of world industrial production which it was expected to achieve by 1980. But in order to achieve the two per cent Lima target of world industrial production by the year 2000, Africa has to radically change its present industrial policies and strategies.

Table 1 shows that average real growth in MVA during 1970-1980 was high in the oil exporting countries, with a range of 7.7 per cent for Algeria to 21.4 per cent for Libya A.J. In the least developed

Economic Commission for Africa (cont'd)

countries average growth rate in MVA during the same period was approximately 2.6 per cent, with a range of -4.0 per cent for Uganda to 37.3 per cent for Rwanda. For the rest of the African countries the average growth rate in MVA was 4.6 per cent with a range of -10.5 per cent for Equatorial Guinea to 19.5 per cent for the Seychelles.

The table clearly shows that the performance of the LDC's has been very disappointing, since they not only failed to fulfil the Lima target, but also because these countries started from a relatively low or non-existent industrial base and therefore industrialization should have achieved high growth rates.

ECA's activities regarding basic industries programmes have been as follows:

- (i) Chemical industries: The secretariat organized two meetings of Intergovernmental Committee of Experts in chemicals, one for Eastern and Southern African countries and another for Western African countries, which prepared recommendations for their respective subregions on the priority chemical projects and modalities for implementing them.
- (ii) Metallurgical industries: An intergovernmental expert group of the countries of Eastern and Southern Africa in iron and steel held two meetings on the identification of areas for co-operation among the countries of the subregion and the modalities for co-operation with a view to establishing an iron and steel industry in the subregion.
- (iii) Engineering industries: With respect to the engineering sub-sector, a number of specific products were identified and project profiles prepared in 1980-1981 on them.
- (iv) Building materials: Work was initiated on the preparation of field studies on the establishment of a comprehensive regional network of building and building materials information system and services.
- (v) Food processing: A study on the composite flour prepared by the FAO/ECA Advisory Group on Food Industry Development in Africa was presented to both ministerial meetings of the Lusaka-based and Niamey-based MULPOC countries.

The Commission initiated the examination of the projects for the development of fish processing industry.

Economic Commission for Africa (cont'd)

Table 1: Real growth rate in manufacturing value added (MVA)
averages for 1970-1980, developing Africa, by country

Country/territory	MVA real growth rate (per cent) ^{a/}
	1970-1980
<u>Main oil-exporters (4)</u>	10.36
Algeria	7.66
Gabon	20.19
Libya A.J.	21.40
Nigeria	11.16
<u>Least developed (21)</u>	2.56
Benin	0.02
Botswana	15.28
Burundi	4.53
Cape Verde	1.81
Central African Republic	1.84
Chad	0.43
Comoros	-1.34
Ethiopia	3.06
Gambia	4.16
Guinea	2.91
Guinea-Bissau	1.37
Lesotho	25.86
Malawi	7.91
Mali	2.94
Niger	3.47
Rwanda	37.40
Somalia	6.11
Sudan	2.93
Tanzania U.R.	2.62
Uganda	-4.03
Upper Volta	4.71
<u>Other (27)</u>	4.57
Angola	-1.82
Cameroon	4.21
Congo	1.99
Djibouti	5.65
Egypt	5.28
Equatorial Guinea	-10.53
Ghana	0.54
Ivory Coast	7.96
Kenya	7.98
Liberia	6.39
Madagascar	1.79
Mauritania	3.66
Mauritius	9.38
Morocco	4.83
Mozambique	1.42
Namibia	3.02
Reunion	2.43
Sao Tome and Principe	0.44

Economic Commission for Africa (cont'd)

Country/territory	MVA real growth rate (per cent) ^{a/}
	1970-1980
Senegal	2.26
Seychelles	19.46
Sierra Leone	3.57
Swaziland	11.53
Togo	-1.99
Tunisia	10.55
Zaire	-0.32
Zambia	9.44
Zimbabwe	3.78

a/ 1970 US \$ basis.

Source: ECA Statistics Division

III. SOCIAL ASPECTS OF INDUSTRIALIZATION

The Third Conference of African Ministers of Social Affairs approved for implementation by the African Centre for Applied Research and Training in Social Development (ACARTSOD) the conceptual framework for social development and its implications for the role of the Centre, its five-year indicative plan, the programme of work and activities for the period October 1980 to December 1982 and the working relations of ACARTSOD with other institutions having activities related to its own.

The project on the use of the mass media as a strategy for rural transformation and rural and urban communities continued and is expected to be completed in May 1982 with completion of the training seminars for directors on the use of the mass media.

As far as Youth and Social Welfare were concerned, the Regional seminar on IYDP was held in Addis Ababa on 6 and 7 October 1980. It was organized under the joint auspices of the organization of African Unity, ECA and the IYDP Secretariat. The Seminar whose aim was to consider the most effective way of attaining the objectives of the year and of ensuring observance of the principles of the Declaration of the Rights of Disabled Persons and of the Declaration on the Rights of Mentally Retarded and to contribute to the drafting of long-term programme of action, was convened in accordance with the provisions of the Plan of Action, for the year adopted by the United Nations General Assembly in resolution 34/154.

In the field of integrated rural development, the programme deals with survey and resources on methodology and practice of integrated rural development programmes in Africa.

In the field of training the Secretariat has undertaken training of women in several priority areas. A training workshop on the improvement of the quality of life of rural women was organized in Addis Ababa in May 1981 for trainers, planners and leaders from African Portuguese speaking countries.

Economic Commission for Africa (cont'd)

Meetings and seminars were also organized during the period under review among which were an Expert Group Meeting for English Personnel involved in the programme for out-of-school girls and a joint ARTCW/ILO/ARCT/SIDA Seminar on the role and problems of women in marketing of food stuffs in West Africa.

The bureau of the sub-regional committees for the integration of women in development held meetings in their respective MULPOCs to review among issues the implementation of their work programme and to prepare the 3rd meeting of the African Regional Co-ordinating Committee (ARCC). This meeting was held in Douala, Cameroon, March 1982.

In the field of research and publication, the secretariat emphasized research analysis and collection of data on different aspects of the situation of women in the African region.

IV. DEVELOPMENT OF HUMAN RESOURCES

As mentioned earlier, ECA has organized a Seminar for African Businessmen on Development of Industrial Entrepreneurship in Africa, held at ECA Headquarters, Addis Ababa, from 9-13 November 1981. The meeting was attended by businessmen, representatives of Chamber of Commerce and representatives of Governments from several African countries. The topics discussed during the meeting were as follows:

- Entrepreneurial Role of State Enterprises
- Entrepreneurial Role of Indigenous Private Sector
- Foreign Investors and Entrepreneurship
- Entrepreneurship through Joint Ventures
- Small-Scale Industry Entrepreneurship
- Very Small-Scale Indigenous Entrepreneurship

It was also proposed during the meeting that two associations should be formed, namely (i) Pan African Businessmen's Association and (ii) African Manufacturers Association.

ECA's work in education and training focussed on five inter-related areas of formal and non-formal educational system and practices, training for skills development and transfer of technology, career planning for guidance and counselling, institution building and fellowships administration.

Consequently, the programme focussed on monitoring trends, appraising related policies, organizational, staffing and delivery capacity and capability and practices relative to the programme elements. While therefore the Secretariat produced necessary guidelines and technical papers, and facilitated the development of alternate policy elements for the establishment of pre-requisite organizational/structural arrangements, training needs surveys and a number of instructional workshops and seminars were organized for the development of related personnel.

The Secretariat also organized and serviced two technical level and one ministerial level conferences in the field under review, i.e. one on (i) localization of professional training, examination,

Economic Commission for Africa (cont'd)

certification and accreditation for professional practice in anglophone countries and the other one on (ii) human resources planning, development and utilization.

In the field of manpower and employment planning, programme activities focussed on trends, issues and practices in human resources assessment, projections, planning and programming its development and productive use. Besides the question of structural and organizational needs, staffing and operational activities, the programme equally focussed on the current state and adequacy of institution for human resources development in relation to the national economies absorptive capacity for human resources, as well as strategies for proper identification, management and productive use of the entire human resources potential.

Taking the cue from the Lagos Plan of Action the programme accorded high priority to manpower planning, the development of institutions and personnel for enhancing the region's self-reliance in ensuring (i) planned approach to human resources assessment and programming its development as well as its production use; (ii) co-ordinated approach to its planning, development and utilization as well as integrating human resources into the overall national socio-economic development planning (iii) development and sharing of information on manpower availability so as to promote intra-African co-operation in the area.

Substantive support was provided by ECA to the African Institute for Higher Technical Training and Research, established in Nairobi in 1979. The purpose of the institute is self-reliance in technical manpower. The programme is designed for and training of technical manpower to solve the 1980-2000 development problems of Africa.

V. UTILIZATION OF NATURAL RESOURCES

The "First Regional Conference on the Development and Utilization of Mineral Resources in Africa" was organized by the ECA in Arusha, Tanzania in February 1981, which formulated specific programmes and projects.

The secretariat continued to provide assistance to the Eastern and Southern African Mineral Resources Development Centre based in Dodoma and continued to promote the signing by member States of the agreement for the establishment of a similar centre in Brazzaville, Congo for the countries of the Central African subregion.

The secretariat initiated contacts with the ECOWAS secretariat with a view to determining the best approach for the establishment of a similar centre for West Africa.

The preparation of the geological, mineral resources, oil and gas maps of Africa was completed and these maps will be distributed to member States during the first half of 1982.

Economic Commission for Africa (cont'd)

The seminar and study tour for African specialists on mining methods was successfully convened in Krivoy-Rog (USSR) in June 1981. Regarding energy, consultations were undertaken with African governments and assistance was given to them in the preparation of documents for examination by the Regional Meeting on the New and Renewable Sources of Energy which took place in Addis Ababa, from 12-16 January 1981 as part of the preparation for the United Nations Conference on New and Renewable Sources of Energy held in Nairobi, from 10-21 August 1981.

Assistance was given to selected member States of Tangier and Lusaka-based MILPOCs in the formulation of policies regarding development and utilization of hydropower resources.

Advisory services were rendered to West African countries (members of UPDEA) regarding co-operation and training in the field of electricity, through an active participation in the Seventh Congress of UPDEA, held in Libreville, from 1-5 June 1981. Technical assistance was offered to Djibouti, Ethiopia, Guinea, Uganda and Zaire in the field of development of new and renewable sources of energy. The training programme of the African technicians, engineers and scientists in the field of solar energy was initiated. The ECA Demonstration Centre for the equipment using solar energy was set up.

VI. INDUSTRIAL TECHNOLOGY

ECA organized a meeting of the Intergovernmental Committee of Experts for Science and Technology Development from 2-6 November 1981 which, inter alia, reviewed the progress of implementation of the science and technology chapter of the Lagos Plan of Action at the national and regional levels.

Pursuant to the bilateral grant provided by the Indian government, the secretariat, after the field mission conducted in 1980, elaborated the main activities for the development, demonstration and acquisition of appropriate technologies for rural areas.

As for the financing of science and technology, a comprehensive project proposal was elaborated earlier by the secretariat for the conduct of a feasibility study leading to the establishment of pilot training and production workshops in African LDCs. The project was submitted to the UNDP for financing, etc.

The secretariat completed a study and assessment in selected African countries, of the impact of local R+D efforts in the development of agriculture with particular reference to food production, preservation and storage.

Substantive support was provided by the secretariat to the African Regional Centre for Technology located in Dakar, Senegal. The Centre was established in 1978 and some of the main objectives of this Centre are:

Economic Commission for Africa (cont'd)

- (a) Contribute to the development and use of technology within its member States;
- (b) Strengthen the technological capability of its member States and;
- (c) Improve for the benefit of its member States, the terms and conditions under which technology is imported.

ECA also provided support to the African Regional Centre for Industrial Design and Manufacturing, established in April 1979 in Ibadan, Nigeria. The objective of the Centre is to develop and promote engineering design capabilities in African countries for the conception and design of machinery and equipment in areas of priority essential to the African countries for their economic development.

Regarding institution building, ECA initiated preparatory activities for the establishment of the proposed African Regional Centre for Industrial Consultancy and Management. The specific objective of the Centre is to assist African governments to improve their capacities and capabilities, in planning, project design, formulation, preparation, negotiation, implementation and monitoring of specific industrial projects. Due to the importance of this Centre, a conference of the plenipotentiaries is planned to be convened in 1982.

VII. INDUSTRIAL FINANCING

As regards intra-African financial co-operation, the secretariat was involved in the actual establishment of the Central African Clearing House in addition to its continued assistance to the West African Clearing House.

In the field of trade and finance relations with non-African countries, within the framework of trade and financial relations with the developed world, the secretariat in co-operation with UNCTAD, executed a project on trade and economic co-operation between African countries and the socialist countries.

From 9-11 March 1981, the first meeting of the Ministerial Follow-up Committee on International Trade and Finance for African Development was jointly serviced by ECA and OAU. The second meeting was held from 25-28 January 1982 and followed from 1-3 February 1982 by the Seventh Session of the Conference of African Ministers of Trade.

In so far as activities relating to trade and financial relations with the third world are concerned, they included mainly the organization of a study tour of African businessmen to selected Asian and Latin American countries, participation at the Afro-Arab co-operation meeting and the provision of technical assistance to African states on issues related to economic co-operation among developing countries etc.

Economic Commission for Africa (cont'd)

In 1979 a Conference of Plenipotentiaries adopted the constitution establishing the African Industrial Development Fund (AIDF). The Fund is designed to provide resources for pre-investment activities for multinational, regional and subregional projects in high priority sectors of industry. So far 15 African States have signed the constitution. Agreement on the administration of the Fund is yet to be settled before it can become operative.

VIII. EXTERNAL RESOURCE REQUIREMENTS

African countries are, by and large, concerned with the inadequacy and unfavourable terms on which they obtain foreign capital for their industrial development. Those African countries whose industrial growth target is closely linked with the expected inflow of foreign capital are not only concerned about its availability, but also about the terms and conditions attached to it, so that the benefits accruing from industrialization are not off-set by the burdensome undertakings imposed by foreign capital.

As far as Transnational Corporations (TNCs) were concerned, the secretariat through ECA/UNCTC Joint Unit on Transnational Corporations undertook a number of research studies on the social, economic, legal and political implications of the presence of TNCs in the African countries. Seven studies were undertaken on the role of TNCs in the tobacco, sugar, cotton, banana, coffee, tropical hardwood and bauxite industries in selected African countries. The role and impact of TNCs in the flow of monetary and financial resources to and from Africa also received top priority. The development and dissemination of information on TNCs in Africa continued to receive attention and this end a profile was prepared on the activities of UNILEVER in Africa.

IX. TRADE IN MANUFACTURES

ECA's efforts have been mainly geared towards the expansion and promotion of trade among African countries. As part of continued assistance in the establishment of the Preferential Trade Area for Eastern and Southern Africa, the secretariat was involved in the substantive servicing of a number of meetings which culminated in the Conference of Heads of State of the Eastern and Southern African States held at Lusaka on 21 December 1981 to consider, adopt and sign the proposed Treaty for the Establishment of a Preferential Trade Area for Eastern and Southern African States.

Other activities with respect to this subregion included the preparation of studies on identification of barriers and obstacles to trade and measures enabling them to be eliminated, etc. Studies were also prepared for countries covered by Yaounde MULPOC and advisory services were provided to the West African subregion regarding the harmonization of the various provisions relating to trade liberalization in the treaties establishing ECOWAS, CEAO and Mano River Union. Studies on trade promotion among North African countries and on monetary and financial co-operation among these countries were updated.

Economic Commission for Africa (cont'd)

As a joint undertaking with the Association of African Trade Promotion Organization, the Secretariat organized a symposium of Presidents and Secretary Generals of African Chamber of Commerce on the promotion of intra-African trade in light of the Lagos Plan of Action and the new international development strategy.

X. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

The Secretariat continued to play a key role in assisting the countries of Eastern and Southern Africa which belong to the Lusaka MULPOC to negotiate a treaty for the establishment of a Preferential Trade Area.

More than three years of intergovernmental negotiations at last bore fruit with the signature of the PTA treaty during a Summit Meeting of Heads of State and Government held in Lusaka (which has become the Headquarters of the PTA) on 20-23 December 1981. This summit meeting was preceded by a series of expert and ministerial meetings held during the period under review.

In Central Africa and the countries of the Great Lakes, the Secretariat responded to request from the countries concerned by mounting advisory or study missions. For example, the UDEAC Evaluation Mission submitted recommendations on the feasibility of enlarging economic co-operation in Central Africa. The recommendations were accepted by the Heads of State during their summit meeting in December 1981 during which they made a declaration of interest to establish a Central African Common Market.

The Secretariat has put its efforts to implement TCDC projects. In fact the Secretariat continued to play its role in the Joint ECA/ECLA/TCDC project for the promotion of inter-regional co-operation in the fields of trade, manpower and science and technology.

ECONOMIC COMMISSION FOR LATIN AMERICA (ECLA)

Questionnaire for the Developed Countries.

