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Follow-up Subregional Meeting on the  
Promotion of Intra-African Industrial Co-operation  
within the Framework of the Industrial  
Development Decade for Africa (IDDA)\*

Tangier, Morocco, 30 May - 3 June 1988

REPORT\*\*

2/30

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\* Organized by the United Nations Industrial Development Organization (UNIDO), in co-operation with the North African MULPOC Office of the United Nations Economic Commission for Africa (ECA) at Tangier, the Arab Industrial Development Organization (AIDO) and the Government of Morocco.

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## INTRODUCTION

1. The follow-up meeting on the promotion of intra-African industrial co-operation in the North African subregion within the framework of the Industrial Development Decade for Africa (IDDA) was held at Tangier (Morocco), from 30 May to 3 June 1988. The meeting was organized by the United Nations Industrial Development Organization (UNIDO), in co-operation with the North African MULPOC Office of the United Nations Economic Commission for Africa (ECA), the Arab Industrial Development Organization (AIDO) and the Government of Morocco. The meeting would also contribute to the aims and objectives of the Lagos Plan of Action, the United Nations Programme of Action for African Economic Recovery and Development (1986-1990) and Africa's Priority Programme for Economic Recovery (1986-1990).

2. The purpose of the meeting was to bring together experts from the North African subregion to review progress in the implementation of the initial integrated industrial promotion programme drawn up at the previous subregional meeting held at Tunis (Tunisia) in March 1984 and to put forward proposals for adjusting that programme to the current needs and priorities of the subregion. It would also consider proposals and adopt measures for promoting subregional industrial co-operation in the areas of industrial training, industrial consultancy and engineering services and industrial entrepreneurship.

### I. PARTICIPATION

3. The meeting was attended by experts from the following countries: Algeria, Egypt, Morocco, the Sudan and Tunisia. The representatives of the following organizations also participated: the African Development Bank (ADB), the Arab Industrial Development Organization (AIDO), the Arab Organization for Standardization and Metrology (ASMO), the Maghreb Industrial Studies Centre (CEIM), the Arab Institution for Employment (IAE), the League of Arab States (LAS)<sup>1/</sup>, the Economic Commission for Africa (ECA), the North African MULPOC Office of the United Nations Economic Commission for Africa (ECA) and the United Nations Development Programme (UNDP). The list of participants is attached as Annex I.

### II. AGENDA ITEM 1: OPENING OF THE MEETING

4. The experts participating in the meeting considered that Mauritania should be invited to take part in meetings organized in the subregion regardless of their nature. They felt that although it was not part of the North African subregion as defined by the United Nations system, Mauritania, by virtue of its close geographical, political and economic links with the countries of the subregion, should be invited to participate in future meetings as a member of the subregion or failing that as an observer, and furthermore should be associated, inter alia, with the implementation of projects retained within the context of the IDDA. It was to be recalled that Mauritania had already participated in the previous meeting held at Tunis in March 1984 as well as in the second colloquium on Maghreb co-operation within the framework of UNDP programmes (RAB/87/602) devoted to co-operation in the

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<sup>1/</sup> Represented by AIDO.

Maghreb countries (Algeria, Libyan Arab Jamahiriya, Mauritania, Morocco and Tunisia) held at Algiers in January 1984. Similarly, it was recalled that Mauritania had been a member of the Maghreb institutions since the eighth conference of Ministers of Economy of the Maghreb held at Algiers in March 1975. In conclusion, it was agreed to request the secretariat of UNIDO to transmit to the Mauritanian authorities copies of the report and revised programme drawn up by the meeting.

5. The meeting was opened by Mr Mohamed Guedira, Director-General of the Moroccan Centre for Export Promotion, in his capacity as representative of the Ministry of Commerce and Industry. He extended a warm welcome to the participants on behalf of the Government of Morocco and thanked the organizers of the meeting for their endeavours. He was particularly grateful to the Director-General of UNIDO, Mr Domingo L. Siazon, Jr., for the lengths to which his Organization had gone in preparing the meeting.

6. He praised the spirit of co-operation and collaboration that prevailed among the various institutions intent upon achieving global and self-sustained economic development. Within that global context, however, the world economy had become increasingly interdependent, diversified and complex. The continuing economic and financial crisis impeded industrial growth. Such factors as deteriorating terms of trade, growing protectionism, increased interest rates, varying export revenue and the debt burden added to the disequilibrium of the balance of payments.

7. More specifically, the economic crisis affected the industrialization of the countries in the subregion. It manifested itself in capacity under-utilization and delays in implementing numerous projects in dynamic sectors. Such developments made it all the more necessary to free the countries from those constraints.

8. Industrial development was inseparable from socio-economic development. It called for the systematic and optimal utilization of installed capacities, the mobilization of human, material and financial resources as well as the strengthening of national technological capabilities. Industrial co-operation was thus a primordial solution to the problems of active industrialization in an international context. The present meeting provided a unique opportunity to overcome many of the difficulties confronting the industrial development of Africa. Mr Guedira reiterated his wishes for a pleasant stay in Tangier and expressed the hope that the meeting would be most fruitful.

9. Speaking on behalf of the Director-General of UNIDO, Mr Louis Alexandrenne, the Deputy Director-General of UNIDO, expressed his most sincere thanks to the Government and people of Morocco for having agreed to host the meeting and for having extended such a warm welcome to the participants. He underscored the key role that Morocco had played in laying the foundation for a united Maghreb and thus promoting the economic and social welfare of the peoples of North Africa. He paid especial tribute to the contribution that the country under the leadership of its monarch, His Majesty King Hassan II, had made to the current meeting which was devoted to promoting and strengthening industrial co-operation not only between the countries of the subregion, but also within Africa as a whole.

10. The meeting itself was a direct outcome of the earlier meeting held at Tunis and of resolutions adopted by the Council of Plenipotentiaries of the

North African MULPOC. It was also an expression of the desire of the countries in the subregion to bring about co-operation based on the complementarities of their potential. The contribution of UNIDO to the meeting was that of a catalytic agent; it could promote investment projects and help to develop basic support services. It would thus contribute to establishing a framework and instruments of complementarity in such a way that the potentials of the subregion duly met the needs of both countries of North Africa and those in other subregions which had not yet achieved the same level of industrial development.

11. The Deputy Director-General emphasized the importance to effective industrialization of an enlarged market covering the whole subregion. He drew attention to the fact that in its first phase of industrialization, the subregion had invested more than US\$300 billion over a period of 15 years. Current investment ran to US\$40 billion a year. Furthermore, the different industrialization strategies adopted by the individual countries clearly complemented each other and thus bode well for the industrial integration of the subregion. At the outset of the second phase of their industrialization, the countries of the subregion could draw on their established industrial infrastructure, their sizeable domestic markets and the skills of their human resources. The confluence of those forces could lead to the effective amalgamation of political and industrial interests that would permit the countries of the subregion to take up their rightful place in the concert of nations. North African solidarity, he stressed, would enjoy a long future in a united Africa.

12. In welcoming the participants to Tangier, Mr Ezzedin Ben Saoud, Chief of the North African MULPOC Office of the United Nations Economic Commission for Africa, thanked the Government and various authorities of Morocco for the extensive support they had lent to the MULPOC. He expressed his gratitude to those organizations that had contributed to the meeting and extended greetings from the Economic Commission for Africa and its Executive Secretary, who wished the meeting every success.

13. He emphasized the endeavours that the countries in the subregion had undertaken to extend the dimensions of their industrial co-operation. He pointed out, however, that at the annual MULPOC meeting, the member countries had observed that their endeavours to open up new horizons for growth through industry had not enjoyed adequate support from the specialized regional and international organizations, including UNIDO. The countries of the region fully recognized the importance of the technical assistance and other services that UNIDO could render. Those industrial services were essential in such priority fields as promoting agricultural development that had received particular emphasis, for example, in both the Lagos Plan of Action and the United Nations Programme of Action for African Economic Recovery and Development (1986-1990).

