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REVIEW OF THE IMPLEMENTATION OF SNPA IN THE EIGHTIES

AND PROPOSALS FOR FURTHER ACTION IN REGARD TO THE MANUFACTURING SECTOR

14

CONTENTS

INTRODUCTION

This paper is presented in accordance with General Assembly Resolution No. 42/177, which, inter alia: "Requests concerned organizations and bodies of the United Nations System to submit, before the first preparatory meeting, reports containing a review of the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries within their fields of competence and proposals for further action as input to the preparations for the Conference".

Section A of this paper sets out the aims for industry, and the proposals to achieve these aims, as agreed by the Least Developed Countries and their partners in development in 1981 in the Substantial New Programme of Action (1981 SNPA). Section B assesses the actual performance of LDC industry in the context of the 1981 SNPA, and examines the constraints affecting the performance. Section C notes some of the major changes which have occurred affecting Industry since the 1981 SNPA, and looks at the prospects for LDC industry in the nineties, in the light of possible revisions to the 1981 SNPA. Section D discusses briefly the role of UNIDO.

SECTION A: THE TARGETS AND INSTRUMENTS FOR INDUSTRY AGREED IN THE 1981 SNPA

The 1981 SNPA highlighted the major problems faced by each sector of the economies of the LDCs, and contained recommendations for action to be taken at national, sub-regional, regional and international levels for the removal of the problems, and invited UN Agencies and other international Organizations and individual governments to contribute.

The fundamental approach of the SNPA to attacking the problems of least development was conceived as a partnership between each individual LDC and its

domestic policies, with the international community, and its agreement on international support measures.

For manufacturing industry specifically, the 1981 SNPA called upon LDCs to increase their growth of manufacturing output to an overall annual rate of at least 9 per cent. To this end, the LDCs were particularly requested to undertake more ambitious programmes of industrial development, and in particular:

- Development of agro-based and agro-support industries, and, on-the-spot processing as appropriate;

- Build up medium and light industries to meet the growth of their population for essential consumer goods;

- Encourage and improve productivity in small-scale and cottage industries, utilizing where appropriate non-governmental organizations, through the introduction of appropriate technology and through the supply of credit and raw materials and marketing arrangements;

- Encourage the establishment of basic industries with indigenous resources, where feasible.

The international support measures agreed in the 1981 SNPA recognised that given limitations on the mobilisation of domestic resources in LDCs a substantial transfer of resources would be required to effectively implement the Programme in the short term through an immediate action component and in the longer-term the SNPA. No specific targets were set for a share of such increased assistance to be allocated to Industry. It was assumed that Industry would benefit from an overall increase, and as determined by individual LDCs. Similarly with the SNPA sections on Technical Assistance, Aid Modalities, and Other International Economic Policy Measures it was largely implicitly assumed that Industry would benefit. In the arrangements for Implementation, Follow-up and Monitoring, no special provision was made for industry.

SECTION B: THE PERFORMANCE OF THE INDUSTRIAL SECTOR OF THE LDCS IN THE EIGHTIES

Changes in MVA

The SNPA envisaged that the growth of manufacturing output in the LDCs would average about 9 per cent per annum or more and that the manufacturing sector in LDCs as a whole would account for much more than 8 per cent of GDP as was the case in the late seventies. In fact, as Table 1 shows, the growth rate has been nowhere near 9 per cent, in many cases it has been negative, and MVA now accounts for no greater percentage of total GDP in the LDCs than it did in the seventies. If the growth of the population, which was rapid in most LDCs, is taken into account, then the picture becomes even more dismal (Table 1). Sixteen LDCs experienced negative growth rates in MVA per capita during the first half of the 1980s.

In many African LDCs MVA declined not only in per capita terms but overall. Between 1981 and 1986, Chad, Sierra Leone, Somalia, Sudan, Togo, Uganda and Tanzania all averaged negative MVA growth rates. Apart from Lesotho, Mali and Burundi, the average MVA growth rate in the other African LDCs was less than 5 per cent. In Haiti, the only Latin American LDC, conditions were no better (Table 2).