"Industry in the context of the establishment of the New International Economic Order. The role of industrialization in the International Development Strategy for the Third United Nations Development Decade and the establishment of the New International Economic Order"

"Following the Third General Conference of UNIDO (held from 21 January to 9 February 1980), the ECLA/UNIDO Industry and Technology Division has, in the area mentioned above, carried out activities aimed principally at promoting the implementation of the Lima Declaration and Plan of Action in the region.

In this connection it may be noted that the Division's contribution to this process has taken the form of a number of studies dealing with relevant industrialization issues in the context of the United Nations International Development Strategy and the establishment of the new international economic order.

Economic Commission for Latin America (cont'd)

As a contribution to the Regional Plan of Action for the Implementation of the International Development Strategy for the Third United Nations Development Decade, a study was prepared on the industrial development of Latin America and the Caribbean during the period in question and, in particular, on the subject of industrial policy in the context of the Plan.

Since the Lima target implies a significant increase in the region's share of world industrial production, an appropriate industrial strategy for Latin America should, in general terms, in addition to taking into account other factors specific to the industrialization process, be directed towards the development of sectors permitting value added and employment to be maximized.

On the question of value added - a variable with a direct impact on the objective mentioned above - a point to be remembered is that the technical know-how incorporated in the manufacture of products of a certain complexity represents the principal factor adding value to industrial production. A typical example is metalworking and engineering and, particularly, the capital goods sector.

By definition, the products of this sector are the means of production for the manufacture of other industrial goods of great importance to the region, thus contributing to the process of vertical integration of the industrial structures of the Latin American countries.

In view, then, of the vital economic importance of capital goods production in Latin America, this sector might well be considered one of the key development sectors in the light of the Lima objective already mentioned.

In the balance-of-payments area, and in conformity with the provisions of the Regional Plan of Action on this point, the development of the capital goods sector could materially help to accelerate a selective and sound process of import substitution. In this regard, it is to be noted that imports of capital goods by the countries of the region account for a relatively large share of their total extra-regional imports and that a substantial portion of the foreign exchange generated by exports and autonomous capital movements is used to pay for these imports. This situation, which tends to accentuate the external strangulation of the economies of the Latin American countries, could be corrected to some degree by the manufacture of capital goods within the region.

As far as the economic integration process is concerned, here too the capital goods sector can provide quite a powerful stimulus, since efficient operations in this sector require production scales of some magnitude.

Accordingly, among the possible areas of economic co-operation as a basis for the industrial development of the Latin American countries mentioned should be made of the regional capital goods project which is in progress at the present time. With the aim of investigating the

Economic Commission for Latin America (cont'd)

possibilities for developing this sector in Latin America, the emphasis of this project is on a study of the current situation with respect to the manufacture of capital goods in the region and the outlook for the sector. To this end, an analysis is being made of combined demand and national production capacities to permit the assessment of opportunities for action involving both the large and the medium-sized and smaller countries. The project is concentrated on the examination of a selected group of sectors which, taken together, represent more than 60 per cent of the demand for capital goods in Latin America, the technical similarity of products used in particular branches of industry being considered. The sector selection criterion used takes into account both the volume of demand by sector and the production capabilities of countries with markets of different sizes. One of these sectors which was selected because of its current importance is the energy production sector, and in this connection work is currently going forward in co-operation with the Latin American Energy Organization (OLADE). An important objective of the project is the formulation of recommendations on appropriate concerted action by the various Latin American countries. In addition, regional requirements over the longest possible period are analysed in each case in order to arrive at demand forecasts, in terms of physical volume, for the majority of sectors selected. For some of these sectors the projections will extend beyond the 1990s. For the project as a whole, adequate co-ordination is currently being maintained with the Latin American Economic System.

At the subregional level, a diagnostic survey has been made of recent industrial development in Central America, which includes an examination of the policies applied by the countries in the sector concerned. In addition, studies have been carried out establishing the prospects for industrial development in the subregion during the 1980s, and a number of preliminary analyses have been prepared extending to the end of the present century. For the Caribbean, work is in progress on the formulation of an industrial development strategy for this sub-region. Monographs have already been prepared on a number of Caribbean countries, and the Secretariat of the Caribbean Development Co-operation Committee (CDCO) has put together an over-all survey on the basis of these studies.

ECONOMIC COMMISSION FOR WESTERN ASIA (ECWA)

In respect of the questionnaire addressed to developing countries, the Economic Commission for Western Asia provided the following summary document on ECWA's programme aimed at identifying industrial projects that lend themselves for regional co-operation, entitled "ECWA's on-going Programme on Identification of Projects for Regional Co-operation in Capital Goods and Heavy Engineering Industries".

"The overall framework and rationale"

The development of capital goods industries should be considered to begin with as part of an overall partial strategy for industrial integration basically aiming at building up mutually inter-linked industrial capacities for promoting industrial inter-Arab trade leading ultimately

Economic Commission for Western Asia (cont'd)

to economic integration. This strategy draws on important concepts in the field of regional industrial planning and industrial location. To begin with, division of industrial activity in the region while calling for individual countries to undertake large scale production of particular commodities for the regional market needs not interfere with existing capacities, nor militate against the development of an industrial structure with an all sided technological capacity within each country. One needs not think of regional co-ordination in terms of specialization in the strict range or of a country-wise monopoly of industry.

According to set criteria basically conforming with concepts relating to regional planning and location, industrial sectors lending themselves to regional co-operation were identified to include generally selected capital goods and heavy engineering industries, petrochemicals, fertilizers, inorganic chemicals and agro-industries.

The developmental rationale for selection of these industries and in particular the capital goods and engineering industries falls within the basic objectives for the drive towards industrialization.

The pre-investment programme

ECWA's project aims at the development of an integrated long-term regional pre-investment programme for the development of capital goods and heavy engineering industries, with strong linkages with related national industrial facilities. This programme should be of a sufficient "mass" for providing the nucleus needed to develop industrial capacities and technological and managerial capacities in the field of engineering industries to bring the countries concerned to the take-off stage and provide the dynamic and flexible instrument for effecting future changes in this important field.

Another important objective of this programme is that it should attain a balance in the number and types of projects for achieving an equitable distribution of benefits to be derived by participating member states.

Aside from examination of the techno-economic viability of candidate industries the programme deals with important aspects relating to the development of this industry at the regional level. This includes linkages with national industries, the transfer and development of technology both hardware and software, standards, manpower training, development of regional industrial infrastructure, financing, promotion and incentive measures and policies, co-operative contractual arrangements with international manufactures and industrial location.

Implementation of the programme may be phased out broadly into two periods a short and longer term periods, with two subprogrammes worked out to correspond to the time phasing adopted. The latter takes into consideration the need for phasing out of production integration as well as the need for phasing out of inter-related products because of economic consideration or different levels of technological complexities.

Economic Commission for Western Asia (cont'd)

The following are projects identified as possible candidates for regional co-operation. A short synopsis of the results of the pre-feasibility studies completed by ECWA for these projects are attached:

- Telephone cables
- Power cables
- Electronic telephone exchanges
- Telephone instruments
- Fabricated chemical equipment
- Electric turbines and generators
- Power transformers

Besides the above projects, the following industries and industrial branches are being examined for identifying additional candidate projects under ECWA programmes:

- Industrial machinery and supplies for the petroleum industry
- Electronic components including semi-conductors
- Machine tools industry; and
- Steel and alloys industries

POWER CABLES

Product: High (11 Kv and above) and medium (2.2 to 6.6 Kv) voltage underground power cables with latest XLPE technology.

Size of market: Average annual demand 13.3, 24.0, 24.7 and 38.8 thousand kilometer during 1980-1985, 1986-1990, 1991-1995 and 1996-2000 respectively.

Viable plan size (new): 2,400 kilometers (or two standard lines) annual capacity; fixed capital Gulf countries US\$ 35 million; Non-Gulf countries US\$ 32 million; working capital US\$18.5 million.

Suggested plan: (1) Allowing maximum expansion of existing plants by adding 8 lines each with capacity 1,200 Km by 1985 and additional four standard lines during 1985-1990.

(2) A new regional plant with annual capacity of 2,400 Km immediately and two regional plants one with 3,600 Km annual capacity and another with 2,400 Km annual capacity during 1986-1990.

TELEPHONE CABLES

Product: Underground cables for local networks.

Size of market: Annual average demand 2.2, 2.5, 4.3 and 5.3 million circuit Km during 1976-1980, 1981-1985, 1986-1990 and 1990-2000 respectively.

Economic Commission for Western Asia (cont'd)

Viable plant size Gulf countries: 2 million circuit Km annual capacity with fixed capital 68 million US\$ and working capital 20 million US\$.

Non-Gulf countries: One million circuit Km annual capacity with fixed investment US\$ 35 million and working capital US\$ 10 million.

Suggested plan: (1) Expansion of existing plants.
(2) One new plant immediately in the Gulf with annual capacity 2 million circuit Km expandable to 2.5 million circuit Km later.
(3) One new plant outside the Gulf ready by 1985 with annual capacity of one million circuit Km expandable to 1.5 million circuit Km later.

Total fixed capital for new plants 103 million US\$ and working capital 30 million US\$.

MANUFACTURING ELECTRIC POWER EQUIPMENT

Product: Turbines and generators which account for about 40 per cent of the total costs of a generating plant, and transformers which cost in the power system is about 50 per cent of the cost of turbines and generators.

Size of market: The projected average annual increase in demand for this equipment and the corresponding investments are shown below:

(a) Turbines and generators

	<u>1986-90</u>	<u>1991-95</u>	<u>1996-2000</u>
Average annual increase in demand (MW)	4,763	5,029	7,679
Corresponding total investment (million US\$)	448	473	722

(b) Transformers

Average annual increase in demand (MVA)	26,206	27,312	41,431
Corresponding total investment (million US\$)	231	241	366

Viable plant size

(a) Turbines and generators: 5,000 MW annual production output, fixed capital about US\$ 500 million and working capital about US\$ 100 million.

Economic Commission for Western Asia (cont'd)

(b) Transformers: Distribution (0.25 - 1.25 MW) annual production output, fixed capital about US\$ 40 million and working capital about US\$ 14 million.

Medium power (6-40 MVA) transformers: 6,000 MVA annual production output, fixed capital about US\$ 50 million and working capital about US\$ 11 million.

Large power (75-200 MVA) transformers: 10,000 MVA annual production output, fixed capital about US\$ 70 million and working capital about US\$ 13 million.

Suggested plan: (a) Turbines and generators: The factory can be located in any part of the ECWA region without significantly affecting the unit cost of production which is greatly influenced by material cost. Other types of turbines and generators (for industrial, marine, and other applications) can be manufactured in the same factory and will have a positive influence in smoothing the work load peaking traditionally experienced in heavy power equipment factories.

(b) Transformers: In order to promote balanced industrialization within the region while taking into account the impact of the location factor on the cost of production, medium and large power transformer factories may be located in non-Gulf countries, while distribution of transformer factories may be located in non-Gulf countries.

MANUFACTURING TELECOMMUNICATION EQUIPMENT

Products: Telephone exchanges and telephone instruments, accounting respectively for about 25 per cent and 5 per cent of the total equipment cost in the telecommunication network.

Size of market: The projected average annual increase in demand for those equipment and the corresponding investments are shown below:

(a) <u>Telephone exchanges</u>	<u>1986-90</u>	<u>1991-95</u>
Average annual increase in demand (lines)	796,000	981,000
Corresponding total investment (million US\$)	318	392
(b) <u>Telephone instruments</u>		
Average annual increase in demand (units)	1,035,000	1,275,000
Corresponding total investment (million US\$)	41	51

Viable plant size

(a) Telephone exchanges: 250,000 lines annual production output, fixed capital about US\$ 85 million, and working capital about US\$ 24 million.

Economic Commission for Western Asia (cont'd)

(b) Telephone instruments: 150,000 units annual production output, fixed capital about US\$ 4 million and working capital about US\$ 1 million.

Suggested plan: (a) Telephone exchanges: The ECWA region can have as many as four factories by 1995. The factories may be located in different parts of the region, thus enhancing balanced industrial development within the region without adversely affecting production cost significantly.

(b) Telephone instruments: The manufacture of this product on a regional rather than on a country basis can only be justified if major components are manufactured within the region. Thus, specialized plants may be set up for producing components while others, including existing factories, assemble the final product.

FABRICATED CHEMICAL EQUIPMENT

Product: Pressure vessels, heat exchangers, furnaces, storage vessels accounting for 37 per cent of equipment by money value in chemical industries.

Size of market: For petro-based and fertilizer industries alone about 85 thousand tons of products valued at about US\$ 350 million annually between 1986-2000.

Viable plant size: Gulf region: 30,000 tons annual capacity; fixed capital US\$ 125 million and working capital US\$ 30 million.

Non-Gulf region: 30,000 tons annual capacity; fixed capital US\$ 75 million, and working capital US\$ 20 million.

Suggested plan: One plant 30,000 tons annual capacity on the Gulf coast and one on the Mediterranean coast - 20,000 tons capacity. Total fixed capital 200 million and working capital US\$ 50 million."

(END of summary document)

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC (ESCAP)

The Economic and Social Commission for Asia and the Pacific provided the following report:

Action taken: The ESCAP secretariat's Division of Industry and Technology, (joint UNIDO/ESCAP Division of Industry and Technology), has taken a number of steps which are directly related to global decisions and recommendations, particularly the general conferences of UNIDO and the General Assembly resolutions on the New International Economic Order (NIEO) and the Commission's own strategy for development for the 1980s. Primarily, the programmes of action decided upon by the Meeting of the Ministers of Industry held at Bangkok in 1977, constitute the core of the trust that is being adopted.

Economic and Social Commission for Asia and the Pacific (cont'd)

The objectives of the ministerial decisions, which have been followed up by two meetings of the Ad Hoc Group of Ministers of Industry, reflect an urgent necessity to restructure the content of the region's industrial development programmes and to strengthen the industrial base with a view to achieving a high rate of development. In the context of the policy orientations, the objectives of the Lima Declaration and Plan of Action to increase the regional share of manufacturing output constitute one of the major pillars of the programme. With respect to policy, therefore, major emphasis has been placed upon restructuring of industries. The content of the restructuring process has been envisaged through:

- (a) Strengthening of linkages between industry and agriculture;
- (b) Orientation of industry to satisfy the basic needs of the poor;
- (c) Development of small-scale industries and their linkages with large and modern industries; and
- (d) Dispersal and location of industries away from metropolitan areas.

With regard to science and technology the objective of the secretariat's programme of work has been to strengthen the linkages between science and technology and industrial development. The recognition of the primary position of the science and technology and its close links with progress and development of industrialization has been recognized and the programmes of work are being designed to strengthen science and technological capacities at the national level, improvement in the content, quality and terms of transfer of technology, and improvements in the science and technology infrastructure among the countries.

In the context of these broad policy prospectives the following steps have been taken to assist governments in the region in achieving the objectives envisaged:

Studies

- (i) In 1981 emphasis has been placed as in previous years, upon the need to disseminate information on linkages between industry and agriculture. Considerable progress has been achieved during 1981 among the countries to strengthen such linkages and to identify and deal with some of the problems encountered particularly with respect to terms of trade between industry and agriculture.

The secretariat has growing evidence that plans of industrial development in the countries have placed increasing attention to incorporating practical measures to forge and strengthen such linkages and to implement a number of measures which have led to restructuring of industries. For example, countries have accepted the usefulness of "nucleus plants", which are meant to stimulate development of ancillary industries in the agricultural sector. Governments have also set up numerous institutional facilities such as marketing boards, agricultural/industrial complexes and co-operatives. The information provided to governments has proven to be useful and this activity forms an important input to restructuring of industry at the national level.

Economic and Social Commission for Asia and the Pacific (cont'd)

(ii) During the year work in respect of the important role of the public sector in industrial development received added emphasis. Following upon the country studies and the regional studies which were completed in 1980 steps were taken to prepare for a more comprehensive study on the situation of public sector manufacturing industries among the developing countries of the region. The earlier studies had also led to several initiatives on the part of national governments to focus on the problems and in that connection advisory services and studies with respect to requests from member governments were carried out in some of the Pacific Islands economies.

Industrialization in non-metropolitan area

In addition to promotion of closer relationships between industry and agriculture, the secretariat has placed added emphasis on the project for industrialization of non-metropolitan areas and concrete steps have been taken to accelerate the implementation of the pilot projects in seven member countries. During the year discussions were held between interested Governments and the secretariat in order to implement these projects through preparation of feasibility studies and seeking of financial assistance to provide the necessary support to develop these projects.

Development of small industries

The secretariat continued to provide information with regard to development of small industries through publications and meetings to encourage entrepreneurs and practitioners to acquire a broad base knowledge of the problems of development in this sector.

Investment promotion

Financial flows to meet the required growth rates has become a matter of significant importance. In 1981 the secretariat in co-operation with the International Bureau of Fiscal Documentation completed its comprehensive eight volume document on taxes and investment in Asia and the Pacific which now provides an authoritative source of information to investors and host governments. This document is being up-dated every two months. In addition, the secretariat also completed preliminary work on the setting up of a regional tax and investment centre during the year and the project is expected to come to fruition in the latter half of 1982.