14. He paid tribute to the stalwart efforts of UNIDO to implement the decisions and resolutions adopted by the Council of Plenipotentiaries of the North African MULPOC in 1986 and 1987. The close relationship with UNIDO stemmed from a common desire to strengthen co-operation within the subregion. The current meeting, to the preparation of which the Arab Industrial Development Organization (AIDO) had also contributed, was of particular importance to promoting that co-operation. It was not merely a question of promoting and implementing joint industrial projects, but also of developing basic support services to create a complementary framework of co-operation.

15. He thanked the Director-General of UNIDO for the alacrity with which his Organization had contributed to industrial programmes in the subregion. UNIDO, for example, had played an active role in the most recent meeting of the Council of Plenipotentiaries of the North African MULPOC and his Office would reciprocate that support in the joint endeavours to bring about progress in the region. In that connection, the support of AIDO was also essential to the success of those endeavours.

16. He was encouraged by the high level of participation in the meeting. He saw the meeting as one of a series of joint meetings with UNIDO and MULPOC that would continue to contribute to the process of integration, complementarity and co-operation as well as develop a close linkage between industry and agriculture. He underscored the high level of industrial development in the subregion which had also built up a commensurate infrastructure, thus laying the basis for establishing intergovernmental mechanisms such as a preferential trade area that would benefit the economies of the region as a whole. At its most recent meeting, the Council of Plenipotentiaries had adopted a resolution, subsequently endorsed by the ECA Conference of Ministers, requesting UNIDO, in co-operation with ECA, to assist in the formulation of the industrial protocol within the context of the treaty on a North African preferential trade area. The recent steps towards rapprochement in the subregion would dispel the clouds of difficulty and pave the way towards the creation of an African common market by the end of the century as envisaged in the Lagos Plan of Action.

17. Speaking on behalf of the Arab Industrial Development Organization (AIDO) and the League of Arab States (LAS), Mr Mohamed Said Ali, Assistant Director-General of AIDO, thanked UNIDO for the invitation and recalled the contribution of AIDO to the original background document. He welcomed the co-operation between AIDO and UNIDO, particularly in North Africa. That co-operation had derived new strength from the recently signed agreement of co-operation between the two organizations and the joint plan drawn up for the biennium 1988-1989.

18. He reminded the participants that AIDO provided technical assistance to member countries and promoted industrial co-operation and co-ordination among them. It also convened industrial development conferences at the ministerial level and was currently preparing for the seventh such conference to be held in October 1989 at Tunis. Those conferences laid down five-year plans for the Organization. For example, the sixth conference in 1984 in Damascus had specified three areas of activity: establishing multinational or joint regional and subregional projects geared to meeting basic needs; developing and diversifying core industries for the industrial development of the Arab region; and strengthening ties between the Arab countries and facilitating the exchange of industrial commodities.

19. The sixth conference had also entrusted AIDO with the task of conducting feasibility studies and promoting 22 specific industrial joint ventures. Those priority projects had been selected from a total of 156 investment opportunities and were to be established as joint Arab projects. It had been decided to locate seven of them in the North African subregion. Three studies had since been completed and steps were being taken to promote the projects in question. The forthcoming industrial development conference would be dedicated to the task of providing the prerequisites for the success of joint Arab industrial projects. Mr Said Ali thus welcomed the current meeting as a further step towards that ultimate aim.

20. Speaking on behalf of the participants in the meeting, Eng. Hassan Mohamed Amer (Egypt) expressed their gratitude to the Government of Morocco for hosting the meeting and to the organizers for their extensive preparations. He drew a parallel between the discussions at the meeting and the ongoing consultations between the Heads of Government of Morocco and Egypt, and hoped that both would meet with success as they contributed to commonly sought objectives.

### III. AGENDA ITEM 2: ORGANIZATION OF THE MEETING

#### Election of officers

21. Mr Azzeddine El Ghissassi (Morocco) was elected to the office of Chairman, Eng. Hassan Mohamed Amer (Egypt) to that of Vice-Chairman and Mr Mahrez Hadjseyd (Algeria) to that of Rapporteur.

#### Adoption of the agenda and organization of work

22. The agenda (see Annex II) was adopted unanimously.

### IV. AGENDA ITEM 3: REVIEW OF PROGRESS MADE IN THE IMPLEMENTATION OF THE INITIAL INTEGRATED INDUSTRIAL PROMOTION PROGRAMME AND REVISION OF THE INITIAL INTEGRATED INDUSTRIAL PROMOTION PROGRAMME AND STRATEGY FOR IMPLEMENTATION

#### Presentation of the background document

23. In presenting the background paper (ID/WG.472/3(SPEC.)), the representatives of UNIDO indicated that it had been prepared by the secretariat of UNIDO on the basis of information obtained earlier by a UNIDO consultant from Member States and intergovernmental organizations in the subregion. That information had been recently updated during a mission undertaken by a staff member from headquarters and a Senior Industrial Development Field Adviser (SIDFA) posted in the subregion. The paper was divided into five parts. The first chapter presented background information on industrial co-operation in the subregion. The second chapter described the initial integrated industrial promotion programme drawn up at the subregional meeting held at Tunis in March 1984. The third chapter, which was to be read in connection with Annex II, assessed the current status of implementation of that programme and identified major constraints. The fourth chapter outlined a revised integrated industrial promotion programme comprising 17 core and six support projects extracted from the initial programme, as well as a tentative listing of 32 new core projects for consideration by the meeting. The fifth chapter put forward a strategy for accelerating the implementation of the revised programme, indicating the action to be taken at the national, subregional and regional levels, as well as by the co-ordinating and other agencies.

#### General discussion

24. After the introduction and prior to an examination of the first three chapters of the document, some participants drew attention to additional projects that are treated in subsequent parts of the report. Attention was



also drawn to the fact that in the past four years and within other broader contexts, such as intra-Maghreb co-operation, decisions had been reached by the Governments on a sovereign basis on major projects that had since been or were currently being implemented. Indeed, subregional industrial co-operation was seen to extend beyond the framework and limits of the programme for the IDDA.

25. At the same time, it was pointed out that the countries of North Africa had not received enough assistance and, in many instances, the reaction of the international organizations to requests had been slow. That might have been due to the limited number of requests addressed by the countries of the subregion to funding agencies. Another reason might stem from the fact that organizations, particularly those in the United Nations system, placed the North African subregion in different geographical categories, while the lack of co-ordination among the various subregional organizations themselves could also be a contributory factor. It was agreed that more consultations would be useful so as to avoid identical projects being proposed in three or more countries in the same subregion.

26. It was suggested that consideration might be given to identifying specific projects in North Africa to be financed from funds available under the IDDA programme. In that connection, it was suggested that the projects in the subregional programme be reviewed and the possible contribution of UNIDO at various stages of their implementation be identified. In the case of projects to be considered by some development financing institutions, however, it was pointed out that funding could only be provided for projects that were in keeping with national priority programmes as defined by the competent authority in the country.

27. It was noted that the first three chapters failed to take into account any of the economic and structural reforms that had been introduced by many countries in the subregion over the past two years. Appropriate paragraphs based on the latest data should be inserted, together with a clear reference in the programme to the importance of standardization and quality control as a means of increasing subregional trade and integration, as well as facilitating the penetration of external markets.

28. The following comments were made and specific changes proposed in relation to document ID/WG.472/3(SPEC.):

#### Introduction

##### Paragraph 2, line 3

Replace 'adopted' by 'retained'.

#### Chapter I

##### Paragraph 3, line 3

Replace '127 million' by '131 million'.

##### Paragraph 3, line 5

Replace '50 million' by '54 million'.

Paragraph 4

The listing of agricultural activities was found to be incomplete. Appropriate reference should be made to the importance of the fishery sector which was a major activity in Morocco.

Paragraph 10

Taking account of the characteristics and level of industrialization in the countries in the subregion, the distinction maintained between heavy and light industries in the analysis of the subregion's industrial structure was considered by one participant to be too rigid. Furthermore, the sentence on Egypt should be amended to include a reference to the spinning and weaving industry, while lines 5-6 could be amended to read 'engineering industries including transport equipment, and heavy industries such as iron and steel, aluminium, metallurgical, chemical industries, and spinning and weaving industry, agro-industries and fishing and fish-processing industry'.

Paragraph 11, line 3

It was pointed out that in Morocco exports had been greatly diversified, and were not restricted to traditional products.

Paragraph 13, line 2

Replace 'protected' by 'more liberal'.