In the Asian LDCs, however, the situation was somewhat better with Burma and many of the smaller countries (Nepal, Bhutan and Maldives) experiencing growths in MVA of over 5 per cent between 1981 and 1986, although in Bangladesh, which has the largest manufacturing sector not merely among Asian but among all LDCs, the MVA growth rate averaged only 1.3 per cent. While Democratic Yemen had a strongly negative MVA growth rate, Yemen had a strongly positive one between 1981 and 1986 (Table 2).

As the manufacturing sector in the LDCs still overwhelmingly consists of consumer goods industries with food, textiles and beverages accounting for about 70 per cent of its total output, it follows that the stagnation in MVA experienced by the LDCs between 1981 and 1986 has been among these industries. Indeed some recent analyses by the European Community of capacity

utilisation rates in ACP States, which include many African LDCs, found from a survey of 343 enterprises in SSA:[1/]

- Only 69 units (20 per cent) function satisfactorily, i.e. at over 70 per cent of their capacity;

- 195 units (75 per cent) are functioning unsatisfactorily, i.e. performing at well below a satisfactory production threshold;

- 79 units (23 per cent) have ceased to function.

The analysis of capacity utilisation rates in different sectors shows relatively good performance in wood, dairy, brewing and lemonade making sectors. In contrast, serious malfunction exists in the cement, sugar, milling and above all, paper, oils and fats, canning and refining sectors, with special problems facing the textile sector which is currently undergoing an acute economic crisis (see Table 3).

Apart from the obvious cases where civil strife has been a significant contributor, many factors account for the parlous performance of the manufacturing sectors in the LDCs during the eighties. These may conveniently be considered under policy, natural resources, capital and human resources, small domestic market and weak infrastructure.

Policy Constraints

The LDCs have suffered severely from import strangulation due to lack of foreign exchange resulting from depressed commodity prices, over-valued exchange rates and rising debt burdens[2/]. This has been aggravated by

1/ G. Egneil: "The Rehabilitation of Mal-functioning Industrial Units in the ACP States", European Commission, 1985

2/ A recent study of 34 developing countries, including some LDCs, has shown that a 10% reduction in the volume of imports - just about the average fall for the 34 countries during 1982-1988 - reduced export volume by 2% in the short run and by over 5% in the longer run where the vicious circle of import reduction - export reduction - less foreign exchange - more import reduction, has been completed. (Source: Mohsin Khan and Malcolm Knight, Import Compression and Export Performance in Developing Countries, Review of Economies and Statistics, May 1988).

indiscriminate pursuit of inefficient import substitution strategies, involving the shielding of domestic production by high protective barriers and frequently using inappropriate technologies. Extensive reliance on capital intensive technologies, ill-adapted to domestic skill levels, have in many instances discriminated against simpler labour intensive technologies.

External dependence by industry on intermediate and capital goods is reflected in the very high share of such goods in imports. Tanzanian industry provides a highly illustrative case in point: in 1984, the sector generated $ 56 million in value added but consumed recurrent inputs worth $ 420 million, 70% of which were sourced by imports.

Outside of food-processing, the modern manufacturing sector is highly import intensive. Evidence from a UNIDO survey of industries in the African region, containing the vast majority of LDCs, reveals that in the brewing industry for instance, virtually all raw materials are imported with the exception of water. The same is true for practically all other branches of light and intermediate industries such as in soft drink bottling, footwear, leather, apparel and metals. Of the 100 manufactured products produced by 40 African countries covered in the survey, roughly 55 per cent of the product sample had an import content of close to 100 per cent; only in agro-industries and textiles was the import content under 25 per cent. But as we shall see in the next section, even these two sectors now face difficulties.

One consequence of this heavy dependence on imported inputs is that there is a lack of linkages between the industrial sector and the rest of the economy. Of course, once the LDCs started to experience severe balance of payment deficits, as they have done throughout the eighties with commodity prices being low, then there simply is not the foreign exchange to obtain the inputs, and hence there is a reduction in capacity utilization if not outright closure.

Renewable and Non-renewable Resources as a Constraint

The manufacturing sector depends for the supply of raw materials on agriculture and for the sale of local manufactured goods in domestic markets,

the income of farmers is vitally important. The farming sector has failed to grow at such rates and to such levels as would maintain its beneficial role in the economies of the least developed countries.