Technical co-operation

The project for promotion of technical co-operation among developing countries through the 'club' also continued to function effectively. In 1981 a 'solidarity' meeting was held in Bangladesh by UNIDO and ESCAP participated actively. Preparations are being made for the holding of a similar meeting at Kathmandu, Nepal in 1982. The programme received increasing support from member governments during the year and, consequently, the secretariat was able to take a number of steps to follow up the earlier initiatives taken in respect of Afghanistan and Papua New Guinea.

Economic and Social Commission for Asia and the Pacific (cont'd)

The project has indicated a potential for improving the pace of development among the less developed countries and also creating greater trade and industrial linkages between the more advanced developing countries and the less developed countries of the region.

Prime mover industry

The project for development of prime mover industries which has been designed specifically to assist the process of industrialization in the least developed countries made considerable progress during 1981. The activities in Nepal resulted in the identification of several projects and steps were taken during the year to work out procedures for implementation of these projects. At the same time initiatives were taken to design a programme for Bangladesh and during the year the secretariat in co-operation with concerned national institutions has commenced work on selection of industries suitable for promotion under the project. The objective of these activities is to generate a process of industrial development through building up industries which would eventually lead to the creation of multiplier effects in terms of entrepreneurship, training of skills, and building up of related ancillary industries in these countries. They are meant to provide the primary stimulus and to act as a catalyst in the introduction of modern industry into these economies.

Survey

The development potential of the region was enhanced in 1981 by the initiation of a sub-regional survey of industrial development possibilities in the South Pacific region. The project was initiated in 1981 and completed in the same year and the report is under preparation at the moment.

Agro-industry

The secretariat has placed specific emphasis in terms of the overall decision for restructuring of industry on development of agro-industry and the exploration of the potential for new sources of renewable energy from agricultural sources. The secretariat initiated a survey on the development of ethanol from biomass and further studies are being carried out in order to encourage these developments at an increasing pace.

During the year under review, several steps were taken to undertake studies on the possibilities of promoting agro-industry such as silk, leather etc., in close co-operation with UNIDO.

These activities have contributed substantially to strengthening the national capabilities through improving the base of industrialization within the region. As directed by the Ad Hoc Group of Ministers a major emphasis was placed upon strengthening of national industrial capabilities through narrowing down the priorities in development.

Economic and Social Commission for Asia and the Pacific (cont'd)

Technology

With regard to technology primary emphasis has been placed upon technological capacities. The secretariat has concentrated in the implementation of the Vienna Programme of Action which has been developed in co-operation with the Regional Centre for Technology Transfer (RCTT) and the Regional Network for Agricultural Machinery (RNAM) towards that end.

In the context of the growing importance of the electronics industry a comprehensive survey was undertaken for the development of the electronics industry. The survey has evoked considerable interest among the countries and it is expected that national development programmes would be worked out in the coming years to develop this industry on a more systematic basis.

Programmes pertaining to training of key personnel in the field of science and technology were also implemented in 1981 through study tours for selected personnel in the field of science and technology.

With the stress given by the Commission and by the Meetings of Ministers of Industry on strengthening the manufacturing capacities through development of project generation and implementation capabilities of the developing countries, a regional seminar on engineering design and consultancy services was organized in 1981. The seminar has made various recommendations for strengthening national capabilities in this area including the mechanism for inter-country co-operation through the establishment of a network system.

Regional Centre for Technology Transfer (RCTT)

The Centre has strengthened its activities through the financial assistance received from the UNFSTID. The Centre has concentrated its attention on strengthening the technological capacities through support to national centres where these exist and assisting others to set up such centres where they do not yet exist. Other activities are related to organizing meetings, workshops etc. which help in exchange of technical information and know-how and promote TCDC. Dissemination of information on transfer of technology and training of personnel are other areas where the Centre has been active.

Regional Network for Agricultural Machinery (RNAM)

The Network has stressed the need for evolving effective national farm mechanization policies and has assisted in the establishment of National Farm Mechanization Committees in the participating countries. Promotion of local manufacturing capability of suitable agricultural tools and machinery has been the key objective of the Network. Successful machinery has been demonstrated in the field and popularized through extension services. Standardization and quality control have been

Economic and Social Commission for Asia and the Pacific (cont'd)

emphasized. Encouragement in the exchange of technical information and discussion of common problems among technical personnel are other features of the Network. The network is improving the lot of the small farmers and assisting in rural industrialization. Imparting practical training to machinery designers and engineers, development, transfer and application of technology appropriate to the small farmer has also been kept in view. TCDC aspect has been promoted through exchange of expertise and prototypes among the participating countries of the Network.

The above activities as summarized in brief have been basically directed to accelerating the pace of industrialization within the region taking into consideration both qualitative and quantitative aspects of industrial growth. There has been an improvement in the infrastructure facilities, in particular, with regard to manpower training which has currently become a multi-dimensional activity of the United Nations system. With the decision of UNIDO in the context of the global conceptual activities to disaggregate the Lima Target a further impetus would be provided to activities directed to implement that programme."

FOOD AND AGRICULTURAL ORGANIZATION (FAO)

Compendium for Developing Countries:

FAO provided a selection of recent documentation illustrating the active role played by that Organization with regard to the issues covered by the questionnaires circulated to governments for the Third Monitoring Exercise. (The document symbols are: ISEN 92-5-201048-3, ISEN 92-5-101028-5, C.81/25, IARC/80/8 and W/PO765.)

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

A. DEVELOPMENT PLANNING AND POLICIES

The UNCTAD secretariat, in compliance with the mandate of its governing bodies, is actively working on the first phase of a long-term action oriented programme with a view to providing support measures and technical assistance services to developing countries, as and when requested and subject to availability of funds, for the establishment and operation of multi-national production enterprises (MPE) and related infrastructure services in priority sectors.

In undertaking this assignment the UNCTAD secretariat takes into account the developing countries' wishes and aspirations and, particularly, their global, regional and subregional strategies and policies for industrial and natural resources development, as appropriate. It also endeavours to work in close association and collaboration with UNIDO and the regional commissions, as well as with the existing inter-governmental machinery for mutual co-operation between developing countries.

United Nations Conference on Trade and Development (cont'd)

In the first phase of this subprogramme the following five major areas accordingly have been selected for project identification, selection, appraisal, consultation, negotiations and implementation, as appropriate:

(a) joint manufacture of basic social commodities for human welfare, based on resource complementarities and suitability for the establishment of modular projects, such as foodstuffs, pharmaceuticals, textiles, clothing and footwear, building materials and educational industries; (b) development of agricultural-based industries and agricultural inputs, such as fertilizers, pesticides, agricultural tools and machinery; (c) downstream processing of domestically available raw materials, including in particular mineral deposits, energy and forestry resources; (d) development of new and renewable sources of energy and related capital equipment; and (e) development of basic, intermediate and capital goods industries and, particularly, those intended to provide inputs for other industries and infrastructure building.

B. DEVELOPMENT OF HUMAN RESOURCES OF DEVELOPING COUNTRIES

The UNCTAD secretariat as part of its ECDC subprogramme on MPEs is aiming to enhance the developing countries capabilities to identify, formulate, appraise, negotiate, finance, implement and successfully operate MPEs and joint ventures, through the organization and conduct of subregional, regional and interregional seminars and workshops, training facilities and mutual exchange of experts. To this end, it is envisaged to undertake a Survey of Selected Joint Ventures, with a view to: (a) prepare case studies of selected and representative enterprises for discussions in seminars and workshops of top-level enterprises and non-governmental experts on organizational and operational matters; and (b) draw some lessons from factual experience for identification of major area problems and the adoption of consistent problem-solving techniques which may facilitate the decision-making process for the establishment and successful operation of joint ventures.

Reverse transfer of technology

The UNCTAD secretariat, as called for in Conference resolution 102 (V), and other relevant mandates is engaged in a programme of work on the developmental aspects of the reverse transfer of technology (brain drain). Work in this area includes country studies on the experience and policies of individual countries belonging to different geographical areas. Work has also been initiated on a study of the methodological issues involved in measuring human resource flows, in preparation for an intergovernmental expert group on this issue to be convened in 1982. UNCTAD is also co-operating with the Secretary-General of the United Nations in carrying out a study on the feasibility of establishing an international labour compensatory facility. Included in this work programme is also an examination of the feasibility of various proposals regarding co-operative exchange of skills among developing countries.

United Nations Conference on Trade and Development (cont'd)

C. INDUSTRIAL TECHNOLOGY

Formulation of technology policy and planning

The UNCTAD secretariat's work in this area is based on the mandate contained in Conference resolutions 87 (IV) and 112 (V) on strengthening the technological capacity of the developing countries including accelerating their technological transformation, and includes:

(a) Technology policy and planning

The UNCTAD secretariat is undertaking research and studies on major policy issues in the field of transfer and development of technology to developing countries. An important part of UNCTAD's activities in this area deals with the strengthening of the institutional infrastructure in the developing countries to implement new technology policies and plans, mainly through the active participation in the establishment of national, sub-regional, regional and sectoral centres for the transfer and development of technology. The UNCTAD secretariat is also preparing a series of studies on technology planning, to be used in conjunction with its "Handbook on the acquisition of technology by developing countries".

(b) Transfer and development of technology in individual sectors and critical areas

i) Studies

After having identified and discussed the main technology issues that arise in the food processing, energy, capital goods, pharmaceutical and other sectors of concern to developing countries, and outlined a programme of policy-oriented research, the UNCTAD secretariat is presently carrying out a detailed programme of research on technology policies in the various branches of the above-mentioned sectors.

Specifically, with respect to pharmaceuticals, the UNCTAD secretariat undertook studies on possible actions by the developing countries to establish, at the national and regional levels, an integrated technological policy on pharmaceuticals taking into account multi-disciplinary aspects of health, economic, trade, industrial, and social objectives. A number of country case studies have been completed. Furthermore, the secretariat has developed an operational programme for implementing such technology policies in pharmaceuticals.

As far as energy is concerned, following a preliminary study, in-depth studies have been initiated on three specific aspects of particular importance to developing countries: (i) alternative channels of transfer of technology for oil exploration, (ii) procurement policies of public utilities, and (iii) research and development for renewable energy sources. Similarly, a wide range of studies are being prepared on the food processing and capital goods industries for consideration at the intergovernmental meetings in 1982, mentioned below.

United Nations Conference on Trade and Development (cont'd)

ii) Meeting of governmental experts

Pursuant to Conference resolution 112 (V) and Trade and Development Board resolutions 230 (XXII) and 241 (XXIII), UNCTAD will organize during 1982 three intergovernmental meetings of experts with the task of identifying problems and issues concerning the transfer, application and development of the technologies relating to, respectively, food processing, energy, and capital goods and industrial machinery, and making recommendations thereon for consideration by the Committee on Transfer of Technology.

Legal policies in the transfer and development of technology

This area of UNCTAD's work deals with the measure taken to ensure that foreign technologies are being obtained by developing countries on fair and suitable terms and conditions. The main emphasis of this work is in the following two fields:

a) The legal framework for the transfer and development of technology

The UNCTAD secretariat has been responsible for servicing the on-going intergovernmental negotiations on an International Code of Conduct on the Transfer of Technology. The present draft code provides for an institutional machinery to be established within UNCTAD for monitoring the application of the Code and, inter alia, to render assistance to States, particularly the developing countries, in the application, at the national level, of a future Code.

On the basis of an empirical analysis of the effects of legislation and regulations on technology transfer in selected countries which was requested by Conference resolution 112 (V), the secretariat will, pursuant to Trade and Development Board resolution 240 (XXIII), prepare concrete proposals on common approaches to legislation and regulation dealing with the transfer, application and development of technology in developing countries, and submit them to the Committee on Transfer of Technology at its fourth session.

(b) The economic, commercial and developmental aspects of industrial property

The UNCTAD secretariat has prepared a number of specific studies in this field and has held a meeting of governmental experts to examine the economic, commercial and developmental aspects of industrial property in the transfer of technology. Another group of governmental experts to be convened in 1982, will consider the above studies as well as a study on the impact which new policies and legislations in the field of industrial property and related matters have on the developmental process of developing countries. UNCTAD is also playing a prominent role with regard to the review of the industrial property system, in particular the on-going revision of the Paris Convention.

Advisory service

Pursuant to Conference resolution 87 (IV), UNCTAD has established an Advisory Service on Transfer of Technology which provides the necessary institutional basis for co-operating with developing countries and assisting them, individually or jointly at their request, in matters pertaining to the transfer and development of technology. Resolution 6 (II) of the Committee on Transfer of Technology further requested the Secretary-General of UNCTAD to be responsive to requests from developing countries to provide appropriate assistance through the Advisory Service in the following areas:

(a) National and regional technology policies, plans and institutional infrastructure

The Advisory Service has, on request, sent several missions to a number of developing countries with a view to formulating appropriate national policies and measures on technology issues and to establishing adequate institutional arrangements such as national centres for the transfer and development of technology. The Advisory Service has also actively participated in the preparation of background material, pre-feasibility studies, expert meetings, field missions, and intergovernmental meetings leading to the establishment of regional centres for the transfer and development of technology in Asia, Africa and Latin America as well as in follow-up after the establishment of these centres.^{1/}

(b) Sectoral policies and institutional arrangements

In response to requests from developing countries, the Advisory Service has provided assistance to several developing countries in the implementation of technology policies in the pharmaceutical sector. At the sub-regional level, UNCTAD has in this respect closely co-operated with the CARICOM, the West African Economic Community (CEAO) and the ASEAN with a view to developing rational technology policies for pharmaceuticals and establishing appropriate institutional arrangements for implementing them on a co-operative basis in these regions. The Advisory Service is also actively participating in the Inter-Secretariat Task Force on Pharmaceuticals consisting of the UNCTAD, UNIDO and WHO secretariats, and the Action Programme for Economic Co-operation among Non-Aligned and other Developing Countries (UNAPEC). Assistance has also been provided to some developing countries by the Advisory Service on the formulation of technology policies in the food processing sector.

(c) Training services

The Advisory Service has organized a composite programme covering different subject areas and modalities aimed at satisfying a variety of needs and requirements of the developing countries. This programme includes workshops and seminars for high-level government officials from developing countries, on-the-job/in-house training and exchange of personnel within and/or among developing countries, etc.

^{1/} It is also closely cooperating with ECWA in the establishment of a centre for that region.

D. TRADE IN MANUFACTURES

Action with regard to protectionism and structural adjustment

At the first part of its twenty-second session the Trade and Development Board adopted resolution 226 (XXII) on protectionism and structural adjustment. By this resolution the Board decided to establish a sessional committee at its twenty-fourth session and annually thereafter at its first regular session:

- "(a) to carry out the annual review of the patterns of production and trade in the world economy as provided for in section A of conference resolution 131 (V) "Policies and measures for structural adjustment related to trade". This annual review will analyse, inter alia, long-term trends and, in this context, significant changes in the global patterns of trade and production. Such reviews would be undertaken with a view to identifying elements or problems most relevant, in the light of the dynamics of comparative advantage, to the attainment of optimum over-all economic growth, including the development and diversification of the economies of developing countries and an effective international division of labour.
- (b) along with the subsidiary bodies concerned, to continue to review developments involving restrictions of trade as provided for in section B of conference resolution 131 (V), "Policies and measures to deal with the problem of protectionism", with a view to examining and formulating appropriate recommendations concerning the general problem of protectionism."

The resolution moreover requested the Secretary-General of UNCTAD to submit:

- "(a) for the review under paragraph 1(a) above, a comprehensive, factual and analytical study, annually, of trends of production, imports and exports, of all countries, taking into consideration relevant available information, including general policies, and covering a period of time sufficiently long to enable an evaluation of changes in the world economy and all trade of relevance to developing countries, in accordance with section A of conference resolution 131 (V).
- (b) factual and analytical studies on restrictions of trade, including the inventory of non-tariff barriers affecting the trade of developing countries, in accordance with section B of conference resolution 131 (V)".

Accordingly, on the basis of documentation under preparation by the UNCTAD secretariat the sessional committee of the Board at its twenty-fourth session will hold its first annual review of the patterns of production and trade in the world economy. It will also continue to review developments involving restrictions of trade with a view to examining and formulating appropriate recommendations concerning the general problem of protectionism.

United Nations Conference on Trade and Development (cont'd)

Policies and measures to encourage the importation of manufactures from developing countries

The Lima Plan of Action called for the implementation, expansion and improvement of the GSP adopted in 1970 with the threefold objective of increasing export earnings of developing countries, promoting their industrialization and accelerating the rates of their economic growth. At its ninth session held in 1980 the UNCTAD Special Committee on Preferences adopted resolution 6 (IX) in which it agreed that these objectives had not been fully met and agreed therefore that the duration of the system should be continued beyond its initial 10-year period. In pursuance of this agreement, the EEC which had been the first to implement the GSP in 1971, put into effect a "pluri-annual" scheme beginning in January 1981. A number of other preference-giving countries have taken steps to extend their schemes for a further period as and when these reach the expiration date.