Paragraph 14

The approach described in the paragraph was fully endorsed by one country which, through such joint committees, had been able to re-establish bilateral and multilateral relations with a number of countries in the subregion. It was also pointed out that industrial integration had also come about as a result of the dynamism of the Maghreb co-operation principle. Several joint projects in the programme stemmed from studies undertaken by the Maghreb Industrial Studies Centre (CEIM) in co-operation with UNIDO, and consideration might be given to establishing a 'bank' of projects that could be drawn on at a later date.

Chapter II

Paragraph 26, lines 12-15

It was incorrect to imply that Morocco exported almost all the fish it caught. On the contrary, a significant portion was consumed locally, the remainder was exported.

Chapter III

Paragraph 52, lines 3-4

Clarification was sought on the relevance of balance of payment problems to constraints at the national level. Whereas it was felt by one delegation not to constitute a constraint upon the implementation of the projects retained, the funding of which was assured, it was also pointed out that

investments had dropped markedly as countries sought to improve their balance of payments. It was requested that paragraphs 52 and 53, as well as 58 and 59, be redrafted since they bore no relation to project implementation.

Paragraph 52, line 11

Delete 'the need to maintain political stability'.

Paragraph 52, lines 12-13

It was suggested that the constraint lay more in the lack of co-ordination and complementarity between the public and private sectors than in 'poor management of an invariably overwhelming public sector'. On the other hand, it was recommended that the efficiency of public enterprises be improved by casting off the bureaucratic yoke, which all too often reduced output and diminished market adaptability.

Paragraph 53, lines 1-4

It was pointed out that despite the variety of economic policy systems, the countries in the subregion had been able to implement joint projects.

Paragraph 55, lines 1-3

The first sentence could not be upheld as it ran counter to the Maghreb co-operation principle. Contrary to the claim made in the sentence, the countries in the subregion maintained various joint committees.

Paragraph 58

Since the paragraph referred to subregional institutional arrangements, it should be shifted so as to appear immediately prior to paragraph 60.

Paragraph 59

It was pointed out by one participant that the limitation of financial resources hardly constituted a major problem. A more serious problem that was all too frequently encountered related to the impossibility or difficulty of securing in developed countries appropriate technical partners so as to effect the requisite transfer of technology (licences, know-how...).

Assessment of the implementation of the projects in the initial integrated industrial promotion programme

29. The meeting studied the current status of the initial programme as described in Annex II of the background document.

Engineering industry

1. Establishment of tractor assembly plants (Egypt/Sudan)

30. It was reported that in Egypt two plants were in operation and a third under construction. A public sector company, the El-Nasr Company, with an annual capacity of 5,000 units was currently assembling and manufacturing 3,000 Yugoslav and Romanian (45-85 HP) models a year. A military plant was

assembling 2,000 (25-35 HP) tractors a year, while a third plant was under construction that would assemble and manufacture 4,000 (74 HP) Soviet units a year. In the Sudan, the nature of the soil and terrain called for a more powerful tractor. A joint project with an Italian company for the production of 3,000 (120 HP) units a year had been included in the current four-year national development plan. The participation of Egypt in the latter project was welcomed.

31. The question of the profitability of complete knockdown assembly based on imported components was raised, as was the issue of deriving maximum advantage from tractor manufacture and the production of spare parts in other countries in the subregion, including the private sector.

2. Manufacture of pumps for irrigation purposes (Morocco/Tunisia)

32. The correctness of the information contained in the annex was confirmed, and the project was cancelled.

3. Manufacture of diesel engines for tractors, trucks, lorries and buses (Morocco/Tunisia)

33. It was confirmed that the project had been cancelled.

4. Establishment of a diesel engine manufacturing plant in Sakkiet Sidi Youcef (Tunisia)

5. Manufacture of lathes and milling machines (Morocco)

6. Manufacture of woodworking machinery (Tunisia)

7. Establishment of a compressor plant (Morocco/Libya/Tunisia)

34. The correctness of the information on the above four projects contained in the annex was confirmed.

Agro- and agro-based industries

8. Establishment of sugar mills (Sudan)

35. It was reported that the establishment of a sugar mill with an annual capacity of 120,000 tons enjoyed high priority in the Sudan and had been included in the four-year national development plan.

9. Establishment of a paper factory (Sudan)

36. The need for a detailed study was confirmed and two years had been set aside for its completion. The representative of AIDO confirmed the regional nature of the project and reported that it had prepared a preliminary study on the use of bagasse. However, the more detailed study required could only be undertaken with the assistance of UNIDO.

37. Details were also given of similar projects in Egypt. A feasibility study had been undertaken in respect of a joint Italo-Egyptian project for a bagasse-based paper mill with an annual capacity of 100,000 tons. Tenders had been invited for the equipment and machinery required. Plans had also been

drawn up for the production of newsprint based on wood pulp to meet local demand.

38. In the light of the number of projects in this paper sector, it was felt that not only was collaboration between Egypt and the Sudan desirable, but a study should be made of existing capacities throughout the subregion so as to achieve maximum efficiency, avoid duplication and ensure profitable complementarity. The representative of AIDO reported that his Organization undertook regularly studies on the co-ordination of specific industrial sectors in the Arab region and consideration could be given to covering the paper industry in the series. The representative of CEIM reported that a study had been completed in the mid-seventies on the paper industry and production of newsprint in the Maghreb region. It was requested that both AIDO and UNIDO should contribute to updating that study which should be extended to other countries in the subregion.

10. Establishment of a footwear production plant (Tunisia/Libya)

39. It was pointed out, however, that the feasibility studies for all joint Libyan-Tunisian projects had to be undertaken by the Tunisian-Libyan Bank. Furthermore, the status of joint projects had been greatly modified by the recent agreement reached between the two countries on the free movement of persons and goods. It was also confirmed that the joint Libyan-Tunisian High Commission had agreed to cancel the project.

40. The absence of a representative of the Libyan Arab Jamahiriya was regretted and more details could have been provided in respect of a number of joint projects undertaken or planned with that country.

Textile industry

11. Establishment of a spinning mill (Tunisia/Libya)

41. It was reported that a preliminary study had been made for a joint Libyan-Tunisian plant to be set up in Tunisia.

42. Discussions also centred on the production of textiles in the subregion which, if a preferential trade area were to be established, should be carefully reviewed in terms of the complementarity of production and markets in each country. Attention was also drawn to the growing demand for synthetic yarns in different countries in the subregion. AIDO, for example, was undertaking feasibility studies related to the production of polyester and acrylic fibres as joint Arab projects. Algeria was currently importing 80,000 tons of synthetic yarn (at a cost of DA1 billion, equivalent to US\$200 million) each year. Egypt had two large polyester production units that could meet part of the demand in other countries in the subregion.

43. Once again, the need to achieve effective co-ordination, create the appropriate infrastructure and promote trade within the subregion was recognized. It was also reported that CEIM had carried out a study on synthetic textiles in the Maghreb which could be profitably updated. The assistance of both UNIDO and AIDO in those endeavours was sought.

12. Expansion of a kenaf sack production plant (Sudan)

44. It was reported that during his recent visit to the Sudan, the Director-General of UNIDO had been requested to have his Organization carry out the study required for the reactivation of the plant. The project was regional in nature; its output (10 million kenaf sacks a year) was used to pack agricultural products for export throughout the subregion.

13. Establishment of a knitwear factory (Tunisia/Libya)

14. Establishment of a garment factory (Tunisia/Libya)

45. It was reported that it had been decided to cancel both projects because it was possible to intensify trade between the two countries through the optimal use of their installed capacities.

Building materials industry

15. Establishment of the Port Sudan cement factory (Sudan)

46. It was reported that the question of location was still open. UNIDO assistance in updating the earlier studies and selecting the plant site had been requested.

16. Establishment of a plant to produce white cement (Tunisia)

47. It was pointed out that the project costs were DT95 million.

17. Manufacture of marble tiling (Sudan)

48. It was reported that no studies had yet been undertaken. Within the framework of co-operation between Sudan and Tunisia and the recently signed industrial and commercial protocols, the possibility of a joint project was being explored. Egypt had also been invited to consider a joint undertaking.