For the African LDCs, between 1981 and 1985 the trend of Agriculture Value Subtracted (not added) in real terms was -1.7% per annum, or -4.6% in per capita terms. In 1986 the sectors performance improved markedly to show an increase of 3.2 per cent per capita value added. However, the exceptionally high growth rate can be attributed primarily to the improvement in weather conditions, notably the return of normal rainfall, rather than the impact of policy reforms. The performance of Asian LDCs is heavily weighted by the experience of Bangladesh, where devastating floods in 1986/87 and 1987/88 have weakened the agriculture sector performance.

It is the unfavourable trends in cash crop production which also give cause for concern in terms of the contribution to manufacturing growth. In a number of LDCs there have been recent considerable declines in export earnings. Apart from cotton, there was a decline in production of all the other cash crops. Coffee output declined by 23.7%, 15.4% for cocoa, and 23.3% for groundnut products. These unfavourable trends will prove difficult to reverse in the near future since they result from a complex set of deep-seated problems, including inadequate production from aging plantations, the delayed impact of agricultural rehabilitation programmes, and the deliberate policy of some LDCs, for example the Central African Republic, to reduce the production of those crops that fetch low prices on the world market - why invest in decline? A similar situation would seem to obtain in Bangladesh in relation to the jute industry.

In addition to agriculture, other sources from which the wherewithal to develop the industrial sector and transform the economy are energy and mineral resources. It may be true that most least developing countries are deficient in such resources, but it is equally true that much exploration remains to be done to ascertain what exists in these countries. As in the case of agriculture, these resources can provide both the raw material for industry and the income for the countries' residents which would enable markets to emerge for the goods produced by the manufacturing sector. Indeed the SNPA had envisaged that several such transformational projects based on energy or

minerals would be implemented, but there have been few such projects. Three major ones in recent years - diamonds in Botswana, natural gas in Bangladesh and iron ore in Mauritania - have had a mixed impact. In Bangladesh, locally available natural gas has been successfully used as a raw material base for the rapidly growing fertilizer industry to meet increasing domestic demand and leading to considerable savings in imports. The case of Botswana may also be seen as a success with the economy enjoying one of the fastest growth rates in the world, but even here the linkages with manufacturing have not been very effective. In Mauritania, however, iron ore production, the engine of growth, stagnated in the eighties due to the decline in both demand and prices. The production and export estimates for the period under review turned out to be 70.0 per cent of what had been forecast while real prices fell 15.0 per cent below the prices forecast. This unfavourable trend resulted in a more than one-third decline in sales by the industrial and mining company (SNIN) while the significant investment made by GUELBS-EL-RHEIN mine could not be recovered because initial production coincided with the fall in prices on the international markets and declining productivity at the same time as production costs continued to increase.

Financial Resources as a Constraint

A prerequisite for the successful implementation of the 1981 SNPA was a significant increase in investible resources. In the first half of the eighties gross domestic saving in the LDCs averaged less than a quarter of investment. In some LDCs, for example Bangladesh, Democratic Yemen, Lesotho, Sudan and Yemen, repatriated earnings from workers overseas is about twice the level of their domestic resources. Such revenue streams, however, are highly uncertain. The domestic saving rate in Sub Sahara Africa, which includes many LDCs, was estimated in 1987 to be about 4.9% of GDP on average. Factors explaining the low savings ratio are well documented. In the first place, a large section of the population is still living outside the monetized sector. Production and consumption for subsistence purposes continue, therefore, to constrain the generation of income, stimulation of savings and attraction of investments. Secondly, overall incomes being low, that which is available has to be devoted to survival, including the combatting of the natural and

man-made disasters that afflict so many LDCs. It should be noted, too, that such domestic saving, as it has been possible to mobilize, have gone to agriculture, real estate, items of social prestige, and very little to manufacturing industry. Even the manufacturing sector itself is unable to contribute to savings for investment in manufactures since much of the industrial sector consist of loss-making public sector concerns. These, far from contributing to overall savings, often require subsidies, leading some international agencies to advocate their closure in order to improve the Government recurrent budgetary situation and the countries' savings ratio. Sources of risk are also poorly developed. Flows of equity capital from local stock exchanges are virtually non-existent.