The GSP represents the largest tariff liberalization measures ever accomplished in favour of developing countries. Products enjoying preferential tariff treatment under the GSP include mainly manufacture and semi-manufactures falling with CCN chapters 25-99 with important exceptions such as textiles, leather and petroleum products. Agricultural products in CCN chapters 1-24 are included only to a limited extent. In general manufactured products covered by the schemes enjoy duty-free treatment while eligible agricultural products enjoy various tariff cuts. As a result of various improvements, the product coverage of OECD reference-giving countries' schemes increased from about 1/5 to about 1/3 of their dutiable imports from beneficiary countries. However, due to various limitations, competitive-need exclusions and stringent origin rules, only about 40 per cent of covered imports receive preferential treatment. This shows that there is a large scope for further improvements both in terms of coverage, depth of cut and utilization.

The Special Committee on Preferences recognized that the GSP had played a positive role in improving market access for developing countries. In 1980, for example, preferential imports under the schemes of EEC, Japan and the United States amounted to \$23 billion, or nearly 90 per cent of total preferential trade. Moreover, preferential imports have been growing at a much faster rate than other categories of preference-giving countries' imports from beneficiaries of their schemes. This shows the importance of the GSP for export trade of developing countries despite the inadequacies of the system.

An important aspect of utilization of GSP benefits is that it varies widely between beneficiaries as well as between schemes. Beneficiary countries with a broader industrial base and diversified industrial exports obviously stand to benefit most from the system. Roughly a dozen of the industrially more advanced beneficiary countries supply 80 per cent or more of the total beneficiary imports. At the other end of the spectrum, the least developed among developing countries stand to benefit only to a limited extent. Their exports consist mainly of agricultural products and industrial raw materials,

United Nations Conference on Trade and Development (cont'd)

and while the former are only marginally covered by the GSP, the latter are largely admitted at MFN zero duty and cannot therefore fall within the scope of the GSP. Consequently, a number of preference-giving countries have introduced special measures designed to increase preferential imports from these countries. These measures take the form of duty-free treatment on all dutiable or all covered imports from the LDCs.

In resolution 6 (IX) mentioned above the preference-giving countries reaffirmed their commitment to a continuous improvement of their schemes. In the present world economic situation and in particular as a result of growing protectionism a number of preference-giving countries have, however, taken certain restrictive measures under the so-called policy of graduation. If such measures continue unfettered, they would not only drastically reduce the trade benefits under the GSP but would further compromise the chances of ever achieving the declared objectives of the GSP.

Measures taken to increase manufactured goods from developing countries
Industrial Collaboration Arrangement

Pursuant to the decisions by the UNCTAD Trade and Development Board and the UNIDO Industrial Development Board, a Joint UNCTAD/UNIDO Group of Experts on Trade and Trade-related Aspects of Industrial Collaboration Arrangements was set up. The terms of reference of the Group of Experts are to undertake an examination in pursuance of the objectives contained in paragraphs 8 and 9 in Section II D of conference resolution 96 (IV), of the trade and trade-related aspects of industrial collaboration which would be of benefit to developing countries in relation to international co-operation in the industrial development of the developing countries. The Group has met twice; its first meeting was held in October 1979 in Geneva and the second meeting in June 1981 in Vienna.

The Group examined the range of issues in enterprise-to-enterprise agreements including those within the framework of intergovernmental agreements. It also considered the role of governments, including intergovernmental framework agreements in the light of relevant experience in promoting and facilitating trade and industrial co-operation in their various forms. Moreover, the Group examined the need for building up expertise in developing countries and improving the exchange of information and material in this field.

The further activities of the Group will be considered at the next regular sessions of the UNCTAD Trade and Development Board and the UNIDO Industrial Development Board.

Measures taken to increase intra-developing countries' trade
in selected industrial branches

The UNCTAD secretariat has completed the first phase of a statistical survey on the possibilities for increasing intra-developing countries' trade in selected industrial branches through negotiation and implementation of industrial specialization/complementarity agreements, taking into account existing patterns of import demand from developed countries. As a result, 116 manufactured products have been selected for further research work taking into account their rapidly growing demand in the world market as well as production cost comparative advantages. It is assumed that once completed, this survey will provide valuable guidelines for trade expansion among developing countries at the subregional, regional and interregional levels as well as for the establishment and development of complementary production schemes for industry allocation and specialization, at the sectoral and intra-sectoral levels, provided that within a medium and long-term horizon developing countries decide to pursue concerted policies for economic and technical co-operation to gradually substitute for their own exports an increasing share of their present imports from developed countries.

E. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

The UNCTAD secretariat in co-operation and collaboration with UNIDO, the regional commissions and the regional and subregional institutions of developing countries is planning to undertake empirical research work on the review and strengthening of the existing institutional machinery for mutual co-operation among developing countries at the subregional, regional and interregional levels in the productive sector (industry and agriculture) and particularly, for the establishment of MPEs or joint ventures, within or outside the framework of formal integration groupings.^{1/} This may also include the formulation of policy guidelines and instruments for their linkage and harmonization within the framework of a comprehensive mechanism at the inter-regional level.

During 1979-80, UNCTAD in consultation and close collaboration with UNIDO and FAO and with the financial support of UNDP, has undertaken three sectoral studies on fertilizers, rubber products and the paper industry and one comprehensive report for strengthening the institutional mechanism envisaged for the establishment of multinational production enterprises at the subregional, regional and interregional levels. The reports have been circulated by the Secretary-General of UNCTAD to governments of the Member States of the Group of 77 through their representatives accredited in Geneva, Rome and Vienna, thus initiating a process of consultations with governments of developing countries aimed at identifying interested parties willing to explore further the possibilities of mutual collaboration with other countries for the establishment of multinational production enterprises. In the transmittal letter from the Secretary-General of UNCTAD, it was stated that subject to the outcome of the consultations and to the availability with UNIDO/FAO, was prepared to provide specific support measures to developing countries concerned for follow-up action.

^{1/} See also Section A - Development Planning and Policies and Section B - Development of Human Resources of Developing Countries

GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT)

Questionnaire for the Developed Countries:

"The major constant goal of GATT has been the establishment and preservation of an open world trading system. International commerce, which provides a strong impetus to production and employment, and to the most effective use of the world's resources, can only expand if marketing opportunities are constantly improved and stabilized by being subject to a set of mutually agreed rules.

GATT's activities in recent years have been marked by the growing role played by the developing countries which make up more than two-thirds of its membership. GATT recognizes its responsibility, as the organization setting up the rules for most of world trade, to work to open up and maintain export opportunities for the developing countries. Accordingly, a large part of its work is devoted to this purpose. There is thus clearly a link between the work of GATT and the aims of developing countries to industrialize.

The activities of GATT which are relevant to particular parts of the questionnaires are described in the paragraphs below.

II. INDUSTRIAL RESTRUCTURING AND ESTABLISHMENT OF PRODUCTION FACILITIES IN DEVELOPING COUNTRIES.

- A. Current policies and measures to encourage structural adjustment in industry, in particular as regards the changing division of labour with developing countries.

A Working Party on Structural Adjustment on Trade Policy was established by the GATT Council in November 1980 with the mandate "to elaborate specific proposals for the future work of GATT relating to structural adjustment and trade policy".

In the early part of its work, the Working Party came to the conclusion that an objective of the work in GATT on structural adjustment should be to provide for a better understanding of the adjustment process and to aim at facilitating trade policy measures directed towards the expansion of international trade. It should also provide for an examination of the interaction between structural adjustment and the fulfilment of the objectives of GATT in furthering the expansion and liberalization of trade, including in particular the trade of developing countries.

In the context of the continuing efforts in GATT to avoid resorting to trade restrictive measures and to promote trade liberalization, the Working Party is carrying out an analysis and discussion of the relevance of the Articles and instruments of GATT, including Part IV, to the process of structural adjustment.

The Working Party agreed that in the light of its agreed objectives, another of its tasks should be to identify significant modifications in production and trading structures over time and the factors relevant to these modifications. The GATT secretariat is at present engaged in a study which will assist the Working Party in the identification and subsequent analysis.

General Agreement on Tariffs and Trade (cont'd)

A further task the Working Party has set itself is the exchange of information and discussion on the experience of all contracting parties with regard to structural adjustment, along with an overall analysis of the experience. All contracting parties have been invited to provide relevant information by the end of 1981.

V. DEVELOPMENT OF HUMAN RESOURCES OF DEVELOPING COUNTRIES

While GATT does not carry out industrial training, it may be relevant to mention that it conducts training courses and seminars on trade and trade policy for government officials of developing countries. The aim of these activities, which are carried out in Geneva or the countries or regions concerned, is to deepen their knowledge of trade policy and related issues, and to help their countries assess for themselves the results of the negotiations and other work in GATT, and to identify increased marketing opportunities resulting from them.

VI. TRADE IN MANUFACTURES

Promotion of the trade interests of developing countries was one of the essential aims of the Tokyo Round of multilateral trade negotiations. Developing countries, which comprised three-quarters of the 99 countries participating in the negotiations, secured improvements for their international trading conditions in the agreements covering tariffs, various non-tariff measures, agriculture, tropical products, and an improved framework for the conduct of world trade.

The negotiations on tariffs have resulted in significant cuts in import duties of the main industrialized countries; these cuts, when completed, will have reduced the average most-favoured-nation duties imposed on imports of manufactured goods and bound against increase in GATT schedules by about one-third. A series of eight annual cuts was agreed upon (three of which will have been made by 1 January 1982) but a number of countries are following faster schedules, upon request, for reducing tariffs on products imported from developing countries. Developed countries also reduced (sometimes to zero) GSP rates of duty on a range of items, particularly tropical products, in response to specific requests made by developing countries. Many developing countries are themselves making tariff reductions consistent with their development, financial and trade situation.

A major result of the Tokyo Round was the provision of a standing legal basis within GATT - the so-called "enabling clause" - for preferential treatment for, and between, developing countries, taking into account the particular situation of the least-developed among them.

The multilateral agreements on non-tariff measures and agriculture reached in the Tokyo Round are now all operative, the last two having entered into force on 1 January 1981. They are designed to produce greater transparency in international trading rules, reduce

General Agreement on Tariffs and Trade (cont'd)

the scope for protectionist use of non-tariff measures in a number of areas, and provide mechanisms for consultation and dispute settlement, aimed at greater international co-operation and more effective monitoring of trade practices. It is expected that these agreed rules and procedures will help developing countries protect their commercial interests as they participate increasingly in world trade; they would therefore also help these countries in planning their industrialization. Each of the agreements covering non-tariff measures contains provisions for special and differential treatment for developing countries.

As of December 1981, twenty-three developing countries had signed or accepted one or more of the various Tokyo Round agreements covering tariffs and non-tariff measures. A large number of other developing countries participate as observers in the work of the bodies responsible for the operation of these agreements in order to follow developments and assess the advantages for their trading interests of joining them.

In addition, other work in GATT relevant to this part of the questionnaire is being carried out in, or under, the Committee on Trade and Development.

The Committee has agreed to set up a "Programme of Consultations on Trade Liberalization". Under this programme, pluri-lateral consultations would be held between importing countries concerned and interested developing country suppliers with respect to commercial policy measures affecting trade in tropical products, and quantitative restrictions. The consultations, which would aim at an examination of the possibilities for, and ways of, making further progress towards trade liberalization on these areas, are expected to take place in the first quarter of 1982 and to cover also semi-processed and processed tropical products. Many delegations see this activity as making a contribution to the preparatory work for the 1982 session of GATT CONTRACTING PARTIES to be held at the ministerial level which is referred to below.

The Sub-Committee on Protective Measures, established in March 1980, has as its task to examine cases of protective action by developed countries against imports from developing countries, in the light of the relevant provisions of the General Agreement, particularly Part IV. Developing countries not contracting parties to GATT may also participate in an observer capacity. The Sub-Committee has examined - and is continuing to do so - a number of protective trade measures brought to its attention through notification by developed countries, "reverse" notifications by developing countries, or information provided by the secretariat.

General Agreement on Tariffs and Trade (cont'd)

- C. Particular measures taken to encourage such imports from the following groups of developing countries: Least developed
Land-locked
Island
Most seriously
affected

The Sub-Committee on Trade of Least-Developed Countries was established in July 1980, in order to "give special attention to the particular situation and trade problems of least-developed among the developing countries in GATT's work programme following the Tokyo Round, including that relating to the results of the multilateral trade negotiations, and to keep under review the special treatment which could be accorded these countries in the context of any general or specific measures taken in favour of developing countries." The Sub-Committee serves as a forum for keeping under review activities of interest to least-developed countries in various GATT and other bodies, and for addressing the trade problems of least-developed countries which lend themselves to practical consideration and action in GATT. The latter work is based on documentation on tariff and non-tariff measures prepared by the secretariat and on notifications which the least-developed countries have been invited to make of any additional trade measures that may appear to be adversely affecting their exports. It is expected that where specific problems and issues are identified, a process of consultation could take place between the countries concerned with a view to seeking clarifications and discussing practical approaches towards finding appropriate solutions.

Questionnaire for the Developing Countries:

IV. DEVELOPMENT OF HUMAN RESOURCES

While the GATT does not carry out industrial training, it may be relevant to mention that it conducts training courses and seminars on trade and trade policy for government officials of developing countries. The aim of these activities, which are carried out in Geneva or in the countries or regions concerned, is to deepen their knowledge of trade policy and related issues, and to help their countries assess for themselves the results of the negotiations and other work in GATT, and to identify increased marketing opportunities resulting from them.

X. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

Eighteen developing countries have joined in an agreement with GATT, formally known as the Protocol Relating to Trade Negotiations Among Developing Countries, providing for an exchange of mutually advantageous tariff and trade concessions. The eighteen participating countries account for about half of all developing country exports of manufactured goods.

The agreement took effect in 1973 and is open to all developing countries whether or not they are members of GATT.

General Agreement on Tariffs and Trade (cont'd)

In conclusion, it should be noted that at their November 1981 Session, the GATT CONTRACTING PARTIES have unanimously decided that their next Session, to be held in November 1982, should be convened at ministerial level. The purpose of the ministerial meeting will be "to examine the functioning of the multilateral trading system, and to reinforce the common efforts of the contracting parties to support and improve the system for the benefit of all nations".

The GATT member states agreed that Ministers would address themselves to "the implementation of the results of the Multilateral Trade Negotiations, problems affecting the trading system, the position of developing countries in world trade and future prospects for the development of trade. Finally, in the context of their consideration of the work programme of GATT for the 1980s, Ministers would also determine future priorities for co-operation among contracting parties".

INTERNATIONAL LABOUR OFFICE (ILO)

The ILO provided the following report:

Industrial Technology

The issues to technological choice, transfer and change are reflected in the work of all the ILO's major programmes. The choice of industrial technology directly relates to working conditions, levels of wage remuneration, the generation of employment opportunities and the production of products useful to consumers in all income classes, all of which are key concerns of the ILO. Technological issues are therefore receiving increasing attention in the ILO's World Employment Programme, in the International Programme for the Improvement of Working Conditions and the Environment (PIACT), and the ILO's industrial committees.

Research into the implications of technological choice, and the process of technological change, is regarded as essential for the continuing development of ILO technology-related activities and the provision of technical advisory services to developing countries. Research projects recently completed have concerned technological linkages between the formal and informal sectors, external development finance and the choice of technology, rural industrialization, and appropriate products and technological choice. Projects presently being launched will concern the role of the capital goods sector in industrial and technological development, technological adaptation in the farm machinery industry, and market structures, industrial organization and technology.

International Labour Office (cont'd)

A major new research programme has recently been launched on the social implications of alternative energy policies in developing countries. This programme, to be implemented principally through case studies in developing countries, is designed to illuminate the links between industrial development, employment generation, and energy policy. Technological choice is at the heart of energy policy, both in respect of supply and demand (for example, through energy conservation in transport and industry).

The dissemination of information on alternative technological choices in industry, particularly small-scale industry, is a major component of ILO work in the technology field. For this purpose, a series of "technical memoranda" have been designed, and some 15 of these will be produced in 1982-83. These memoranda are intended to provide background information to entrepreneurs in developing countries, development planners, and aid agencies, on the economic and employment implications of the technological choices available to them. The memoranda are being prepared in consultation with several UN agencies, including UNEP and FAO. The assistance of UNIDO in the preparation of six memoranda has been appreciated.

The activities described above, of research and information dissemination, are supportive of the ILO's technical co-operation projects and advisory services relating to technological choice and change. The ILO is presently rendering assistance concerning the technological component of projects in the fields of rural construction, rural non-farm technologies, rural industrialisation including small-scale industries and handicrafts, and the urban informal sector. The ILO is also providing technical assistance on the preparation of technology policies in developing countries, bearing in mind in particular the concept of appropriate technology and its importance for the generation of employment.