Chemical industry

18. Establishment of a lithopone production plant (Tunisia)

49. Since the project had been cancelled for reasons of non-profitability, the reference to a sponsor having been selected was redundant and should therefore be deleted.

19. Establishment of a sheetglass production unit (Sudan)

50. It was reported that no study had as yet been undertaken, but Egypt was still interested. In that connection, attention was drawn to other glass projects. AIDO had undertaken a feasibility study for a project relating to the production of glass in Morocco using the floating process. As a result of that study which had included the countries in the subregion, the second phase of the project was being financed by the Islamic Development Bank (IDB). In Egypt, a sheetglass production project using the same process was also being considered. With an envisaged annual capacity of 108,000 tons, the project had been carefully studied and offered good prospects for subregional co-operation.

51. Assistance in the development of an industrial training programme

51. AIDO had issued a directory of training institutes in the Arab region, citing details of areas covered and courses given, that was updated every two years. In the UNIDO-AIDO agreement, it had also been agreed to organize training related to: industrial management and quality control; industrial project preparation and evaluation; and industrial maintenance. The courses were a direct outcome of a training strategy that UNIDO had developed for the subregion. For its part, UNIDO had undertaken a number of projects related to industrial training in the subregion. ECA had also distributed lists of training courses which, it was hoped, would contribute to the development of an effective training framework for the subregion. The representative of ECA pledged the co-operation of his Organization in promoting subregional industrial co-operation in the light of the recent proposal to establish a preferential trade area for North Africa.

52. It was noted that the annex failed to mention the strengthening of engineering capabilities in small-scale industries that had been undertaken in Algeria. Its non-inclusion was due to the fact that it had been financed under the national IPF. It was also pointed out that, given the number of countries involved, it was proposed to convert the Arab regional project for a subcontracting clearing house into a series of national projects so that each country could establish a clearing house of its own.

52. Improvement of industrial consultancy and management capabilities

53. AIDO confirmed the importance it attached to the project.

53. Development of local entrepreneurship

54. AIDO reported that it had developed some model legislation that could serve as a useful guide for national legislators wishing to improve legislative support for small-scale industrial entrepreneurs. AIDO had also requested UNIDO to issue the document "How to start manufacturing industries" in Arabic.

55. Upgrading of the Tunisian National Centre for Leather and Footwear into a subregional centre

55. The second entry in the fifth column should read 'A diagnostic study of the Centre is required by the Tunisian party'. Furthermore, it was regretted that a recent programming mission to Tunisia had not been equipped to discuss the project which the Tunisian Government still wished to expand so as to meet subregional requirements.

56. UNIDO confirmed the need for the diagnostic study which would have to be considered within the newly launched large-scale regional leather programme.

57. Manufacture of rolling stock for passengers and freight

57. It was reported that the first project had not been abandoned, but was the subject of active consideration by various joint committees, while the countries potentially interested also included the Libyan Arab Jamahiriya.

58. Subregional forge for the production of wheels and axles

58. In the light of the studies undertaken to date, it was reported that the project should be cancelled at the present juncture. It might, however, be possible to include certain aspects of the project in the support project S7 Manufacture of rolling stock of passengers and freight.

59. In concluding the discussion of the various projects' implementation status, it was recommended that UNIDO should continue to organize similar subregional meetings, given the importance that was attached to industrial development in North Africa. The Director-General of UNIDO was requested to make provision for an appropriate follow-up meeting.

Revision of the initial integrated industrial promotion programme

60. In the light of the information provided on the status of the projects contained in the initial programme, a revised listing was drawn up as follows:

Core projects

Agro- and agro-based industries

Foodprocessing subprogramme

1. Establishment of sugar mills (Sudan)
2. Establishment of a paper factory (Sudan)

Textile industry subprogramme

3. Establishment of a spinning mill (Tunisia/Libya)
4. Establishment of a kenaf sack production plant (Sudan)

Building materials industry

Cement and tiles subprogramme

5. Establishment of the Port Sudan cement factory (Sudan)
6. Establishment of a plant to produce white cement (Tunisia)
7. Manufacture of marble tiles (Sudan)

Chemical industry

Basic chemicals subprogramme

8. Establishment of a sheetglass production unit (Sudan/Egypt)

Engineering industry

Agricultural machinery and equipment subprogramme

9. Establishment of tractor assembly plants (Egypt/Sudan)



Road and rail transport subprogramme

10. Establishment of a lower-category diesel engine manufacturing plant (Tunisia)

Machine tools and allied machinery subprogramme

11. Manufacture of lathes and milling machines (Morocco)
12. Manufacture of woodworking machinery (Tunisia)

Electrical equipment subprogramme

13. Manufacture of refrigerator compressors (AIDO)

New core projects

61. In the light of information provided on the new core projects in Annex IV and during the meeting itself (see paragraphs 62-73 below), it was decided to retain the following new core projects:

Agro- and agro-based industries

1. Establishment of textiles industries (Libya/Morocco)
2. Establishment of food industries (Libya/Morocco)
3. Establishment of leather industries (Libya/Morocco)
4. Production of vegetable oil (Sudan/Tunisia/Algeria/Morocco/AIDO)
5. Production of fine cotton yarn (Sudan/AIDO/Tunisia/Morocco/Algeria/Libya/Iraq/Syria)

Building materials industry

6. Nafta el Oued brickmaking plant (Algeria/Tunisia) (under construction)

Chemical industry

7. Establishment of pharmaceutical industries (Libya/Morocco)
8. Production of urea nitrate (Libya/Tunisia)
9. Production of phosphate fertilizers (Sudan/Tunisia)
10. Production of nitro-phosphates (Algeria/Tunisia)
11. Production of petrochemical products such as acetic acid, bitumen, base lubricants and transformer oils and monovinylacetates (MVA) (Algeria/Tunisia)
12. Production of chemical products such as synthetic glue, titaniumdioxide, pigments and organic colours, mineral colours and pigments, sodium sulphate and barytine derivatives (Algeria/Tunisia)

Engineering industry

13. Manufacture of household washing machines (Algeria/Libya)
14. Production of passenger cars and utility vehicles (Algeria/Libya)
15. Production of gearboxes for automobiles (Algeria/Libya)
16. Production of high-grade diesel engines for tractors and trucks (Algeria/Libya)
17. Production of light vehicles for desert use (Algeria/Libya)
18. Aluminium complex (electrolytic process) (Algeria/Libya)
19. Production of lorries (Libya/Tunisia)
20. Production of high-tension electrical transformers (Algeria/Tunisia)
21. Construction of metallic structures (Algeria/Tunisia)
22. Manufacture of machinery for sheetmetal work (Algeria/Tunisia)
23. Manufacture of machinery for processing plastics (Algeria/Tunisia)
24. Production of textile machinery (Algeria/Tunisia)
25. Manufacture of gears and reduction gears (Morocco/Tunisia)
26. Industrial forge project (Morocco/Tunisia)
27. Production of thermostats, evaporator sheets, heat exchangers, cooking stoves, micro-motors, control panels, TVs, cassettes and printed circuits (Algeria/Tunisia)
28. Production of pistons, gudgeon pins, casings, sleeves, bearings and transmission chains (Algeria/Tunisia)

Metallurgical industry

29. A joint steel complex (Algeria/Libya/Mauritania/Morocco)

Supplementary information on new core projects

62. In addition to the information contained in Annex IV, supplementary details were given on certain aspects of some new core projects:

5. Production of fine cotton yarn  
(Sudan/AIDO/Tunisia/Morocco/Algeria/Libya/Iraq/Syria)

63. A feasibility study had been recently completed for the plant that would produce 25,000 tons a year (17,000 tons open-end spinning, 4,000 tons carded and 4,000 tons combed). Given the profitability of the project that would serve the whole subregion and its high employment generation factor, it had attracted great interest. It had been taken up by the joint Libyan-Sudanese

committee and UNIDO had agreed, in principle, to assist under the IDF, but was facing some financial constraints.