As regards the mobilization of external financial resources, the SNPA committed the international community to significantly increase official financing. Some countries agreed to reach a target for ODA of 0.15% of GNP and others agreed to double their ODA to the LDCs. In reality official financing has grown only slowly in the eighties and direct flows to industry have been relatively small. ODA commitments from DAC member countries and multilateral agencies to Industry, Mining and Construction in LDC's averaged over 1983-85 was only 2.4% (Table 4), and from individual OPEC member countries to Manufacturing in LDCs was 5.1% (Table 5). A calculation by the United Nations Secretariat for the Advisory Group on Financial Flows for Africa shows that net credit flows in 1985-87 were $ 2.4 billion lower than during the period 1979-81 for the Sub-Saharan region. The increase in official grants was $ 1.1 billion. The total net effect was a reduction in financial flows of $ 6.5 billion, including terms of trade losses of $ 2.9 billion, reduced foreign investment of $0.2 billion and increased payments of $ 2.1 billion.

A recent UNIDO study concluded that 40 per cent of the external financial flows to the industrial sector came in the form of export credits, about 30 per cent as direct private foreign investment, 15 per cent from private bank lending, and the average of between 5 to 10 per cent from non-concessional loans for multilateral development finance institutions. But as shown in Table 6 it is precisely this non-concessional financing that fell sharply from $ 1.1 billion in 1980 to $ 430 million in 1985. The huge losses in the wake of the international debt crises have made export credit and

export credit guarantee agencies more cautious in general. Instead of actively trying to spread risk-taking to many countries, there has been a tendency to concentrate on markets perceived as relatively safe. As a result, many LDCs have suffered.

Human Resources as a Constraint

It is now generally recognized that human beings are not only the primary objective of economic development, but are also the critical factor in determining the success of all economic activity. It is also accepted that human endeavour increases in the presence of proper incentives and rewards 3/. On both counts, the manufacturing sector in the LDCs has fared badly. Industrialization requires not only entrepreneurs but an increasing supply of qualified labour in science and technology, management, finance, accountancy and marketing. In most LDCs, there continues to be a shortage of these skills. As regards incentives and rewards, not only have real incomes tended to fall in most LDCs during the eighties, but in many instances recruitment, promotion, transfers and dismissals have been dictated by considerations other than qualifications and efficiency. This had lead to large staff turnovers and perpetual debilitation of staff morale, frustration of motivation and initiative in very many LDCs. Nor has the situation been helped by the provision of technical assistance. An analysis of technical assistance flows between 1980 and 1985 shows that 18 of the LDCs experienced stagnant or declining flow (see Table 7).

A recent study of the industrial sector in Somalia well illustrates the complexities of the problem. Here as in most LDCs manufacturing industry is mainly public sector activity. The study found that the management of many of the public corporations lacked the training and experience to perform their functions. In many cases, managers were former civil servants or army officers without specific training in management. Attempts to bolster the situation by using foreign expertise was expensive and only one of the corporations involved had been able to employ a foreign management team.

3/ UNDP: "UNDP's Approach to Private Sector Development in the Developing Countries"

There were no indigenous accountants and efforts had to be made to recruit some from abroad. Engineers recruited locally had to be promoted rapidly in order to earn a worthwhile wage. At the same time, there were no experienced seniors who could provide them with the on-the-job training that would make them valued professionals. Technicians were trained at the local vocational school and abroad but proficiency was low as staff turnover tended to be high. Skilled and semi-skilled workers received their training at the plant since their trainers themselves had little training, then their training too tended to be defective.

Turning now from the availability of skills to the issue of incentives and rewards, the report noted that remuneration was low and had failed to keep up with inflation. The result of this was that many of the better-trained and enterprising workers tended to migrate to neighbouring oil producing countries. Absenteeism was a major problem, as workers 'moonlighted' in order to increase their earnings. Motivation also tended to be low. The net result of all this was low productivity, wastage of materials, damage to plant and equipment and poor workmanship[4/].