Technology-related issues are frequently discussed in meetings of the ILO's industrial committees. In recent years specific attention has been given to the question of technological change in meetings concerning woodworking, food processing, the chemical industries, the metal trades, the leather and footwear industry and printing. In addition, the ILO's Governing Body convened a meeting in December 1980 of a Tripartite Working Group on Appropriate Technology, a meeting which endorsed the need for the continuation and expansion of various ILO activities related to industrial technology and its implications for the worker and the consumer.

ILO and Human Resources Development in Developing Countries

Since the late 1950s the ILO has oriented its industrial training activities increasingly towards the industrializing countries in Latin America, Asia and Africa.

International Labour Office (cont'd)

The three pillars of the ILO's activities in training, including training for industry, are its standard-setting, technical co-operation and research activities. They cover policy issues at the sectoral and intersectoral levels and involve training at all levels of skill from unskilled worker to manager and for all sectors of the economy.

The standard-setting activities date from as far back as 1921 when the Vocational Education (Agriculture) Recommendation (No. 15) was adopted. Of particular importance has been the adoption by the General Conference of the ILO of the Convention (No. 142) and Recommendation (No. 150) concerning vocational guidance and vocational training in the development of human resources. The Recommendation urges member States to, among other things, "adopt and develop comprehensive and co-ordinated policies and programmes of vocational guidance and vocational training closely linked with employment".

A recently undertaken survey of the ILO's operational activities in the field of training analysed 66 projects of industrial training completed between 1972 and 1980. Twenty-three of these projects aimed at building up or strengthening national training institutions, twenty-one provided co-operation in setting up or expanding national training schemes and programmes at various levels of skills, twelve had the purpose of introducing special methods and systems of training and ten projects were involved in satisfying the training needs of specific sectors or the demand for particular skills.

The ILO's vocational training projects for industry typically provide institutional training but also frequently develop apprenticeship, in-plant and in-service training. Other activities include curriculum, training methodology and training material development as well as skills and trade testing and certification. Low income countries have, on average requested ILO assistance in primarily initial training, a fact which reflects their relatively narrow educational base and recent drive to industrialize. In the middle income countries, on the other hand, emphasis in the ILO's project delivery has been on further training, including upgrading and updating training.

In addition to these activities focussing explicitly on the industrial sector in developing countries the organisation has also been instrumental in helping governments to plan, establish and strengthen management development institutions, catering for both the private and public sectors, including industry. These projects have trained and continue to train national professional staff (trainers, teachers, consultants, advisers, researchers) although many also intervene directly in enterprises and provide assistance in problem-solving, productivity improvement and in-plant training. National institutions participate in this activity. Assistance is also provided to various institutions catering for the needs of the small (industrial) entrepreneurs such as the training of loan officers in development banks and training of trainers in institutes catering for small enterprises.

International Labour Office (cont'd)

The activities of the International Centre for Advanced Technical and Vocational Training in Turin, established in 1965, plays a major role in the ILO's over-all technical co-operation efforts by providing highly specialised, advanced training, which is cost-effective only on an international scale. Of particular relevance to training for industry, the Centre has come to cover areas such as training of training managers and technical and vocational instructors, training in management, finance and administration for middle or top-level project managers in small, medium and large industrial enterprises and technology for specialists in particular techniques, e.g. micro-electronics, numerical control, mechanical engineering, maintenance and energy. In the 1965-80 period some 4,200 trainees, financed under fellowship programmes, participated in industrial training at the Centre. Another 4,100 were given management training (for all economic sectors).

Finally, the ILO's research oriented activities in the field of industrial training comprise a broad range of projects. The Organisation is involved, at Headquarters, at field project level and also through its regional institutions and the Turin Centre, in a continuous programme to develop new approaches to industrial training through research in innovative training design, methodologies, materials and curriculum development. Particular mention should be made here to the work undertaken to develop a modular approach to training called "Modules of Employable Skills (MES)" in a number of training situations catering for the needs of industry. The effectiveness of the approach is due to several factors, e.g. the flexibility in compiling training programmes as learning elements can be assembled to form packages precisely matched to specific training needs in specific industries and to the needs of the individual trainee. There are also considerable economies of scale as standardised training materials can be produced for world-wide distribution. To date, some 430 learning elements have been developed and are being successfully used on a pilot basis in the following main areas of industrial employment: building construction, electrical and mechanical engineering and automotive engineering.

Overseas training for human resources development in industrialization

Over the years an extensive network of opportunities for industrial training of overseas students has developed, which is an important additional source of supply of the skilled manpower needed by developing countries. The arrangement under which such opportunities arise include:

- (a) multilateral and bilateral agreements under which a country provides training opportunities for one or several other developing countries in various fields of economic activity including industry;
- (b) sponsorship by international institutions such as UNIDO, ILO and ESCAP, of the participation of nationals from developing countries in training given either in industrialized or industrializing countries;

International Labour Office (cont'd)

- (c) joint ventures between industrial companies in different countries. Such ventures may involve the training of industrial manpower from one of the participants in the venture in training programmes organised by another participant;
- (d) exports of turn-key industrial projects which incorporate training components; and
- (e) self-financing by the sending countries or by the industrial participants in the training courses themselves.

Under these different financial arrangements for overseas industrial training, trainees can be placed either in training institutions financed by the government or by other national bodies, in internationally or regionally financed training institutions, in industry and its in-plant or in-house training institutes or on-the-job or in other private sector units and universities.

A major problem in expanding training for overseas students is the lack of information about the scope, contents and levels of training opportunities on overseas offers and the standards of knowledge and experience required for trainees by the national institution. This points to the associated problem of matching training to the industrial needs of sending countries.

A first prerequisite for expanding the opportunities for overseas training is the existence of a clearly defined policy - on the side of both sending and receiving countries - of technical assistance in the areas of technology transfer and industrial training.

This policy - formulated at the governmental and institutional level - should define the objectives of this type of training and the major means to reach them. The planning of international training should, ideally, include the identification of the training needs of sending countries and prospective recipients of training combined with the identification of the most appropriate training institution within a country or region to meet these needs. Another requirement would be the careful selection of candidates for international training, paying attention to the prospective trainee's professional as well as personal suitability for overseas training. The training required has to be specified in exact terms which would mean direct communication between the employer and the training institution, enterprise or other body providing the training.

It has been claimed that identification of training needs of individual countries is difficult and could be better undertaken on a group basis whereby countries would be clustered together according to some criteria, e.g. level of development of various sectors of industry or affinity in terms of their approach to industrial development and technological choice. The training needs so identified for a country group could then be met by training programmes specifically designed for the purpose and allocated to specific training institutions.

International Labour Office (cont'd)

The institution of a focal point - presumably either a national or regional training institution - has been suggested which would be assigned to the co-ordinating task of identifying the industrial training needs of a group of countries.

Efficiency in the utilization of international training capacity - in terms of use of human, material and financial resources - could be considerably improved by a certain degree of division of labour. Thus training programmes could be country-based, technology-based, industry-based and function-based (i.e. function at work), or constitute a combination of these and be assigned to particular training institutions (or industrial enterprises) which have developed a certain capacity - or comparative advantage - for training in these fields. A major task is therefore to identify such "centres d'excellence" and, if necessary, to improve their capacity to provide international training.

The Escola SENAI Theobaldo de Nigris in Brazil is an example of an industry-oriented training institution which caters specifically for the training needs - national and regional - of the printing industry at the skilled craftsman and technician levels. The Arab Petroleum Training Institute (APTI) is another industry-based training and research institution, which has primarily regional objectives. Its activities focus on the training and development of instructors, training managers, training engineers and systems and production analysts. The Vocational Instructor Training Institute in Egypt, on the other hand, is an example of a functionally-oriented training institution which apart from meeting national needs for instructors in industrial training, also has, albeit, limited, regional training objectives. This institute has been assisted by the ILO.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION (UNESCO)

The activities of UNESCO that are directly related to the issues in the questionnaires concern mainly the development of human resources and, to a lesser extent, Items I, III, V, and X of the questionnaire for developing countries and Items IV and V of the questionnaire for developed countries.

The development of human resources (Items IV and V of the questionnaire) is the focus of a very large number of UNESCO programmes. The education programmes include in-school and out-of-school education, and include reinforcement of the links between education and productive work, improvement of educational content methods and techniques, promotion of the training of educational personnel, intensification of adult education, promotion of technical and vocational education, and the education of scientists, engineers and technicians. In addition, there are many training programmes in the social and natural sciences, engineering information sciences, and other technical areas that are concerned with human resource development.

United Nations Educational, Scientific and Cultural Organization (cont'd)

Development planning and policies (Item I), is an issue to which UNESCO programmes in science and technology policies contribute, and also those in the social sciences, which are also concerned with the social aspects of industrialization (Item III). The utilization of natural resources (Item V) is a major aspect of the UNESCO programmes in mineral and energy resources, ecological sciences, water resources, and ocean and coastal marine systems. Finally, economic and technical co-operation among developing countries (Item X) is promoted by a wide range of regional and inter-regional activities, many of which are decentralized to the UNESCO regional offices.

Questionnaire for Developed Countries:

IV. INDUSTRIAL TECHNOLOGY

- A. Measures taken to develop technologies suitable for the conditions of developing countries.

UNESCO's programmes emphasize the importance of appropriate technology and the harmonization of science and technology with socio-cultural conditions in all of its activities. Non-technical aspects of the use of new energies in developing countries is a special concern of the programme.

- B. Special measures taken to develop energy-related technology for the needs of the developing countries.

UNESCO's Energy Programme presently contains thirty-four specific activities including courses, studies, programmes, projects, meetings, workshops, and publications related to the transfer of energy technology to developing countries. These activities concern education and training, information, research and development, socio-economics and the environment.

Specific examples are the International Forum on New Technologies of Coal Utilization to be conducted in co-operation with UNIDO in F.R.G. in January 1982; the Summer School on Heat and Mass Transfer in Solar Energy, organized in Yugoslavia in August 1981 by the International Center for Heat and Mass Transfer, the UNIDO/UNESCO African biogas symposium to be held in Tanzania in January 1982; support to the Microbiological Resources Centre Network in the Caribbean; and a biotechnology symposium scheduled for July 1982 in Cuba.

- C. Measures taken in co-operation with developing countries for the provision of a flow of information on industrial technology.

UNESCO's Energy Information Programme seeks to improve the flow of information on energy, an essential element in industrial technology. This programme is establishing pilot projects, identifying and developing energy information sources, and providing technical support to UNESCO Member States. Emphasis is placed on new and renewable sources of energy and rural applications of this technology.

United Nations Educational, Scientific and Cultural Organization (cont'd)

D. Measures taken to support the transfer of technology to developing countries.

UNESCO's activities in the areas of education, science and technology are concerned with building up infrastructures which will improve the capacity of developing countries to choose, accept, and create technologies appropriate to their needs.

V. DEVELOPMENT OF HUMAN RESOURCES OF DEVELOPING COUNTRIES

A. Availability and expansion of training facilities in institutions and in industry for trainees from developing countries

UNESCO has well established programmes to assist developing countries to establish and strengthen systems and institutions for education and training, as well as programmes for fellowships, training seminars, and exchange of information between developing countries.

B. Support for training facilities in developing countries.

UNESCO's programmes presently sponsor and support a wide range of training programmes in developing countries.

C. Measures taken to support international programmes for the effective integration of women in the industrialization of developing countries.

UNESCO places high priority on increasing educational opportunities for women in formal and non-formal systems, so as to improve their qualifications and skills.

UNITED NATIONS CENTRE ON TRANSNATIONAL CORPORATIONS (UN/CTC)

The role of transnational corporations in industrial and technological development is a central concern in the work of the United Nations Centre on Transnational Corporations (UNCTC). Accordingly, most of the projects which comprise the research, information and technical cooperative activities of UNCTC are related to one or more of the questions posed in UNIDO's circular to governments. In consideration of the request for selectivity, only those projects were elaborated on which directly coincided with issues presented in the questionnaire.

United Nations Centre on Transnational Corporations (cont'd)

UNCTC projects which relate to Industrial Restructuring and Establishment of Productive Facilities in Developing Countries include:

Industry studies

The UNCTC prepares reports on the role of transnational corporations (TNCs) in various industries of special interest to developing countries. The objective of these studies is to provide an over-all analysis of the production and marketing characteristics of particular industries and the present and potential role of TNCs in this regard. A very important aspect of these studies is to scrutinize possibilities for participation of TNCs in the generation of productive capacity in developing countries and the supply of industrial technology to these countries. It is intended that the reports provide a better understanding of the participation and strategies of TNCs in these industries and enhance the ability of host countries to design appropriate strategies and policies as well as improve their negotiating capacity in dealing with TNCs.

It should be noted that UNCTC's industry reports also take up topics which are included elsewhere in UNIDO's questionnaire. Specifically, various industry reports deal with the following topics, as appropriate: the suitability of technology employed by TNCs in a particular industry in relation to the factor endowments of developing countries (Item IV-A); the possibilities and arrangements for transfer of technology through various contractual arrangements with TNCs in a particular industry (Item IV-D); and, the role of TNCs in trade in manufactured goods (Item VI-A).

Other research activities relevant to the acceleration of industrialization in developing countries

Linkages between TNCs and the economies of host countries:

UNCTC has been studying the extent to which investment and production by TNCs affect domestic enterprises. Thus, a study on backward linkages, using the automotive industry as an example, was completed in 1980. UNCTC is planning to carry out a follow-up study on forward linkages in the area of primary commodities. Work has also started on the interrelationship between TNCs and State-owned enterprises in developing countries in both industrial and services sectors.

In-depth studies of selected industries:

In addition to the industry studies mentioned above, UNCTC has carried out in-depth analyses of the impact of TNCs on such industries as food processing and pharmaceuticals in developing countries. By examining the effects of developing countries, UNCTC has sought the ways in which developing countries can increase the degree of involvement of domestic enterprises in these countries.

United Nations Centre on Transnational Corporations (cont'd)

Interregional Project on Primary Commodity Exports:

Together with its Joint Units with the regional economic commissions, UNCTC is currently involved in a research project on the production, processing and marketing of nine selected commodities. The main objective of the project is to help developing countries increase their gains from the production of these commodities and strengthen their negotiating capacity vis-à-vis TNCs. The findings of the research project will be assessed by an interregional seminar scheduled to be held in 1982 under joint UNCTC-UNDP sponsorship.

International financial transfers:

UNCTC has completed a first study on the role of transnational banks as sources of finance to developing countries. A second study, based on a sample of developing countries, is currently underway. The main purpose of both studies is to assist developing countries in taking better advantage of the financial resources which can be made available to them through transnational banks.

Legal aspects of TNC participation in developing countries

The establishment of productive facilities in developing countries must be compatible with the industrial and development strategies of the host countries and be based on mutually acceptable and advantageous contractual arrangements. It is in this context that UNCTC's work on legal issues should be viewed.

The UNCTC collects and analyses information on national policies, laws and regulations related to the participation of TNCs in the national economy. This material has been used to prepare country by country surveys of laws, regulations and policies in a variety of areas, including main investment legislation, screening and monitoring of foreign direct investments; ownership, and restrictive business practices; fiscal incentives and taxation; export processing zones; disclosure requirements under corporate law; investment guarantees; and dispute settlement.

The UNCTC also prepares reports on selected legal issues of particular interest to developing countries. These reports examine the range of laws and measures applied by various countries. The issues currently under investigation are: investment incentives, tax havens, restrictive business practices, divestment and transfer of technology in export processing zones.

Another facet of UNCTC's legal work involves the analysis of contractual arrangements between TNCs and entities in host developing countries. Reports dealing with different types of contracts (e.g. management, turnkey) or contracts in different industries highlight the strength and weaknesses of a sample of existing contracts. Such analyses provide a basis for developing countries to improve future contracts and, more generally, to improve their negotiating position vis-à-vis foreign economic partners or supplier of technology. It should be noted that some of this material is related to measures taken to support the transfer of technology to developing countries (Item IV-D).

United Nations Centre on Transnational Corporations (cont'd)

The scope our advisory services covers the whole range of issues and activities related to governmental policies and measures affecting the participation of TNCs in domestic projects, be they related to foreign direct investment, the acquisition of technology or other forms of non-equity arrangements such as management contracts.

Our advisory services can assist governments in matters related to policies, laws, regulations and procedures concerning TNCs. They may focus on matters related to TNCs on an overall basis, such as laws and regulations related to foreign direct investment and the acquisition of technology and screening and monitoring procedures, or to similar issues related to a specific sector.

The UNCTC's advisory services can also assist governments in dealing with issues in specific contractual arrangements with TNCs. These may involve assisting and evaluating, within the context of specific projects, the merits of alternative forms of contractual arrangements, or assisting governments in evaluating specific draft agreements or contracts, be they in the natural resources, manufacturing or service sector. Finally, UNCTC can provide staff support in preparation for negotiations.

Developing country-based TNCs

The UNCTC is initiating a new project on TNCs based in developing countries and their participation in the economies of other developing country economies. One aspect of this project will be an examination of developing country-based TNCs as suppliers of technology to industrial and technological development in other developing countries. This project is also related to co-operation with developing countries for the provision of a flow of information on industrial technology (Item IV-C).