9. Production of phosphate fertilizers (Sudan/Tunisia)
64. Details were given of the joint venture which was planned to produce over a million tons of phospho-nitrogenous fertilizers, and employ over 260 persons.
15. Production of gearboxes for automobiles (Algeria/Libya)
16. Production of high-grade diesel engines for tractors and trucks (Algeria/Libya)
17. Production of light vehicles for desert use (Algeria/Libya)
65. Official announcement relating to the establishment of joint companies had been published in the official gazette. All three projects were at a very advanced stage of preparation and featured in the annual plan for 1988.
23. Manufacture of machinery for processing plastics (Algeria/Tunisia)
24. Production of textile machinery (Algeria/Tunisia)
66. Tenders had already been issued in respect of both projects.
25. Manufacture of gears and reduction gears
67. Production was scheduled to start in the course of the current year.
26. Industrial forge project (Morocco/Tunisia)
68. The company had already been set up.
27. Production of thermostats, evaporator sheets, heat exchangers, cooking stoves, micro-motors, control panels, TVs, cassettes and printed circuits (Algeria/Tunisia)
69. Studies had already been undertaken in respect of some of the products and would be discussed at the upcoming meeting of the two countries' joint committee.
70. The wide range of products was remarked upon. Egypt, for example, was currently assembling TV sets (colour and monochrome) to the annual value of US\$200 million. Detailed feasibility studies on increasing the domestic content in the production of televisions had confirmed the viability of the project for which the participation of interested parties was being sought. In a related field, the meeting was also informed that AIDO was actively promoting a study on the manufacture of telephone switchboards in the Maghreb region.
28. Production of pistons, gudgeon pins, casings, sleeves, bearings and transmission chains (Algeria/Tunisia)
71. The project would be considered at the upcoming meeting of the two countries' Ministers of Industry.

72. In respect of the joint Algerian/Libyan projects, it was reported that consideration was being given, where appropriate, to transform them into tripartite projects by including Tunisia.

73. The above and other pertinent information on the various projects would be summarized in the project profiles that would be prepared and included in the revised programme (see also paragraph 81 below).

#### Support projects

74. It was decided to retain all the support projects included in the initial programme as listed below:

1. Assistance in the development of an industrial training programme
2. Improvement of industrial consultancy and management capabilities
3. Development of local entrepreneurship (Directory of small-scale industrial project profiles)
4. Promotion of the foodprocessing industry in North Africa
5. Upgrading of the Tunisian National Centre for Leather and Footwear into a subregional centre
6. African Regional Centres for Genetic Engineering and Biotechnology

#### New support projects

75. It was also decided to include the following six new support projects:

1. Joint Tunisian/Libyan company for industrial maintenance and assembly
2. Study on the promotion of capital goods manufacture in North Africa

76. It was requested that UNIDO, in co-operation with AIDO, CEIM and other relevant organizations, should assist in the preparation of a subregional market study that would identify the capital goods production capability of each country, based on a survey and feasibility studies relating to the different core industrial subsectors.

3. Technical studies on the promotion of subregional co-operation in the fish-processing industry

77. Given the need to draw up a plan for improving the fish-processing industry and in the light of earlier studies carried out by UNIDO relating to that sector, UNIDO was requested to provide, in co-operation with the relevant subregional organizations, all the assistance necessary for studies that would focus on two specific issues: (i) the modernization of that sector with a view to improving processing capacity and product valorization; and (ii) the modernization of the processing, preservation and distribution methods, particularly in rural areas.

4. Technical studies on the promotion of a subregional marine repair and maintenance industry

78. In the interests of ensuring the harmonious and efficient utilization, in co-operation with the relevant subregional organizations, of halieutic resources and maritime transport, UNIDO was requested to provide the assistance necessary for technical studies that would focus on establishing a marine repair and maintenance industry based on pilot projects located throughout the region.

5. Technical studies related to industrial pollution

79. Given the serious situation facing the coastal regions of North Africa arising out of the inordinate and hazardous effluents in the Mediterranean Sea, due not only to the urban and industrial waste of the countries on the northern shores, but also to the fact that 45 per cent of the world's oil was transported across this semi-closed sea, it was essential to contain environmental pollution. Given the gravity of the situation, UNIDO was requested to assist the countries in the subregion in carrying out technical studies on the reduction or avoidance of pollution.

6. Subregional consultations on specific sectors

80. In view of the need to avoid the duplication of projects, it was considered essential to introduce some form of consultative mechanism. Consultations, it was proposed, should initially be held on the following sectors: industrial equipment; textiles, including synthetic fibres; industrial engineering and maintenance; leather; iron and steel; complementary industries such as the automotive industry; agro-food industries; the electrical and electronic industries and chemical and petrochemical industries. The consultations, which should also be organized by UNIDO, AIDO and CEIM and attended by banking institutions such as the ADB, would facilitate the elaboration of national strategies and pave the way for effective industrial integration in the subregion.

81. Those sponsoring new projects (core and support) were requested to complete project profiles for each project and to submit them to UNIDO at the earliest possible opportunity, preferably within one month, so as to permit the rapid finalization and distribution of the revised programme.

Strategy to be adopted to accelerate the implementation of the revised programme

82. Some participants expressed concern about some sections of Chapter V, the tone of which would have to be moderated. Certain parts of the chapter left the impression that the countries in the subregion were unclear as to the mechanisms for handling the projects that had been agreed upon. It was thus agreed that the chapter would need to be reformulated in the light of the comments made. In so doing, one could draw upon the approach adopted in the African common position paper submitted to the Second General Conference of UNIDO.

Measures at the national level

83. The establishment of national committees enjoyed a certain measure of support. Morocco, for example, had set up in the Ministry of Industry a focal

point for collaboration with international, regional and subregional organizations, especially UNIDO. It was felt, however, that paragraph 73 was not specific to the subregion. Similarly, the statement in paragraph 74(c) on the alleged current crisis in public sector enterprises in most countries would have to be modified. That modification should focus upon complementarity between the public and private sectors.

#### Measures at the subregional level

84. CEIM should be included among the organizations listed in paragraph 78. Some support was expressed for strengthening the secretariats of the relevant intergovernmental organizations and the various joint committees or commissions described in the same paragraph. Similarly, qualified support was expressed for the establishment of a subregional committee or a standing committee as described in paragraph 80. It was felt it would be more appropriate not to limit things to the IDDA since the Decade was so advanced, but to establish a group of experts to follow up the implementation of the subregional projects. In the opinion of some, that very function was being exercised by the subregional meeting at its current session. In any event, it was essential to increase co-operation between UNIDO and the countries and intergovernmental organizations in the subregion in the implementation of the projects retained in the programme.

#### Mobilization of financial resources

85. An explanation was given of the manner in which AIDO and the Islamic Development Bank (IDB) co-operated in financing studies on concessional terms, with the possibility of loans being converted into grants in the event that the findings of such studies did not favour project implementation. The African Development Bank (ADB) was requested to adopt the same approach to financing studies. The meeting was informed of the different possibilities the Bank offered for financing studies. It was pointed out that all the countries in the North African subregion were not eligible for funds from the African Development Fund and that the current statutes of the Bank did not provide for the conversion of loans into grants.

86. In response to a question about particular terms, especially those relating to interest rates, that the ADB could offer for funding projects within the framework of the IDDA, it was explained that the statutes of the Bank did not provide for such disbursement. Any change to that effect would require that a decision be taken by the ADB Board of Governors. Further information was provided on the allocation of resources to multilateral projects and on the Bank's endeavours to encourage and promote projects of that kind.

#### Role of the co-ordinating and other agencies

87. In the discussion on increasing the effectiveness of the role of the international organizations in promoting industrial co-operation in the subregion, it was suggested that the term 'upon request' be deleted in the introductory sentence in paragraph 85 since initiation of some of the activities listed in the subparagraphs, particularly subparagraphs (c), (e) and (f), was not contingent upon the submission of an official request. Indeed, a plea was entered for increased flexibility on the part of international organizations who appeared to rely on the convention of

procedures. While appreciation was expressed for the services rendered hitherto by UNIDO as well as for the work of AIDO in the subregion, it was felt that still much could be achieved within the framework of the IDDA.

88. Appreciation was expressed for the investment promotion meetings that UNIDO had organized in some countries in the subregion. Given that positive experience of the catalytic role that an international organization could play in such meetings, it was suggested that consideration be given to organizing an investment promotion meeting for the subregion. UNIDO welcomed the suggestion which, however, it would have to examine closely. It was also pointed out that close co-operation between the various subregional organizations would be essential to the preparation of the industrial investment projects to be submitted to such meetings.