Small Domestic Markets as a Constraint

The restricted size of LDCs' markets has also been a major constraint on industrial development making it difficult to achieve SNPA's 9 per cent target. Only 7 of the 41 LDCs reached the critical mass of 10 million citizens in 1986. But even these are still faced with problems for people alone do not make a market, they have to have income, and with per capita incomes of only $ 225, the market is still small. The problem is further exacerbated by several other factors. Market dispersion in large but scarcely populated LDCs reduces correspondingly the size of the available outlets. Many LDCs, unlike the newly industrializing countries, are landlocked, which of course makes it difficult for them to promote exports. Market fragility caused by heavy dependence on a single export as well as a proneness to disaster leads to market fragility with the possibility of sudden substantial fall in consumer demand. Insubstantial regional markets, often more theoretical than real, do little to encourage the expansion of the market.

4/ The World Bank: "Somalia, Industrial Policies and Public Enterprise Reform"

Burundi and Rwanda well illustrate the problems posed by small domestic markets. Each country has a GDP of about $ 1 billion. Recognizing this as a serious constraint on their economic development generally and their industrial development in particular, they decided to form, along with Zaire, an economic sub-group, the Great Lakes Community. Within this context, Burundi has set up some industries which presently face serious marketing problems due, among other things, to recent decisions by the other two members of the community to build up their own industries by protecting their own markets.

Weak Infrastructure as a Constraint

It is known that one of the major differences between the LDCs and other developing countries has long been the LDCs more inadequate infrastructure. Significant allocations of investment have been made to infrastructure. Nevertheless it remains weakened, in particular because of recurrent funding. Transport, water and electricity have especially suffered. In Tanzania, for instance, textile mills have faced serious difficulties because of lack of water and power shortages.

In sum, the SNPA envisaged a rate of growth of 9 per cent in MVA in the LDCs during the eighties. In fact only five(5) - Lesotho, Maldives, Mali, Samoa and Yemen - of the now forty-one(41) LDCs managed to attain that figure. On the contrary, some seven(7) LDCs experienced negative growth rates in MVA (Table 2). It is in fact not too much to speak of de-industrialization and manufacture value subtracted not added among the LDCs rather than industrialization. The causes of this are not far to seek. Civil strife and natural disasters have played their part. Major constraints have been a dearth of human resources; lack of, or failure to develop, natural resources; weak infrastructure; inadequate financing and small domestic markets.

SECTION C: PROSPECTS FOR LDC INDUSTRY IN THE NINETIES

The Changed Climate for the Nineties

The 1981 SNPA was agreed under conditions which were significantly different from those prevailing now. At the end of the seventies and early eighties, building on the sympathetic response of their development partners at preliminary meetings in Manila and Arusha, it was still possible to be ambitious in drawing up substantial new investment programmes and to be optimistic about their implementation.

At the end of the eighties, the mood is not so much inspirational as realistic. In the UNIDO 1988 Global Report, Optimistic and Recession Scenarios were calculated based on an assessment of the probable economic impact of anticipated cyclical behaviour in the United States, taking into account the influence of other major developed countries as well as those forces inherent in each economy. For some LDCs the difference in their GDP growth rates over the whole period, for example Bangladesh, Chad and Ethiopia, is very little. For other LDCs the fall in GDP growth rates will be sharp if the Recession Scenario transpires, for example Burkina Faso, Equatorial Guinea, Lesotho, Tanzania and Nepal. For some LDCs in some of the forecast years GDP growth rates are actually higher in the Recession Scenario, including Benin, Botswana, Uganda and Burma. Overall the impact of the Recession Scenario on the LDCs will be to reduce the growth of GDP, as compared with the Optimistic Scenario, and this must feed back adversely on the future growth prospects of manufacturing.

With debt service problems and declining commodity prices leading to import strangulation in the LDCs, the macro-environment is not very conducive to industrial development, or any development at all. Industry in the LDCs faces not a problem of development but one of survival. Our aim has to be to arrest the decline in the manufacturing sector and to achieve a positive growth rate in MVA over the decade of the Nineties. Failure to achieve this minimalist target would imply deindustrialization and/or stagnation, a repeat of the failures of the eighties.