In relation to the item on Financial and Technical Assistance, UNCTC collects and analyses information on trends in the activities of TNCs, particularly the pattern of foreign direct investments and their distribution by countries and regions of origin and destination and by economic sector.

Some of UNCTC's projects directly related to Industrial Technology have been indicated above under UNCTC's industry and legal projects as well as the project on developing country-based TNCs.

In addition, the training programme of UNCTC's Advisory Services is relevant to Development of Human Resources of Developing Countries. The UNCTC's training programme consists primarily of organizing and conducting workshops on the regulation and negotiation with TNCs on a cross-sectoral basis (i.e. general workshops) or as related to a specific economic sector, such as mining, petrochemicals and fisheries (i.e. specialized workshops). Workshops are also organized on specific technical issues (e.g. information and disclosure, transfer pricing). The workshops can be organized at the interregional, regional or national level, and are held at venues in developing countries.

United Nations Centre on Transnational Corporations (cont'd)

Workshops are interdisciplinary in scope involving economic, legal, and administrative elements and are designed to strengthen the capability of officials in dealing with issues that arise in the relationship between TNCs and host countries.

General workshops as well as those related to specific sectors focus on relevant legislative and administrative framework: issues of ownership, control and the division of gains; alternative forms of foreign participation: taxation; transfer pricing; acquisition of technology; regional co-operation; the nature of TNCs' structures and operations, and negotiating procedures and techniques. In the context of workshops, special attention is given to the policies, legislation, approaches and experiences of other developing countries.

The UNCTC also organizes high-level round tables, which bring together senior government officials with extensive practical experience at the highest level on matters related to TNCs for the purpose of exchanging experiences and drawing conclusions regarding government/TNC relationships concerning specific issues. The proceedings of such round tables are widely disseminated so that governments in particular those of developing countries, can benefit from the experience and views of high-level officials from other countries.

The UNCTC also responds to requests from developing country governments to assist existing national institutions of higher learning in developing interdisciplinary programmes of training on matters related to TNCs, geared particularly to junior officials and graduate students. Under this activity, UNCTC assists national institutions in developing programme curricula; in training national lectures with a view to familiarizing them better with the issues to be covered and to bring them up to date from time to time on relevant developments; in preparing teaching manuals and other materials by making available experts to supplement at appropriate times the teaching faculty; by making available periodically bibliographies on issues related to TNCs; and by organizing regional seminars and workshops to supplement the curriculum in national institutions.

The UNCTC also organizes study tours aimed primarily at exposing senior government officials to the relevant practices and experiences of other countries, in particular developing countries and to exchange ideas with their counterparts in these countries.

UNITED NATIONS DEPARTMENT OF INTERNATIONAL ECONOMIC AND SOCIAL AFFAIRS
(UN/DIESA)

ACTIVITIES OF DIESA OF MUTUAL ANALYTICAL INTEREST IN THE
CONTEXT OF UNIDO'S THIRD SURVEY TO ASSESS THE PROGRESS OF
INDUSTRIALIZATION IN DEVELOPING COUNTRIES

I. Office for Development Research and Policy Analysis

1. Projections and Perspective Studies Branch:

The Branch co-operates with various units of UNIDO on an ongoing basis, notably those responsible for projections. Co-ordination of modelling activities is basically effected through the Technical Working Group of the ACC Task Force on Long-Term Development Objectives.

2. General Analysis and Policies Division:

Among the major areas of concern indicated in the UNIDO questionnaire are development planning and policies, social aspects of industrialization and development of human resources. This, along with the emphasis on the interrelationship between industrialization and social development suggests that there is scope for this Division to contribute in the context of the UNIDO survey exercise.

The examination of the specific problems of particular social groups on a sectoral level as well as the assessment of skill requirement, and upgrading of human resources require a broader analytical framework. Social obstacles to industrial adjustment in developed countries and to industrialization efforts in developing countries would need to be identified and analyzed.

Research into the structural unemployment in the advanced industrial countries and the emergence of a new international competition caused by differences in the functioning of the labour market, including the problem of the mismatching of skills and wage policies could contribute to this broader framework. Such analytical work is under discussion in the Intersectoral Issues Branch of the Division.

In addition, the work carried out in the Branch at the macro as well as the sectoral levels represents a direct input to the international effort to assess the progress of industrialization in the world, particularly in the developing countries.

The Branch is undertaking a number of sectoral studies on international competitiveness; studies on productivity development and its impact on international competitiveness; and a study on global trade imbalances.

II. United Nations Statistical Office

Data on industrial structural and activities are essential to the process of developing policies and in monitoring trends and measuring industry's response to established policies.

United Nations Department of International Economic and Social Affairs
(cont'd)

A system of industrial surveys in developing countries constitutes an important component of the reporting system for the review and appraisal of progress achieved towards implementing the Lima Declaration and Plan of Action.

One aspect of the regular programme of the Statistical Office consists of preparing internationally approved conceptual and methodological guidelines for carrying out national industrial censuses and surveys. This is accomplished by studies of national experiences and the development of international recommendations prepared with the assistance of regional working groups and individual experts. The end product is a set of published recommendations and methodological documents, which are approved by the Statistical Commission. The technical work is carried out by the Statistical Office in collaboration with the Statistics Division in each regional commission.

Another important aspect of the regular programme consists of requesting countries to provide industrial data for processing and publication. For the past twenty years, the Statistical Office has been systematically compiling industrial data for purposes of international dissemination and comparison. The data correspond to the results of annual industrial surveys.

In addition to its regular activities, the Statistical Office is responsible for providing substantive back-stopping support for technical assistance projects and activities in the field of industrial and related censuses and surveys. In recent years, this has involved the work of individual experts in country projects as well as servicing and/or co-sponsoring regional meetings.

In the programme of compiling and disseminating internationally comparable data on industry, three major areas: general industrial statistics, commodity production statistics and index numbers of production and employment are included. The results of annual surveys of industrial activity shows the basic data for some 100 countries, commodity production contains detailed information on world production of about 530 industrial commodities for about 200 countries and indexes of production and employment are compiled for countries, regions and the world. The results of these compilations are published in the Yearbook of Industrial Statistics and summaries in the Statistical Yearbook and Monthly Bulletin of Statistics.

UNITED NATIONS DEPARTMENT OF TECHNICAL CO-OPERATION FOR DEVELOPMENT
(UN/DTC)

General

Within its fields of substantive competence the Department of Technical Co-operation for Development (DTCD) is engaged in a number of activities contributing to the acceleration of industrialization in developing countries. Of particular importance is work in the fields of natural resources and energy, development planning, and development administration.

Since UNIDO is the United Nations-family body with primary responsibility for matters pertaining to industrial development, DTCD's work in this area is generally in the context of activities undertaken in other fields, with implications for industrialization. DTCD maintains close and continuing contacts with UNIDO and as part of this is engaged in a number of projects being implemented on a joint basis.

Comments under the headings of the questionnaire for developing countries

I. DEVELOPMENT PLANNING AND POLICIES

As a Department with major substantive competence for development planning, DTCD frequently deals with matters related to industrial development in the course of its technical co-operation activities. DTCD recognizes that industrial development and the interrelations between industry and other sectors of the economy are of particular importance in overall development planning. This recognition may be expressed in a project by the inclusion of an explicitly industrial component, such as an expert in an industrial field, which in turn may be subcontracted to UNIDO in order to draw on its specific expertise in this sector. However, given the importance of industrial development, an expert in a DTCD-executed project who covers a broader area, such as general development planning or regional planning, will typically undertake activities related to industrial development planning as part of his or her duties.

At the request of the General Assembly and ECOSOC, DTCD has conducted enquiries and submitted reports on the role of the public sector in the development of developing countries. In the course of this work the role of the public sector in industrial development has been naturally studied. A comprehensive report on this subject is expected to be submitted through ECOSOC to the General Assembly at its thirty-eighth session.

In the field of development administration, DTCD support for industrial development is provided in the course of technical co-operation efforts aimed at raising the level of efficiency of the administrative machinery in general. Activities include those related to administrative reform, training of personnel, public finance management and the management of financial institutions. Work related to the functioning of public enterprises is also included.

United Nations Department of Technical Co-operation (cont'd)

In the implementation of industrial development policies most developing countries have adopted the imposition of certain regulations, the administering of which has posed severe problems. The study of efficiency of regulatory administration mechanisms forms one part of the current DTCD programme.

In the course of industrializing most developing countries have undertaken industrial activities organized in public enterprises. The work of DTCD in public enterprises both by itself and in collaboration with the International Centre for Public Enterprises at Ljubljana is therefore especially relevant. In its continuing programme of work in this area DTCD held in November 1981 in Islamabad, Pakistan, a Symposium on economic performance (evaluation) of public enterprises.

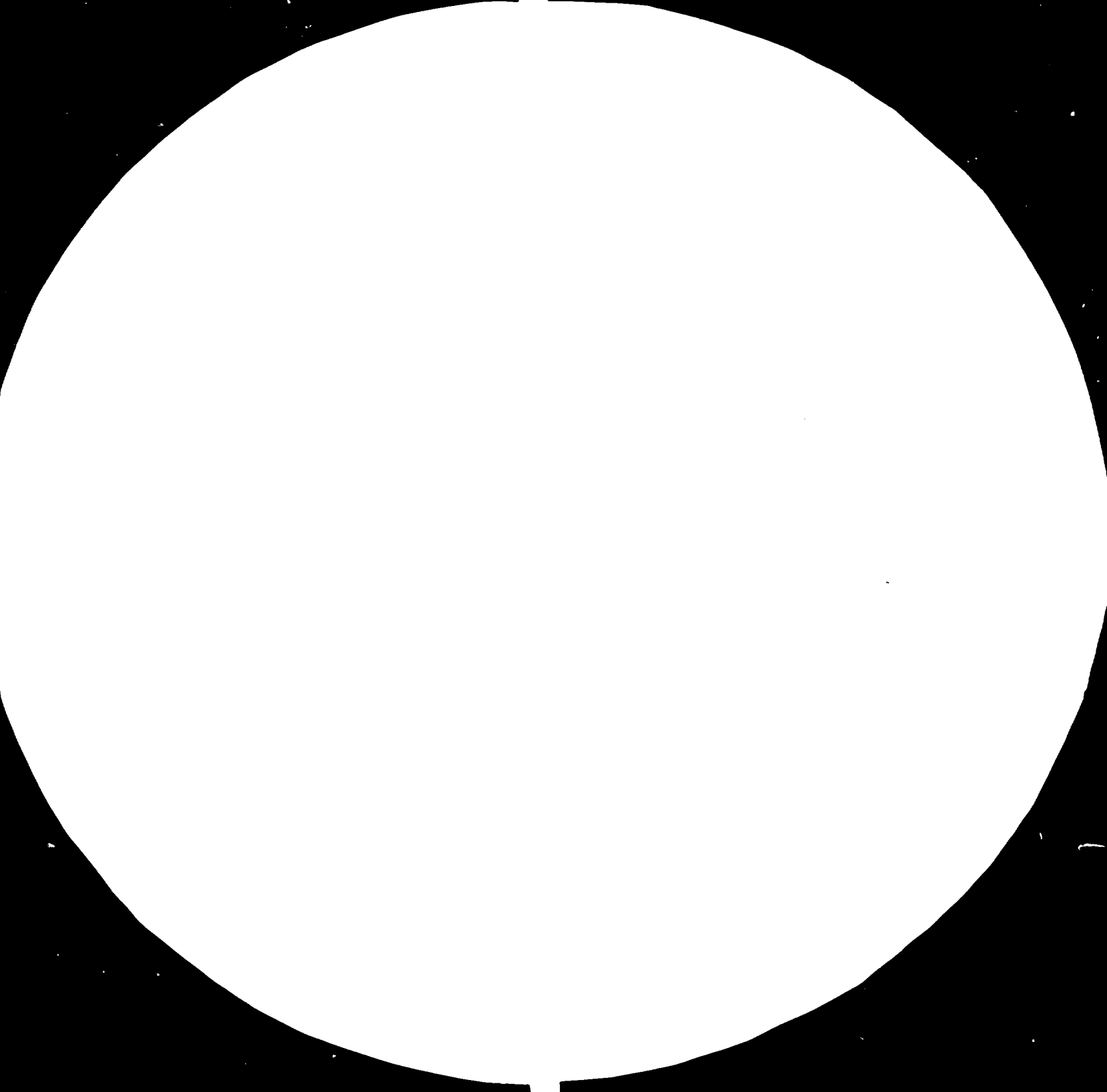
V. UTILIZATION OF NATURAL RESOURCES

DTCD is undertaking a number of activities including the provision of advice to governments on minerals sector development and planning which relate to item V-A of the questionnaire, on raw materials processing. These activities range from mineral exploration to production which includes considerations regarding local processing of minerals for export. They also involve the conduct of pre-feasibility studies which, by their nature, take into account the processing aspects of minerals development and utilization. In addition, DTCD has undertaken a major study on the factors affecting decisions regarding the location of minerals processing facilities in developing countries. This study, which is nearing completion, seeks to examine in particular the implications of new technological developments and the change energy situation for minerals processing in developing countries.

With regard to item V-B, concerning national programmes for the development and utilization of energy resources for industry, DTCD is implementing an increasing programme of technical co-operation in the area of energy planning which is aimed at strengthening the capacity of national governments to rationally plan the development of their energy sectors to meet the various requirements of the different segments of their economies, including industry. DTCD's focus in this area has been primarily on the planning process itself including institutional, methodological, and manpower requirements for performing this important function. In addition, through its technical co-operation activities, DTCD is supporting a number of demonstration projects to assess the viability of utilizing small-scale technologies for harnessing new and renewable energy resources that may be locally available in remote rural areas. These types of projects take into account the energy needs of potential village cottage industries.

DTCD is also supporting national research and development institutions concerned with new and renewable sources of energy and is supporting projects to demonstrate the viability of new technologies for exploiting such energy sources as solar and wind. At the same time, a programme has been initiated through funds-in-trust to

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United Nations Department of Technical Co-operation (cont'd)

evaluate small-scale hydropower potential in some 40 developing countries, including many of the least developed countries. The objective of this programme is to assist governments in identifying small-scale hydropower sites which may be suitable for development. Many of these activities also relate to Section IV-B concerning special measures taken to develop energy related technologies for the needs of developing countries.

DTCD has also been active in promoting co-operation among developing countries and the sharing of their experiences in various aspects of energy development, planning and technology utilization. For example, the first United Nations Symposium on Energy Planning in Developing Countries was convened in Stockholm from 28 September to 2 October 1981 with 30 developing countries participating; study tours for representatives of some 20 developing countries were conducted in the People's Republic of China on biogas, small-scale hydropower, and on the development and utilization of small-scale coal resources. (Relates also to Section X).

VII. INDUSTRIAL FINANCING

DTCD's technical co-operation activities related to improved budgeting, accounting and auditing seek to contribute to the improvement of the financial management of the public sector and to help in the mobilization of domestic financial resources for industrial development. Additionally, DTCD provides assistance to developing countries for the establishment and improved management of public sector financial institutions which, to the extent they finance industrial development activities, contribute to the mobilization of domestic financial resources for industrial development.

One of the major institutional mechanisms by which developing countries have attempted to gain financial resources and technology for industrial development is the joint venture between domestic firms and foreign firms. DTCD has been engaged in some projects which can help developing countries to make better decisions regarding joint ventures. In 1980 the International Centre for Public Enterprises (ICPE) organized a Seminar in Joint Ventures, in co-operation with DTCD. A report on this Seminar is expected to be published in 1982.

X. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

From 1974 to 1981 DTCD served as an executing agency for a global project of an Action Programme for Economic Co-operation among Non-aligned and Other Developing Countries in Trade, Transport and Industry (APEC-TTI), which made substantial achievement in economic co-operation among developing countries. In the field of industrial development, work was undertaken in interregional pharmaceutical co-operation, including production aspects, in co-ordination with other UN-family bodies, including UNIDO.

United Nations Department of Technical Co-operation (cont'd)

Comments under the heading of the questionnaire for developed countries

V. DEVELOPMENT OF HUMAN RESOURCES OF DEVELOPING COUNTRIES

DTCD has over a long period collaborated with developing countries in setting up and promoting the growth of training institutes in various fields. In addition, the training of national personnel is a regular part of all major technical co-operation projects. Insofar as these have been related to the industrial sector they have contributed to the training of personnel for industrial development. A further principal form of support of training comes from fellowships granted under technical co-operation projects. At the more general level, DTCD engages in the preparation of manuals, studies and guidelines as reference works and for use in training situations. It also organises seminars, workshops and symposia for the exchange of information and the strengthening of competence among professionals among developing countries, many elements of which have implications for accelerating the progress towards industrialization in these countries.

WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

"Activities of the World Intellectual Property Organization Relating to Technological Development and Economic Co-operation among Developing Countries.

1. This information note has been prepared at the request of the United Nations Industrial Development Organization (UNIDO) for its report on "Progress made towards accelerating industrialization in developing countries" to be submitted to the Industrial Development Board at its sixteenth session in May 1982.