89. Attention also focused on the reference in paragraph 86 to the need for UNIDO to develop, in co-operation with AIDO and the North African MULPOC Office, a system to assist the countries in monitoring the implementation of the revised programme. That was comparable to the suggestion in paragraph 80 that a subregional committee be set up to carry out a similar function. A similar function had also been envisaged in subparagraph 85(d).

90. It was thus recommended that a small group be set up or a contact person designated in UNIDO who would be entrusted with the specific task of following up industrial integration of the subregion. It was also recommended that that structure, the objectives of which would extend beyond the framework of the IDDA and the exact nature of which would be determined by the plenipotentiaries of the countries of the subregion accredited in Vienna together with the Director-General of UNIDO, would be entrusted with the task of promoting economic and industrial integration in North Africa and following up the implementation of subregional programmes, as well as ensuring the effective review and monitoring thereof. It would comprise the following members: the Vienna-based plenipotentiaries representing the countries in the subregion, and representatives of UNIDO, AIDO and the North Africa MULPOC. It was also suggested that that structure could draw on other subregional organizations such as CEIM and development financing institutions such as ADB and IDB. The structure thus established could concern itself, *inter alia*, with carrying out the functions (a) and, to some extent, (d) as described in paragraph 85.

91. The above structure was all the more necessary since the North African subregion was currently included in two regions, the African and Arab regions, each of which disposed of a programme and co-ordination mechanisms of their own within the United Nations system. That situation failed to take adequate account of the specific character of the subregion which was akin to that of a significant and dynamic bond unifying the economic flows between Africa and the Middle East.

92. It was also pointed out that such a subregional initiative should be viewed within the broader context of establishing an African common market as envisaged in the Final Act of Lagos. Given the subregion's level of development and economic integration, the body to be set up could contribute to the drafting of industrial protocols between the various countries in the subregion. At the same time, it was emphasized that full use should be made of the co-ordinative mechanisms already in place: the Co-ordination Unit for the IDDA in UNIDO; the Joint ECA/UNIDO Industry Division; the North Africa

MULPOC; the Joint Committee of the ECA/OAU/UNIDO secretariats on the implementation of the programme for the IDDA within the framework of the Lagos Plan of Action; as well as AIDO. It was also noted that a clear distinction should be maintained between the structure to be established in Vienna and the internal co-ordination mechanisms already in place in UNIDO relating to the implementation of the programme for the IDDA.

93. It was the general opinion that the establishment of such a structure would also help UNIDO to seize the initiative and adopt a more forceful approach in some areas. That notwithstanding, the current difficulties facing UNIDO were appreciated: the constrained circumstances, however, made it all the more necessary to use resources effectively.

94. The international, regional and subregional organizations, in particular UNIDO, ECA and AIDO, were requested to contribute to strengthening industrial co-operation in the subregion by undertaking studies that would: (i) identify industrial complementarities and harmonize industrial policies in competitive sectors in the subregion, such as those referred to in paragraph 68 above; and (ii) to emphasize the industrial complementarity between the North African subregion and sub-Saharan Africa and the Arab world. It was also requested that meetings be organized related to specific topics, in particular concerning the following fields: the automotive industry, chemicals and petrochemicals, synthetic fibres, capital goods industry, agro-food industry and the electronic and electrical engineering industry. AIDO had already carried out studies for the Arab region in seven specific subsectors in co-operation with UNIDO. Those studies could be updated and used as a basis for the identification of investment opportunities.

95. UNIDO could contribute further to subregional integration by assisting in ensuring an effective linkage between the various data banks in the subregion. AIDO was currently helping to establish a central data bank at its subregional office at Algiers and the co-operation of UNIDO would certainly be most useful.

96. Discussion also centred on the extension of the current Industrial Development Decade for Africa (IDDA) and the allocation of financial resources under the programme for the Decade to projects in the North African subregion. It was explained by the representative of UNIDO that the launching of a second Decade had already been requested by the African Ministers of Industry in their submission to the Second General Conference of UNIDO. That proposal would have to find acceptance in the various legislative bodies and Member States of UNIDO. Experience in previous biennia had shown that global support would have to be secured at an early juncture, if the endeavour was to succeed. Acceptance of a second Decade would also be facilitated by the findings of an independent mid-term evaluation of the current Decade that was about to be undertaken with the financial support of UNDP.

97. Difficulties had also been experienced in securing a specific allocation for Decade-related activities within the regular budget of UNIDO. That allocation was used to fund a limited number of technical assistance and supplementary activities. The concept of the Decade, however, went far beyond the limitations of the resources allocated to the IDDA under the regular budget of UNIDO which were to be seen more as seed money for activities that could be financed under national IPFs, by other funding agencies and financial institutions or through special-purpose contributions to the Industrial



Development Fund (IDF). It was thus essential that countries continued to submit official requests as they were not only a clear expression of countries' interest in specific aspects, but they also facilitated the project approval process within the Organization. Furthermore, the significant progress in the formulation and implementation of joint industrial projects that had been achieved by the countries in the subregion and which, it was hoped, would be emulated by other subregions, bore testimony to the spirit of the Decade.

98. The Decade, it was further pointed out, had contributed to strengthening the role of industry in development. This was reflected in a series of recent initiatives, such as the launching by the World Bank of subregional industrial co-operation and integration projects, the adoption by the ADB of a lending policy for the industrial sector and the acceptance by UNDP of industry as a priority in most national IPFs as well as in the regional programme for Africa. Moreover, all recent major declarations related to the African region had accorded pride of place to industry as a major developmental force.

#### V. AGENDA ITEM 4: PROMOTION OF SUBREGIONAL INDUSTRIAL CO-OPERATION PROGRAMME IN SELECTED AREAS

##### Presentation of the background document

99. In presenting the background paper (ID/WG.472/4(SPEC.)), the representatives of UNIDO indicated that in the course of implementing the various initial subregional programmes, a number of constraints had been identified. One particular constraint had been the lack of trained personnel, including industrial entrepreneurs. In its study on external debt in Africa as it related to the industrial sector, UNIDO had noted that as much as 7 per cent of the region's debt, equivalent to some US\$10 billion, was spent annually on importing industrial consultancy, engineering and other services. In the North African subregion, significant consultancy services had been developed and several countries had established training units. Furthermore, if effectively integrated, the relatively advanced services in the subregion could be extended to other subregions. UNIDO had thus endeavoured to identify the scope for co-operation among the countries in the subregion in the three specific fields treated in the document. The paper itself constituted a first attempt to develop a subregional programme in those priority areas that would support the revised industrial co-operation programme in the same subregion.

100. The paper had been prepared by the secretariat on the basis of information it had obtained from Member States and intergovernmental organizations in the subregion. The paper was divided into three parts. In addition to summarizing the industrial situation in the subregion in terms of industrialization policies and strategies, priority subsectors and industrial co-operation endeavours, the first chapter described industrial support services in the subregion. The second chapter presented an overview of the industrial support services currently available in the subregion in respect of industrial training, industrial consultancy and engineering services and industrial entrepreneurship. The third chapter put forward proposals for promoting subregional co-operation in the development and utilization of those support services.

General discussion

101. The distinction maintained between heavy and light industries in the analysis of the subregion's industrial structure was considered too strict and obsolete, and could thus not be upheld. It was considered that the industrial situation in the countries in the subregion had developed to such a degree during the 1980s that that dichotomy had become significantly less pronounced.

102. Whereas it was recognized that the institutions and organizations cited in the document constituted only an illustrative listing, attention was drawn to certain omissions. Similarly, certain statements in document ID/WG.472/4(SPEC.) were amended.