Because the manufacturing sector has remained small in most LDCs, in absolute terms and in relation to the whole economy, it is not possible to rely on manufacturing, by itself, to transform LDC economies in the short run. Even high rates of growth in MVA per annum will initially add a small amount to GDP. It is only when the LDCs become involved in the manufacture of intermediate and capital goods, as a few LDCs have so far started to do, will structural transformation be accomplished. In all LDCs, however, manufacturing has an important role to play, not only in the production of consumer goods, but also in providing inputs and processing the output of the primary sectors, particularly agriculture. Moreover the sector can help to provide jobs where urbanization and population are rapidly increasing, as is the case in many LDCs. In Bangladesh, which, with manufacturing accounting for 14 per cent of GDP, has the largest industrial base among the LDCs, the rapid growth of the sector is essential to provide adequate employment opportunities. Even in countries like Haiti and Lesotho, where there are few linkages between the industrial sector and the rest of the economy, manufacturing can contribute significantly to a reduction in unemployment.

Prospective Strategies for the Manufacturing Sector in the LDCs

A coherent and realistic strategy for LDCs has yet to emerge. Such is the diversity of the LDCs' industrial and general economic structure that no one strategy for industry may be appropriate. Several alternatives can, however, be explored.

An Immediate Action Component

Such are the characteristics of the Manufacturing sector, in particular the long gestation period required to raise industrial 'capabilities', and the dependence on performance of other sectors, especially agriculture, and dependence on the macro-environment, that prospects of manufacturing in the early nineties must largely be determined by decisions already taken. However, if any significant shift in the growth prospects of manufacturing in

LDCs is to be achieved in the short term, the burden of responsibility would lie primarily with the international community to agree to an Immediate Action Component of a revised Substantial Programme of Action. This approach was adopted in the 1981 SNPA in order to lay the ground for the effective implementation of the SNPA, and to ensure that medium and longer-term development was not prejudiced. The situation of the manufacturing sector at the end of the eighties, particularly its destruction due to 'import strangulation', and the wide spread capacity under-utilisation would require the implementation of an Immediate Action Component to significantly improve its prospects similar to that agreed in the 1981 SNPA.

Evidence indicates that for manufacturing the clauses inserted in the 1981 SNPA - Immediate Action Component - which respond to its most urgent needs viz clauses (b), (c), (d), (e), (g) and (h), are even more appropriate to lay the ground for the effective implementation of a revised SPA, and to ensure that medium and longer term development in the nineties is not prejudiced:

(b) Immediate financial assistance in the form of debt relief and balance-of-payments support;

(c) Urgent and substantial emergency assistance measures in order to mitigate the effects of natural and man-made disasters, including those resulting in unforseen shortfalls in resource mobilization;

(d) Provision of assistance for overcoming urgent bottlenecks in management, maintenance, repair and physical facilities in order to obtain better use of existing infrastructure and industrial plants;

(e) Immediate provision of additional financial support for the identification of projects, undertaking of feasibility studies and detailed preparation of investment projects as well as projects relating to social needs;

(f) Urgent substantially enhanced supply of inputs necessary for agricultural and rural development, such as fertilizers and pumps, etc., in order to increase production and productivity, especially of food-stuffs and cash crops;

(g) Financial support for activities at community levels which create jobs, including support for local small-scale, labour-intensive rural public works projet, and for non-governmental organizations;

(h) Assurances on both a bilateral and multilateral basis by the international community that adequate resources are provided on an assured and predictable basis to complement the activities of least developed countries themselves in these critical but vital components of the Substantial New Programme of Action.

The key elements for a successful drive to regenerate (a wider and more dynamic concept than rehabilitation) industry in the LDCs would include the following, elements of which already may be found in the present industrial policies of many LDCs:

- re-assessment of industrial development priorities in the light of medium-term overall outlook (this may entail closure of plants);

- special incentives for industries which strengthen domestic linkages (present regulations often favour import-dependent industries);

- identification of new ways of supplying import-dependent industries with essential inputs and spare parts;

- more attention to the development of medium- and small-scale industry (i.e. movement away from large-scale, capital-intensive manufacturing in most cases);

- infrastructural improvement, including the institutional infrastructure;

- better vocational and high-level (technical, managerial) training, within the context of overall educational improvements;

- stimulation of agriculture, and meshing of industrial and agricultural projects where this is possible;

- greater flexibility or abolishment of price regulation;

- simplified administrative procedures, including price controls;

- decentralization of economic decision making within public sector industries;

- encouragement of private entrepreneurship and industries;

- involvement of the private sector representatives in the policy making process;

- reduction of regional trade barriers;

- rehabilitation of enterprises which have viable, long-term prospects even under the present, relatively unfavourable conditions.