2. The two following chapters refer to issues No. 6 and 10 drawn to the attention of governments in the questionnaire sent by UNIDO to developing countries and relating respectively to Industrial Technology and Economic Co-operation among Developing Countries.

I. INDUSTRIAL TECHNOLOGY

3. Activities of WIPO in this field can be divided in three main categories corresponding to letters A, B and C of issue No. 6.

- A. Promoting Technological Innovation
- B. Facilitating the Acquisition of Technology
- C. Giving Access to Technological Information

World Intellectual Property Organization (cont'd)

A. Promoting Technological Innovation

4. The industrial property legislation and administration of a country form part of national technological policies because one of their main functions is to encourage technological inventiveness. WIPO therefore co-operates with governments of developing countries in modernizing the laws and institutions in the field of invention and innovation. Since 1979, such co-operation has been pursued with 57 developing countries and 6 institutions or groups of developing countries.

5. WIPO prepares and revised model laws to serve as a basis of national legislation. The two volumes of the new WIPO Model Law on Inventions give provisions on employees' inventions, on technological innovations and on government control of licensing contracts. These elements are of prime importance for the national technological policies of developing countries.

6. Since 1979, WIPO has been offering prizes and awards (medals and certificates) at exhibitions and contests organized in different countries, particularly developing countries. This sign of recognition encourages inventive and innovative activity and gives a better understanding of the role played by inventors in national technological development.

B. Facilitating Acquisition of Technology

7. WIPO is responsible, within the United Nations family, for facilitating the transfer of technology to developing countries. The most effective transfers of technology take place by means of licensing agreements. In order to enable developing countries to obtain appropriate foreign technologies on fair and suitable terms and conditions, WIPO has published a "Licensing Guide for Developing Countries". This Guide gives a very useful check-list and reminder of all the things that have to be covered in a licensing contract.

8. WIPO organizes seminars and workshops in different developing countries in different parts of the world in which, on the basis of this Guide, WIPO tries to make the people who are concerned with the negotiation of licensing contracts aware of the usual pitfalls for which they have to look out, to give advice on how to identify problems which are likely to arise in the negotiation and the preparation of such licenses and agreements and to promote and exchange of information and experience on relevant legal and commercial practices.

9. The first such workshop was organized at the Regional Centre for Technology Transfer in Bangalore, India, in September 1979. Several other workshops were organized by WIPO in Kuala Lumpur (Malaysia) for participants designated by the Governments of Indonesia, Malaysia, Philippines, Singapore and Thailand; in Lima (Peru) for participants from five countries of the Andean Group; in Singapore, and in Algiers.

World Intellectual Property Organization (cont'd)

C. Giving Access to Technological Information

10. Patent documents and literature form a worldwide technological library. The problem is how to facilitate access in practice to the technological information contained in patent documents so that this flow of information can be used in the research and development of technologies appropriate to the conditions and needs of developing countries.

11. The basis of WIPO's activities in this area is the International Patent Classification (IPC). Thanks to this system, collections of patent documents are arranged by subject matter and can be used for research and development.

12. To facilitate the use by developing countries of this system, WIPO organizes seminars and training and prepares publications and guides on the IPC in general and on specific industrial fields for retrieval purposes according to IPC symbols. For instance, WIPO provided comprehensive monographs in the field of wind, power and geothermal and ocean energy in the framework of the United Nations Conference on New and Renewable Sources of Energy. WIPO has also prepared and up-dated, in co-operation with UNIDO, users' guides to the IPC for agro-industries, agricultural machinery and implements, iron and steel, fertilizers; industrial fields regarded as being priority areas for developing countries.

13. Since 1975, WIPO has been operating a special programme to provide institutions and individuals in developing countries with free-of-charge state-of-the-art search reports on particular technological problems identified in the search requests. Since 1979, 44 developing countries requested and received such reports. Some of the requests are received through UNIDO's industrial inquiry services, under an agreement of co-operation.

14. WIPO sponsors the International Patent Documentation Center (INPADOC) established by the Austrian Government in Vienna. The use of a computer by the Center in processing data makes the achievements of modern technology contained in patents more and more accessible.

II. ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES

15. Many of the activities of WIPO could be said to involve, to some extent, a degree of co-operation among the developing countries which participate in such activities. However, the activities referred to below, undertaken in the framework of the WIPO Permanent Program for Development Cooperation Related to Industrial Property, are those in which WIPO has been able to make a specific contribution toward establishing and promoting co-operation or stimulating awareness of the possibilities for co-operation among groups of developing countries. In recent years, requests have increased from groups of developing countries to WIPO for support and assistance in such co-operation.

World Intellectual Property Organization (cont'd)

16. A group of experts on the legal protection of inventions, innovations and know-how of the ASEAN region, at a meeting organized jointly by WIPO and the Government of Thailand, recommended a framework for continuation of similar contacts for the exchange of information and practical experiences.

17. An agreement on a five year programme was signed by WIPO and the Council of the Andean Group in November 1979 concerning the preparation of proposals for a long-term programme of co-operation for the improvement of industrial property institutions and systems of the five countries of the Group, WIPO has also been requested to assist in the establishment of an Andean Technological Information System (SAIT) with components relating to industrial property and patent information.

18. Following consultations with the Office for the Caribbean of the Economic Commission for Latin America (ECLA) and the Secretariat of the CARICOM, a project was prepared for the strengthening of the industrial property systems, including patent document and information services as a contribution to the Caribbean Documentation Centre (CDC), of the English-speaking countries of the Caribbean.

19. The Latin American Data Service on Industrial Property and Technology Transfer (LADS) was established by WIPO on an experimental basis of three years (1978-1980). Sixteen countries participated in the programme. The objective of LADS was to provide the participating countries with an expanded and updated source of information on technologies available in this region through a periodic bulletin data relating to patents, trademarks and offers and requests to supply technology.

20. The Federation of Arab Scientific Research Councils (FASRC) at its meeting in Amman in December 1980 approved a project for the establishment with the assistance of WIPO of a patent information and documentation unit within the Arab Center for Scientific and Technological Documentation of FASRC. An Intersecretariat meeting between WIPO and FASRC was held in Geneva in September 1981 to prepare for the implementation of this project which was approved by UNDP.

21. WIPO is executing a project, financed by the United Nations Development Programme, for the African Intellectual Property Organization (OAPI) an intergovernmental organization of twelve French-speaking African States. Through this project WIPO is assisting in the establishment of a Centre, with national links, to provide patent documentation and information services to national industries and to the African Regional Centre for Technology. All of the objectives set for this project had already been achieved or will be achieved by the end of 1981. An extension of the project for one year (1982) is proposed in order to provide further assistance in the establishment of national structures for the Centre in some of the Member States.

World Intellectual Property Organization (cont'd)

22. WIPO is implementing a similar UNDP project for the Industrial Property Organization for English-speaking Africa (ESARIPO), an inter-governmental organization, established in 1978 with the assistance of WIPO and the Economic Commission for Africa, which now has ten Member States. ESARIPO's Patent Documentation and Information Centre (ESAPADIC) is in the preparatory assistance phase and the chief technical adviser of the project took up his duties in September 1981."

THE WORLD BANK

"World Bank Activities in support of industrialization in developing countries are extensive. In FY81, direct project lending to the industrial sector reached \$886 million; support for development finance companies amounted to \$1,112.5 million; and commitments for technical assistance, institution building, and structural adjustment totalled \$131 million. At the same time, the International Finance Corporation (IFC), the Bank's affiliate for supporting private sector investment committed \$810 million in equity and loans. In addition, Bank financing, particularly for education and infrastructure, plays an important supportive role in the industrialization process in its developing member countries.

Since 1980, the Bank has instituted a programme of structural adjustment lending in response to the worsening international economic situation, and the deterioration in the economic prospects of the developing countries. Contributing factors to this adverse situation include the increased cost of energy, the higher cost of external borrowing, uncertainty over the flow of concessional official assistance, a reduced rate of growth of manufacturing imports into OECD countries, and less buoyant commodity markets.

Structural adjustment programmes consist of policy and institutional measures needed to effect the required changes in the structure of output growth in the medium term, so as to bring about a higher rate of export earnings and a lower rate of import growth than would otherwise occur. With particular reference to the industrial sector, most of the programmes supported by structural adjustment lending aim to correct the bias in the incentive systems which hamper the expansion of exports, promote uneconomic import substitution, and reduce the competitiveness of domestic industry. Detailed policy measures cover such areas as tariff reform and import liberalization, exchange rate policy, export incentives, and improved institutional support for exporters (export insurance and financing export promotion institutions). Special emphasis has been given to pricing policies and institutional support in the energy and agricultural sectors; and in the case of energy, to an expanded lending programme, to conservation measures, and to the development of indigenous sources.

More detailed information on World Bank support for industrialization in developing countries is contained in its most recent annual report."

EUROPEAN ECONOMIC COMMUNITY (EEC)

The European Economic Community (EEC) provided the following information:

I. INDUSTRY IN THE CONTEXT OF THE ESTABLISHMENT OF THE NEW INTERNATIONAL ECONOMIC ORDER

The European Community considers industrialization to be an important and essential element in the economic development and growth of developing countries. The Community believes that many of the most important determinants of the industrial growth of developing countries lie in the policies pursued by these countries themselves. At the same time the policies of industrialized countries can have a significant effect on this development. The Community pursues policies to promote industrial development of the developing countries through the maintenance of market access to exports of developing countries to the Community, promotion of a constant process of structural adjustment, substantial and, in general, increasing transfers of financial and other resources, including official development assistance to support and reinforce developing countries' industrialization programmes, assistance for the development of human resources and policies which allow substantial flows of foreign direct investment to developing countries. The Community supports the UNIDO System of Consultations Participants from the Community have contributed to all the meetings held so far. The Community will continue to develop its activities in these areas in order to contribute to and facilitate the strengthening of the industrial capacities of the developing countries.

II. INDUSTRIAL RESTRUCTURING AND ESTABLISHMENT OF PRODUCTION FACILITIES IN DEVELOPING COUNTRIES

A. Current policies and measures to encourage structural adjustment in industry, in particular as regards the changing division of labour with developing countries

The Community considers that the encouragement of structural adjustment in industry can make a major contribution to economic development in developing as well as industrialized countries. Adjustment is normally brought about by changes in market conditions and may be encouraged by government policy. The process of adjustment has been going on constantly in the Community economy. This process has been a response to a wide variety of factors, including technological changes, differentials in performance in different sectors as the process of growth is continued and consumer tastes change and the steadily growing volume of international trade in manufactured goods. A particularly dynamic factor in the growth of international trade has been manufactured exports from the developing countries to the industrialized countries in general, and the Community in particular. The process of adjustment as a result of this expansion has been rapid over the last decade and in some cases the resulting social strains have been considered. In general, the most efficient incentive for restructuring in the Community has been the maintenance of an open market to imports of manufactures. This policy has been an overall objective of the Community, while in certain sectors, policies have been pursued tending to limit the social cost of the adjustments which have been brought about by market forces.

European Economic Community (cont'd)

The process of adjustment is significantly eased and accelerated during periods of rapid economic growth with the factors of production which become redundant in one sector often being absorbed into other sectors which are experiencing rapid expansion. The period of slower growth through which the Community is at present passing has tended to make the process of adjustment more difficult and the resulting social strains more difficult to absorb.

The Community institutions have intervened in certain sectors in order to facilitate the adjustment process. Measures have been taken to assist workers who lose jobs in branches competing with imports to retrain and find alternative employment. Other measures taken in the context of sectoral, social and regional policies speed up the adjustment process, and given the right economic climate, create alternative employment opportunities for redundant workers.

The adjustment process does not necessarily imply the elimination or transfer of industries from one country to another. The course of international economic trends in relations between countries since 1945 shows more often tendencies towards relative specialisation by industries within sectors alongside the considerable progress in liberalization of trade over this period.

B. Policies and measures to encourage international industrial co-operation in establishing production capacities in developing countries

The Community allows and, in certain cases, actively stimulates substantial private capital flows and direct investment to developing countries. These flows play a major role in the industrial development process, particularly through the transfer of resources, managerial and administrative expertise and technology to the developing countries, the expansion of productive capacity and employment, and the establishment of export markets.

The Community believes that it is in the interest of the developing countries themselves to receive and encourage these flows through appropriate domestic and foreign economic policies but also believes that it is up to each developing country to decide for itself on the role that foreign investment may be called to play in its economic development.

In addition to aid and trade measures described in answers to parts III and VI, the Community has an active policy of industrial co-operation under the provisions of the Lomé Convention. The provisions of the Second Lomé Convention on industrial co-operation with 61 African, Caribbean and Pacific states place emphasis on:

- (i) priority industrial sectors;
- (ii) creating or consolidating the bases for independent industrial development in the ACP States (through training, transfer of technology, small and medium sized enterprises, etc.);
- (iii) the financing of industrial development by private investment, and;
- (iv) the continued existence of the ACP-EEC institutions to ensure that industrial development schemes are encouraged, presented in a coherent form and followed up properly.

European Economic Community (cont'd)

The main institution governing industrial co-operation between the ACP and EEC states is the Committee on Industrial Co-operation, which guides, and controls the activities of the Centre for Industrial Development (CID) which has the following duties:

- (i) the dissemination of information and organization of contacts between economic operators and industrial and financial policy-makers in the Community and in the ACP states;
- (ii) the execution of feasibility studies for the purpose of accelerating the establishment of industrial undertakings in the ACP states;
- (iii) the identification and evaluation of opportunities for industrial training for ACP nationals and the possibilities of acquiring, adapting and developing appropriate industrial technology; and
- (iv) seeking out possible sources of financing.

- C. The potential of the UNIDO System of Consultations, investment promotion and related activities for enhancing your country's international co-operation with developing countries

The Community considers that the System of Consultations is an important instrument in promoting co-operation between developed and developing countries. Participants from the Community have attended every consultation meeting held so far. For the Consultation System to be effective, it is essential that participation include adequate representation of industry and labour, because these participants are often the best placed to contribute to the consultations on the basis of practical industrial experience and in the countries of the Community, and indeed, many other countries, these participants are the most important decision-makers in industrial matters. The information obtained through discussions at consultation meetings should make possible a more accurate appreciation by industrial decision-makers of possible future trends in the industrial sectors covered. This information may be helpful in taking investment and other decisions. Contacts made through Consultation meetings may also lead directly to industrial projects being undertaken in developing countries. The Community attaches importance to the further development of UNIDO's investment promotion activities, which together with the Consultation System can assist the more rapid industrialization of developing countries to the extent that it makes developing countries and industrial investors more aware of the opportunities available to them.

(A + B) FINANCIAL AND TECHNICAL ASSISTANCE ^{1/} FOR THE DEVELOPMENT OF THE INDUSTRIAL SECTOR UNDER THE LOMÉ CONVENTION

(in thousands of current US\$)

	1976		1977		1978		1979		1980	
	ODA	COF	ODA	COF	ODA	COF	ODA	COF	ODA	COF
Total	87,667	46,399	133,906	71,548	146,121	115,216	62,908	94,156	114,170	163,560
of which:										
- projects pre-dominantly concerned with energy	48,569	28,510	60,946	12,552	10,139	37,459	20,284	16,446	33,555	73,793
- extractive industries	-	-	-	-	965	1,219	11,238	34,264	8,215	11,139

ODA: Official Development Assistance.

COF: Other Official Flows (essentially EIB loans and risk capital).

^{1/} Apart from a reserve of 4% under the Fourth EDF, the amounts of aid for technical assistance are included in the data for each area of intervention.

To the amounts of aid provided for in the Lomé Convention for the ACP countries must be added the approx. 53 million EUA (OAD) allocated to the Mediterranean countries for operations in the industrial co-operation field (EIB lines of credit, subsidized loans, industrial promotion...) out of a total of 669 million EUA provided for under the First Financial Protocol (1977-81).

For both the ACP countries and the Mediterranean countries the amounts of aid earmarked for industrial co-operation reflect the degree of priority given by those countries to this sector in their national programmes.

European Economic Community (cont'd)

C. Special measures taken for the Industrial Development Decade for Africa.

The Lomé Convention provides an excellent framework for a contribution towards the Industrial Development Decade for Africa.

Within the total amount of aid for the period covered by the Second Lomé Convention (1980-85), the operations in the field of mining, energy and industrial co-operation with Africa (excluding the Pacific and Caribbean countries) ^{1/} could reach the following approximate levels:

European Development Fund (EDF)	346 million ECU (ODA)
Fund for mineral products (Sysmin)	260 million ECU (ODA)
European Investment Bank (EIB)	1,075 million ECU
giving a total of:	<u>1,621 million ECU</u>

D. Special measures taken in the following groups of developing countries: Least developed
Land-locked
Island
Most seriously affected

The 31 least developed countries, as defined by the United Nations, are very much at the heart of the Community's development policy: 22 are African, Caribbean or Pacific (ACP) countries and 9 are developing countries in Asia and Latin America. ^{2/}

In 1980 the European Community committed \$490 million of assistance to the least developed countries. The privileged treatment in favour of the least developed countries is apparent in all aspects of co-operation but is of particular importance in the field of financial co-operation. This is reflected in their share of the allocation of funds for the country indicative programmes: under Lomé I the 22 least developed countries received 56.3 per cent of the total amounts committed as of June 1981 (or 997 million ECU), while under Lomé II they have been allocated 56 per cent of the funds (or 1306 million to 1483 million ECU).