Industrial training

103. The Algerian institutions cited in paragraph 24 should also include:

Institut national des matériaux de construction  
Institut national des industries alimentaires  
Institut national des techniques et industries de l'habillement  
Institut national des hydrocarbures et de la chimie (INHC)

104. The Moroccan institutions cited in paragraph 27 should include:

Institut de l'habillement et du textile

105. The Sudanese institutions cited in paragraph 28 should also include:

Training Centre for the Sugar Industry  
Training Centre for the Textile Industry  
Training Centre for the Tanning and Leather Industry  
Vocational Training Centre

106. The Tunisian institutions cited in paragraph 29 should also include:

Centre technique des industries mécaniques et électriques (CETIME)  
Centre technique des industries des matériaux de construction céramique et verre

The same institutions should also be cited under the appropriate headings in paragraph 54, together with two other institutes:

Centre des phosphates  
Institut supérieur de Gabès pour la pétrochimie

107. The Algerian institutions cited in paragraph 54 should include:

- (b) Entreprise nationale d'études et de réalisation des projets de sidérurgie et de métallurgie (SIDEM)
- (b) Entreprise de génie civil pour la sidérurgie (GENISIDER)
- (d) Institut national des hydrocarbures et de la chimie (INHC)

108. The subheading '(d) chemical industries sector' in paragraph 54 should be changed to read 'chemical and petrochemical industries subsector'.

109. It was also suggested that paragraph 56 could also include a reference to the need for training centres in the subregion to meet at periodic intervals to exchange experience and harmonize their programmes. The suggestion was reiterated that a number of national training centres should be selected and transformed into subregional centres. UNIDO was called upon to assist Member States in that endeavour.

110. AIDO fully supported the proposal that training programmes be harmonized. It contributed to such endeavours by issuing training guides and a directory of training institutions in the Arab region. The assistance of UNIDO in updating that directory would be greatly appreciated. AIDO also supported the transformation of certain national centres into subregional training centres, and countries should indicate to UNIDO those national centres that should be upgraded. In the case of the Sudan, it was reported that priority should be given to:

Industrial Research and Consultancy Centre  
Training Centre for the Sugar Industry  
Training Centre for the Textile Industry

111. Attention was also drawn to the training strategy that UNIDO had drawn up for the subregion, on the basis of which UNIDO and AIDO would develop specific training programmes. Appropriate mention should thus be made of that fact in Chapter III of the document. It was particularly important to provide training in the evaluation of industrial projects and the preparation of feasibility studies. It was also pointed out that industrial training covered a broad range of industrial activities, a most important area being engineering design and the creation of cadres for that purpose. Attention was also drawn to the benefits to be gained from providing training in standardization, quality control and maintenance. In that connection it was pointed out that the competitiveness of subregional goods and commodities could be greatly increased, were quality control laboratories and product analysis facilities, together with the standardization of specifications, to be more widely introduced in the subregion.

Industrial consultancy and engineering services

112. Of the enterprises listed in paragraph 30, the following should be deleted:

Entreprise nationale d'engineering pour la sidérurgie (SIDJI)  
and replaced by: Entreprise de développement des industries chimiques  
(EDIC)

113. The Moroccan services cited in paragraph 33 should also include:

Office pour le développement industriel (ODI)

114. The Tunisian companies cited in paragraph 35 should also include:

Société tunisienne d'études techniques et économiques (SOTUETEC)  
Centre technique des industries mécaniques et électriques (CETIME)  
Maghreb-Industries  
Centre technique des industries des matériaux de construction céramique  
et verre  
Agence de Promotion de l'Industrie

115. The institutions cited in paragraph 60 should also include:

Entreprise de développement des industries chimiques (EDIC)

116. A specific plea was made to the agencies in the United Nations system as well as to subregional organizations and financial institutions to make greater use of the local engineering and consultancy services in the subregion. It was also pointed out that the potential of such services in the subregion could be enhanced by supporting and drawing on the subregional data bank set up by AIDO at its regional office in Algeria for the exchange of technological information, as well as on services established by other subregional organizations such as CEIM which had similar banks. UNIDO was requested to step up its work in linking the national data banks through the centre in Algeria. It was urged that steps be taken to set up subcontracting arrangements in the subregion at the earliest possible juncture.

#### Industrial entrepreneurship

117. The reference to emphasis on heavy industries in paragraph 36 was wrong. The current emphasis lay on small- and medium-scale industries. Similarly, the figure cited in the first sentence of paragraph 46 should read '1 million Tunisian dinars (DT)'.

118. It was also felt that not all the support projects listed in paragraph 65 had a direct bearing on industrial entrepreneurship, more specifically support projects (c), (g) and (h). In any event, it was essential that both UNIDO and AIDO contribute to the maximum to the implementation of the support projects retained in the revised subregional programme which would replace those listed in paragraph 65 of the background document.

119. It was proposed that the meeting on small- and medium-scale industries in the developing countries which had been scheduled to take place at Tunis a year ago should be reoriented towards the subregion. UNIDO was requested to organize that meeting at the subregional level, to which some countries from other African subregions could be invited.

120. It was also proposed that an African association of small-scale industries and related institutions be set up with a North African chapter.

121. It was also pointed out that the complementarities between Morocco and Tunisia described in paragraph 69 also included agro-food and halieutic industries.

122. A number of questions were raised about the steps UNIDO had taken to implement the support projects included in the initial programme that were listed in paragraph 65, and its views were sought on the new proposals put forward during the discussion. In response, the representative of UNIDO pointed out that in the area of training, UNIDO had implemented a wide range of activities at both the national and subregional levels in North Africa. Those activities had involved, inter alia, the institute of packaging in Morocco as well as the institutes for leather, textiles, refrigeration and plastics in Egypt. UNIDO had also provided assistance to the Institut supérieur de gestion et de planification (ISGP) in Algeria. A number of those institutes constituted focal points for training programmes serving the subregion and the region as a whole. He also reported that a subregional

consultation meeting on the leather and leather products industry had been held in Egypt while subregional co-operation in the field of technology transfer and technological information had been enhanced through the establishment of national technology focal points along with the supporting national data banks.

123. Most of those activities had been funded from the IDDA allocation in the regular budget of UNIDO. That allocation, together with the scope of the technical assistance and supplementary activities that it funded, had been discussed and approved by the legislative bodies of UNIDO. Attention was drawn to the fact that US\$1.5 million had been provided for technical advisory services, against which Government requests could be entertained. It was stressed that no special preference was given to any one subregion in Africa.

124. UNIDO welcomed the new proposals that had emerged from the discussion. In respect of the small-scale industry sector, UNIDO had scheduled a regional consultation meeting on the subject that would shortly take place at Lomé, Togo. ECA had already published a directory of small-scale industries and a second version was under preparation. UNIDO had also widely distributed its manual entitled 'How to start manufacturing industries'. The proposal to transform a number of national training centres into subregional centres was fully in keeping with the UNIDO concept of centres of excellence; however, countries would need to furnish UNIDO with a list of priority centres.

125. UNIDO confirmed that it was fully prepared to strengthen its co-operation with other organizations such as AIDO, the ECA/MULPOC and CEIM, in order to ensure the more effective co-ordination and harmonization of industrialization efforts in the subregion. The representative of UNIDO also pointed out, however, that each of the organizations co-operating had to provide appropriate resources, if such co-ordination were to be truly effective. Furthermore, it was stressed by the representative of UNIDO that any co-ordination machinery to be established in support of the subregion's industrialization efforts had to take full account of machinery already existing in UNIDO. It should be so designed as to complement rather than duplicate that machinery.

## VI. RECOMMENDATIONS

126. Upon conclusion of the discussion of both documents, the representative of Algeria presented, on behalf of the participants, a summary of the main conclusions that had been reached at the meeting. Following a discussion of the findings of the meeting, the following conclusions were adopted.