Of the various types of aid, the least developed countries have priority of access to grants and risk capital. The overall grant element of Community aid (EDF, budget, EIB) to the 31 least developed countries in 1979 was 99 per cent.

Lomé II provides for special assistance to the land-locked island countries. The Community aid programme for the developing countries in Asia and Latin America started in 1976. It has grown from a budget of 20 million ECU in 1976 to 145 million in 1980. The least developed countries received 16 per cent of the funds committed under this programme.

^{1/} For which an approximate percentage has been deducted.

^{2/} Afghanistan, Bangladesh, Benin, Bhutan, Botswana, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Laos, Lesotho, Malawi, Maldives, Mali, Nepal, Niger, Rwanda, Somalia, Sudan, Tanzania, Uganda, Upper Volta, Western Samoa, Yemen AR, Yemen PDR.

Community development co-operation policies with
the least developed countries: instruments and activities

Recipients	Trade	Lomé Convention Financial and technical co-operation	Sectors	Other
ACP least developed countries	<ol style="list-style-type: none"> 1. Special attention in the application of safeguards (Art.15) 2. More flexibility rules of origin (Art.30.4 of Protocol 1) 3. Special provisions for trade promotion (Art.21.k) 4. STABEX: <ul style="list-style-type: none"> . Lower dependence and trigger thresholds (Art.46.1) . Grant aid (Art.46.1) . Possibility to apply to exports to all destinations (Art.46.3) . Priority attention in the case of insufficiency of funds or for adding new products (Art.46.2) 5. SYSMIN <ul style="list-style-type: none"> . Low dependence threshold (Art.53) . Softer loan terms (Art.56 and 106.3) 	<ol style="list-style-type: none"> 1. Country programmes; <ul style="list-style-type: none"> . Priority attention in allocation of resources (Art.106.1) . Priority call on grants (Art.106.2) . Softer loan terms (Art.106.3) . Possible assistance in definition of programmes and projects (Art.108.3) . Special difficulties of LLDC to be considered in project evaluation (Art.112.3) . Special priority for micro-projects (Art.145) 2. Aid modalities <ul style="list-style-type: none"> . Coverage of running and supporting costs possible (Art.152.2 and 153) . Simplified tendering procedures (Art.129) . Third country tendering possible (Art.125.4) 	<ol style="list-style-type: none"> 1. Special attention in industrial cooperation (Art.82) 2. Special attention in agricultural cooperation (Art.90) 3. SYSMIN (cf. trade column) 4. Emergency aid p.m. 	<ol style="list-style-type: none"> 1. EIB loans from own resources, p.m. 2. Food aid p.m. 3. Co-financing with NGOs, p.m.

Recipients	Trade	Financial and technical co-operation	Sectors	Other
		<p>3. Technical co-operation</p> <ul style="list-style-type: none"> . Special focus on LDC problems in studies (Art.139.4) . Special priority in training schemes (Art.141.6) <p>4. Assistance on debt possible (Art.107)</p> <p>5. Priority claim on regional funds (Art.135.2)</p>		
Non-ACP least developed	<p>1. Special provisions under the GSP</p> <p>2. Jute and textiles agreements</p> <p>3. Trade promotion, p.m.</p>	<p>1. Programme for the non-associated developing countries, p.m.</p>	<p>1. The non-associates programme for focus on rural sector, p.m.</p> <p>2. Training activities for non-associates, p.m.</p>	<p>1. Food aid, p.m.</p> <p>2. Emergency aid, p.m.</p> <p>3. Co-financing with NGOs p.m.</p>

NB.: Pro memoria items are meant to give a fuller picture of Community development policy even though they do not contain special provisions for the least developed countries.

Recipients	Trade	Financial and technical co-operation
<p>ACP states Association agreements with 61 countries</p> <p>OCT Decision of the Council of Ministers</p>	<p>1. Free access to the market (a few exceptions - agricultural products)</p> <p>2. Special rules for beef and veal, sugar, rum and bananas</p> <p>3. Stabilization of export earnings from 44 agricultural raw materials (Stabex)</p> <p>. Lomé I: ECU 382 million</p> <p>. Lomé II: ECU 557 million (EDF)</p> <p>4. Fund covering six mineral raw materials (Sysmin), a Lomé II innovation: ECU 282 million (EDF)</p> <p>5. Trade promotion (EDF)</p>	<p>1. Grants and special loans from the EDF Lomé: ECU 2200 million approx. Lomé II: ECU 2700 million approx.</p> <p>2. Aid for regional cooperation (EDF funds)</p> <p>. Lomé I: ECU 300 million</p> <p>. Lomé II: ECU 600 million</p>

Industrial cooperation	(A) Food aid (B) Emergency aid	Non-governmental organizations
1. Centre for Industrial Development (aid for private investments and with the transfer of technology)	(A) World-wide annual programme for poorest countries 1980: ECU 353 million awarded to more than 40 states and international organizations	Aid for the activities of European NGOs in all the developing countries 1980: ECU 14 mil. for 181 projects
2. EIB aid: loans and interest rebates from own resources and risk capital from the EDF	(B)1. Aid in the event of disaster sent to international NGOs the world over 1980: ECU 63 mil.	
. Lomé I: ECU 489 million . Lomé II: ECU 1169 million	2. Aid to ACP states from EDF funds . Lomé I: ECU 150 million . Lomé II: ECU 200 million	
3. Preferential arrangements as part of investment protection under Lomé II	3. Aid to Latin America and Asia from emergency reserves in the aid programme for non-associated developing countries	

European Economic Community (cont'd)

Recipients	Trade	Financial and technical co-operation
<p>Mediterranean countries Association agreements with:</p> <ul style="list-style-type: none"> • the Maghreb (Algeria, Morocco and Tunisia) • the Mashreq (Egypt, Jordan, Lebanon and Syria) • Israel 	<ol style="list-style-type: none"> 1. Free access to the market for industrial products (with the exception of "sensitive" products) 2. Tariff reductions for essential agricultural products 3. Trade promotion (funds from financial protocols) 	<ol style="list-style-type: none"> 1. Grants and special loans (budget appropriations) and EIB loans (financial protocol 1977-81): ECU 689 million 2. Aid for regional projects as part of the Euro-Arab dialogue, for example
<p>Non-associated developing countries in Latin America and Asia</p>	<ol style="list-style-type: none"> 1. Preferential access to the market under the system of generalized preferences 2. Non-preferential trade agreements and cooperation agreements with 15 developing countries. 3. Product agreements (e.g. on jute with India and Bangladesh) 4. Special arrangements for textiles 27 bilateral agreements under the Multifibre 	<ol style="list-style-type: none"> 1. Aid for the non-associated developing countries (budget appropriations) 1980 ECU: 138.5 million 2. Aid for regional cooperation (budget appropriations) 1980: ECU 0.4 mil.
		<p><u>Trade (cont'd)</u></p> <ol style="list-style-type: none"> 5. Trade promotion (budget appropriations) 1980: ECU 6 million

Industrial
co-operation

(A) Food aid
(B) Emergency aid

Non-govern-
mental orga-
nizations

1. Exchange of
information and
contacts under
the association
agreements

2. Training

3. EIB loans

Exchange of
information and
contact under the
association
agreements

European Economic Community (cont'd)

European Economic Community (cont'd)

IV. INDUSTRIAL TECHNOLOGY

A. Measures taken to develop technologies suitable for the conditions of developing countries

The Commission has drawn up and presented to the Council for adoption a multi-annual programme of research and development concerning tropical agriculture, post-harvest technology, nutrition and health specifically designed to meet the requirements of the developing countries. This would be a four-year programme, with a budget of 40 million ECU, which could be implemented as from 1 January 1983.

B. Special measures taken to develop energy-related technology for the needs of the developing countries

It is clearly in the energy field that the transfer of technology is most new and most tangible. During the period 1975-80, the Community and the ACP states increased their commitments in this area, notably by means of scientific and technical co-operation. Efforts were concentrated on the promotion of new and renewable sources of energy which should in the long term account for an increased proportion of energy development in the ACP countries. Between 1975 and 1980, \$4.8 million, or 22 per cent of the funds for the energy sector were allocated, both for studies (e.g. conversion of thermal energy from the ocean off the Netherlands Antilles and Ivory Coast) and to projects, notably solar pumps (in Cameroon, Mauritania, Niger and Pakistan) and also geothermal energy (Ethiopia, Organizacion Iacionamericana de Energia, etc.).

One of the main concerns has been to limit any danger of failure, notably by using technologies that have been perfected and then adapted to the requirements and potential of the ACP countries. Moreover, "new energy sources" components have wherever possible been integrated into wider projects with non-energy based objectives (e.g. irrigation by means of solar pumps).

For its part, the Community's joint Research Centre has contributed to the development of these technologies by carrying out a number of fact-finding missions in Kenya, Ethiopia, Zaire and Benin, missions that have led to the inclusion of specific operations under the Fifth European Development Fund.

An important aspect of the promotion of new sources of energy and the transfer of technology in this field is the training of developing country nationals in modern technology and scientific and technical co-operation with the countries concerned; a particular example is the agreements with the Maghreb and Mashreq countries, which are specifically geared to training and financial and technical co-operation projects; eight projects have been set up with the particular aim of strengthening the research potential, notably in the area of new and renewable sources of energy.

European Economic Community (cont'd)

- C. Measures taken in co-operation with developing countries for the provision of a flow of information on industrial technology.

The European Patent Organisation, to which the Community belongs, provides the following services to developing countries:

- . Establishment of monographs on existing technologies in areas considered by certain developing countries to have priority importance.
- . Establishment of documentary opinions in response to technical questions forwarded by developing countries.
- . Studies on technological trends in areas considered to have priority importance.
- . Supply free of charge of patents published in Europe.

In addition, the developing countries can have direct access to European data banks via the Euronet network (access on special terms for the ACP countries).

- D. Measures taken to support the transfer of technology to developing countries.

As part of the work to strengthen the technological and scientific development capacity of the ACP states, and thereby promote the transfer of technology, the Community will participate, under the Second Lomé Convention, in the financing of the African Centre for Patent Documentation and Information (CADIB) for the French-speaking countries.

A similar project could be envisaged for the English-speaking countries.

In addition, one of the main tasks of the Centre for Industrial Development set up by the Lomé Convention is to "identify, evaluate and supply information and advice on the acquisition, the adaptation and development of appropriate industrial technology, including technological infrastructure, relating to concrete projects of interest to the ACP states."

To that end, the Centre for Industrial Development has drawn up an inventory of suitable technologies, the third volume of which has recently been published.

European Economic Community (cont'd)

V. DEVELOPMENT OF HUMAN RESOURCES OF DEVELOPING COUNTRIES

- A. Availability and expansion of training facilities in institutions and in industry for trainees from developing countries.

The Community's co-operation agreements with the associated countries (Lomé Convention and Mediterranean agreements) pay particular attention to the development of training.

Training projects take three distinct forms:

- . the multi-annual training programmes;
- . the specific training programmes relating to specific operations;
- . the "training" components forming part of productive projects (notably in many agricultural projects) or infrastructure projects (notably in the area of maintenance).

The resources available for the implementation of the multi-annual training programmes are as follows:

- . study and training awards in the ACP and Community countries;
- . the provision of instructors and teachers;
- . the provision of training policy experts;
- . the organisation of seminars in the country concerned or in Europe; and
- . the provision of teaching equipment.

During the period 1976-80, the training operations financed in the ACP States totalled \$160 million, \$139 million of which was in the form of multi-annual programmes. At the end of the school and university year 1979-80, 12,578 awards has been granted, 2,676 in Europe and 9,902 in the ACP countries.

Under the Second Lomé Convention, it is planned to increase on-the-spot training in forms and the administrations. A programme of awards for the Maghreb and Mashreq countries was launched in February 1979. Eighteen training programmes worth \$72 million, covering research and vocational training in particular, have been drawn up and ten others are being studied. The general outline is comparable to that of the EDF programme except that more emphasis is placed on vocational training, inter-university co-operation, research and the supply of equipment.

Various programmes have been drawn up for the non-associated countries in Asia and Latin America. These involve a small number of study awards in Europe, training programmes and technical assistance. A new training programme envisaging a number of scientific exchanges is envisaged with the countries of ASEAN.

European Economic Community (cont'd)

B. Support for training facilities in developing countries

The financial and technical assistance resources available to the ACP countries in the training field depend on the priority given to this sector by each country in its national indicative programme financed by the Community from the resources of the EDF. Overall, an average of 7.5% of the resources of the Fourth EDF have been devoted to the financing of training schemes (including infrastructure).

Under the Second Lomé Convention, there will be an even more systematic approach to training, with a study in greater depth of human resources and of requirements according to qualifications, this being a prerequisite for the establishment of training programmes. The Commission has offered its assistance to the ACP states to help them better determine their needs.

In addition to the implementation of training schemes, the Community is participating in the financing of education infrastructure (primary, secondary, higher). Commitments in this area under the Fourth EDF amount to 108 million ECU.

VI. TRADE IN MANUFACTURES

A. Specific data on trade in manufactures:

	Table VI-1			
	1975	1978	1979	1980
Imports of manufactures from developing countries (millions of current \$US)	9,237	16,825	23,268	28,849
Share of developing countries in total imports of manufactures (%)	15.2	16.1	17.3	17.6
Share of manufactures in total imports from developing countries (%)	13.6	18.6	19.2	18.1
Exports of manufactures to developing countries (millions of current \$US)	47,366	72,961	80,862	96,315
Share of developing countries in total exports of manufactures to all countries (%)	36.9	38.8	36.6	37.8

European Economic Community (cont'd)

B. Policies and measures to encourage the importation of manufactures from developing countries

The Community has progressively liberalized its import regime following successive rounds of GATT multilateral trade negotiations, including the most recent "Tokyo Round" (1975-1980).

Apart from these multilateral arrangements which govern a part of trade flows from developing countries to the Community, the main instruments of Community commercial policy towards the Third World are the Community's Generalized System of Tariff Preferences and the preferential import arrangements available to the 61 African, Caribbean and Pacific countries which have signed the Lomé Convention and the Mediterranean countries which have associate status with the Community. Some imports from developing countries are governed by special arrangements, such as those negotiated under the GATT Multifibre Arrangement for the textile sector.

The Community was the first of the OECD members to bring a generalized system of tariff preferences into operation. Since its introduction, the Community's original scheme has been constantly improved in terms of production coverage, preferential margins, liberalization of its administration and up-dating of the list of beneficiaries. Since 1977 a series of additional measures have been taken to liberalize access to the Community market for least-developed countries, with the result that nearly all the imports from them covered by the GSP can now enter the Community duty-free and without preferential limits. Most of the important beneficiaries of the Community's GSP have also concluded economic or trade co-operation agreements with the Community. These countries have included India, Pakistan, Bangladesh, Sri Lanka, Argentina, Brazil, Mexico and the ASEAN countries among others. For the ACP countries, duty-free access to the Community market for industrial products is virtually unrestricted.

The Community also takes measures to promote imports of manufactured goods from both associated and non-associated developing countries. Substantial funds from the European Development Fund are available to finance trade promotion for the Lomé Convention countries and the measures employed range from participation by ACP states in fairs, exhibitions and shows to trade promotion activities going right back to the production stage with respect to research, quality control, presentation etc. For non-associated countries, trade promotion is mostly designed to improve information on possibilities on the Community market and the budget provision for these activities in 1981 was 6.25 million ECUs.

European Economic Community (cont'd)

C. Particular measures taken to encourage such imports from the following groups of developing countries:

Least developed, land-locked, island, and most seriously affected.

As already noted above, the Community's generalized system of tariff preferences provides for specially favourable treatment for least-developed countries. Under the Second Lomé Convention trade provisions, all ACPs in any case receive very favourable treatment for exports of manufactured goods, but a category of least-developed states benefits from special provisions as regards trade promotion. The Lomé list of least-developed states is more extensive than that of the UN least-developed category within the ACP group but includes all countries in the UN list. The countries benefiting from these various special provisions include a large number of both land-locked and island states but these two categories as such do not receive special treatment with regard to trade policy itself. However, under the Second Lomé Convention, land-locked and island countries do benefit from specific assistance in the field of financial and technical co-operation which may have a bearing on their exports.

D. Other relevant topics

Although the figures provided in response to VI A provide some overall insights into the evolution to the Community's trade in manufactures with developing countries, they say little about the sudden changes in the volume and nature of trade flows which have occurred with OPEC countries as a direct or indirect result of substantial and sudden changes in oil prices in the years covered by the statistics. These changes have caused some short-term distortions in the general evolution of trade flows and, for example, account for much of the apparent reversal of trend between 1979 and 1980 for the share of manufactured products in the total of imports coming from developing countries.