"Taking into account the specific characteristics of the North African subregion, where prospects for industrial co-operation are further expanding, and its new dynamic approach towards economic integration, the participants in the follow-up subregional meeting on industrial co-operation held at Tangier, Morocco, from 30 May to 3 June 1988 request UNIDO to:

- (i) Consider a proportionate allocation of IDDA funds to the countries of the subregion within the framework of its industrial development;

- (ii) Set up a small group and designate a contact person in UNIDO to be entrusted with the specific task of following up industrial integration in the subregion, outside the IDDA Unit. The small group would act in concert with the plenipotentiaries based at Vienna, AIDO and the MULPOC for North Africa;
- (iii) Organize, periodically, consultations between the countries in the subregion on investment financing as well as on topics related to industrial integration that would be jointly decided upon with a view to adding dynamism to the new prospects for co-operation between the countries in the subregion;
- (iv) Organize a series of meetings on small- and medium-scale enterprises to examine the situation facing the development of those enterprises in the subregion;
- (v) Participate in actions designed to strengthen the operational capacities of the intergovernmental organizations in the subregion such as AIDO, CEIM, the North African MULPOC and the Maghreb Standing Consultative Committee;
- (vi) Establish an industrial information system capable of providing all the information relating to possibilities existing within the subregion in terms of industrial services and the provision of goods and services;
- (vii) Carry out studies in certain core industrial sectors that would provide an optimal basis for the evaluation of industrial complementarities in the countries of the subregion;
- (viii) Furnish all the assistance necessary for converting certain identified national centres into subregional centres capable of providing services to the entire group of countries in the subregion;
- (ix) Provide, in compliance with resolution 5 of the Council of Plenipotentiaries of the North African MULPOC that was subsequently adopted by the ECA Conference of Ministers, all the assistance necessary for the establishment of the preferential trade area especially within the context of the industrial protocol;
- (x) Speed up the utilization of local outposts for the subcontracting clearing house in the countries of the subregion, as well as the installation of project identification facilities based on the Analysis of Technological Complexity (ATC) for the countries in the subregion;
- (xi) Upon request, give priority to subregional capacities when initiating action in favour of the countries of the subregion, within the context of co-operation between UNIDO, the subregional organizations and the countries of North Africa."

127. In the subsequent discussions of the above recommendations, the representative of UNIDO thanked the participants of Algeria for the lucid synthesis of the major concerns they had expressed during the meeting. He assured the participants of the readiness of UNIDO, within the limits of its

financial resources, to intensify its co-operation with and expand its technical assistance to the countries of the subregion in support of their industrialization efforts in keeping with the aims and objectives of the Lagos Plan of Action.

128. He drew the attention of the meeting to a number of points which were particularly relevant to the proposed recommendations. Whereas emphasis had been placed throughout the meeting on the intensification of co-operation between UNIDO and the ECA/MULPOC Office for North Africa, AIDO and other regional and subregional organizations dealing with industrialization in the subregion, the recommendations were addressed only to UNIDO. In fact, UNIDO was requested to provide assistance to those organizations. The financial implications of the various recommendations went far beyond the resources available to UNIDO for such programmes. It would have been more appropriate to associate other organizations, such as the UNDP, ADB and IDB, in those recommendations.

129. The representative of UNIDO also drew the attention of the meeting to the procedures UNIDO adopted for allocating its regular budget resources. Those resources were based on programmes which had to be considered first by the Programme and Budget Committee (PBC), endorsed by the Industrial Development Board (IDB) and approved by the General Conference of UNIDO. The same procedure was applicable to any major changes in structure of the secretariat. Those procedures bore major implications for the recommendations related to the allocation to the IDDA of a certain percentage of the funds approved in the regular budget, as well as to establishing a structure at UNIDO headquarters with a contact person designated for the North African subregion.

#### VII. AGENDA ITEM 5: ADOPTION OF THE REPORT

130. At the final session, the meeting adopted the report and authorized the secretariat to finalize it in the light of the amendments.

#### VIII. AGENDA ITEM 6: CLOSURE OF THE MEETING

131. At the formal closing session, Mr Mohamed Guedira, Director-General of the Moroccan Centre for Export Promotion, extended his thanks to those present for having contributed to the success of the meeting which marked a new era in multilateral co-operation based on the common objective of subregional socio-economic development. The meeting had taken on a specific character, pronouncing itself on the initial integrated programme, examining new proposals and defining measures to promote subregional integration. Through the development of bilateral co-operation, the subregion had achieved economic progress; the industrial sector had reached a similar level of integration that permitted the optimal satisfaction of basic needs.

132. The current meeting had lent strength to the need for active Afro-Arab co-operation, while the revised programme would make for greater complementarity between sectors and reductions of constraints upon the industrial fabric of the subregion. He expressed his appreciation for the interest UNIDO had demonstrated in the region that was heightened by its co-operation with subregional and regional organizations in bringing about

greater industrial integration. That co-operation was based on the exchange of information between national data banks, the conduct of sectoral studies on subregional promotion and the expansion of industrial and technological training activities. In all those endeavours it was necessary to make optimal use of domestic resources and utilize installed capacities effectively, since increased valorization was the sole means of increasing the competitiveness of the products of the subregion and ensuring its integration in the global production and exchange of goods and services.

133. The endeavours of the subregion should be matched by similar moves on the part of the developed countries to provide greater market access to developing country commodities and reduce tariff barriers. Furthermore, the international organizations should increase their endeavours to bring about a meaningful change. He hoped that the programme and strategy adopted at the meeting would constitute a contribution to that process of change.

134. Speaking on behalf of the participants, the Vice-Chairman of the meeting, Eng. Hassan Mohamed Amer, expressed his particular gratitude to the Moroccan authorities for the lengths to which they had gone in hosting the meeting. He was deeply moved by the generous hospitality that had been extended to the participants in the light of recent moves towards rapprochement among the Arab states of Africa. He had also been greatly moved by the reaffirmation at the meeting that his country was still firmly rooted in the heart of the Maghreb: the sympathy with which his country's projects had been considered bore testimony to the spirit of growing subregional unity.

135. He fully shared the sentiments expressed by the previous speaker. He stressed that it was essential to put the revised programme into effect. The last two years of the Industrial Development Decade for Africa were a crucial period that made it all the more important for the subregion to realize its industrial aspirations. At the same time, UNIDO and the other organizations should increase their assistance to the subregion, providing the resources needed to supplement the co-ordinative efforts of the constituent countries.

136. The success of the programme was also contingent upon the wide circulation of its contents. In that respect, the mass media had a key role to play: it was essential that the proceedings of the meeting be communicated to all the essential bodies and institutions, both within the subregion and without. If that could be assured, the programme showed every chance of being successfully implemented.

137. In conclusion, he reiterated his thanks to the Government and people of Morocco for their generous hospitality and wished all participants a safe journey home.

138. Speaking on behalf of the co-sponsoring agencies, the representative of UNIDO expressed his particular satisfaction at the high level of participation and discussion. The results of the meeting constituted an important step towards the realization of the objectives of collective self-reliance and self-sustaining industrialization in the subregion. The discussions had revealed that real progress was being made towards industrial co-operation and integration in the subregion. They had laid a sound foundation for the proposed preferential trade area for North Africa, thus bearing testimony to the progress being made towards the implementation of the Lagos Plan of Action and the programme for the IDDA. He further noted that the subregion disposed



of highly developed capabilities and capacities in industrial training, consultancy and engineering services. Through greater co-operation among the countries of the subregion, those services could provide real support to the industrialization process, not only in the subregion but also in other parts of Africa.

139. He thanked the delegates for their active participation in the meeting, thus contributing to its success. That success was also due to the extensive support that the secretariat had received from the Government of Morocco and the valuable services extended by the ECA/MULPOC Office. He also thanked the various technical and support staff for the excellent services rendered to the meeting. He trusted that the energy displayed at the meeting would be maintained throughout the all-important stage of implementation.

140. In conclusion, he reassured the delegates of UNIDO's readiness to continue to intensify its co-operation with the countries and organizations in the subregion and to intensify its assistance, within the limitations of its modest resources, to the industrialization of North Africa.

141. The Chairman declared the meeting formally closed at 7 pm.

ANNEX I/ANNEXE I

LIST OF PARTICIPANTS/LISTE DES PARTICIPANTS

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M. Mahrez HADJSEYD  
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ANNEX II

AGENDA

1. Opening of the meeting.
2. Organization of the meeting:
  - Election of Chairman, Vice-Chairmen and Rapporteur of the meeting;
  - Adoption of the Agenda and Programme; and
  - Organization of work.
3. Review of progress made in the implementation of the initial integrated industrial promotion programme and revision of the initial integrated industrial promotion programme and strategy for implementation.
4. Promotion of subregional industrial co-operation programme in selected areas:
  - Industrial training;
  - Industrial consultancy and engineering services; and
  - Small-scale industrial entrepreneurship.
5. Adoption of the report of the meeting.
6. Closure of the meeting.