The Prospects for Selective Import Substitution

In discussing the performance of the industrial sector of the LDCs, it was noted that the indiscriminate pursuit of import substitution strategies has been a major cause of industrial failures among LDCs. However, an extreme reaction against import substitution would be equally wasteful. Import cuts/strangulation are clearly damaging to LDC industry prospects, but in the face of falling export revenue and limited credit, some import substitution may be inevitable. There is a need to devise a selective import substitution strategy which concentrates on a relatively small number of potentially profitable branches and enterprises. Aid projects and programmes, which have been increasingly commercialised in recent years, could provide a framework for some progress in selective import-substitution.

The Prospects for Export Markets

The outlook for export market demand is more favourable given the spate of devaluations in the mid-eighties which halted the tendency of LDC currencies to serious over-valuation, and which marked the return to more realistic parities. The number of LDCs that depreciated the real value of their currency with respect to the dollar increased from two in the period 1970 to 1975 to thirty-one in 1980-1985. However, there are major constraints which diminish the growth prospects for manufacturing exports. Firstly, the slow-down in the engine of economic growth as represented by the growth rate of the industrial market economies has had a very strong magnified impact on the manufactured exports of developing countries. A number of studies have been made of the income elasticity of demand by industrial countries for manufactured products from developing countries, and it has invariably been found that this is very high, much higher than unity and certainly higher than for food and primary commodities from developing countries where income elasticity may be quite low. The latest authoritative estimate has resulted in a figure of 2.5 to 3.0. This means that the slow-down in the growth of OECD countries from 5-6% to 2-3%, i.e. by 3%, would reduce the demand for manufactures from developing countries by 7% to 9%. The cumulative effect over the 1980-86 period would thus be highly significant. At the same time the evidence also points to a price elasticity smaller than one, which reduces the opportunities for developing countries to reduce the impact of slow-down in income growth through price reductions. A priori there is no reason to indicate that the manufacturing export growth of the LDC group would also not be adversely affected. Secondly, the UNCTAD Secretariat, in a recent inventory of trade control measures, listed no less than 21 categories of non-tariff measures, including: prohibitions, quotas, licences, import authorisations, conditional import authorisations, "voluntary" export restraints, MFA and similar textile arrangements, state monopoly of imports, variable levies, control of the price level, seasonal tariffs, tariff quotas, import quotas, import deposits, surcharges, anti-dumping and countervailing duty actions, investigations, duties, undertakings, import surveillance and automatic licences, standards and regulations, and taxes. To these 21 measures should be added other policies and practices with distorting and

usually protectionist effects such as subsidies, export restrictions, government procurement policies, regional and other industrial promotion policies, foreign investment regulations, restrictive practices, exchange rate and other macro-economic policies, etc.

These volume-restraining non-tariff measures affected in 1986 20.5% of the manufacture imports of developed market economies. But for manufactures from developing countries the percentage affected was 31.0%. Even for the least developed countries, the percentage affected (27.2%) was much higher than that of manufactures coming from other developed market economies (17.8%). The escalating non-tariff barriers are applied with special discrimination against the developing countries and LDCs contrary not only to the original GATT principle of non-discrimination, but also undermining the Generalised System of Preferences.

Even if growth accelerated in developed market economies, and trade liberalisation measures, for example through the Uruguay Round, were achieved, the relative and absolute size of manufacture exports from LDCs is extremely small. Arithmetically this makes its growth potential greater, but its real economic impact would be limited. All these factors are likely to continue to exacerbate the problem of small markets. Furthermore, unfavourable trends in the terms of trade for primary products would hit the purchasing power of rural populations hard.

In general, the scope for developing an export-oriented industrialization strategy for most LDCs appears somewhat limited. However, expansion of export capacity has played an increasing role in recent policy packages, not least in the World Bank/IMF Structural Adjustment Loans. Export Processing Zones have been created in several LDCs, for example Bangladesh, export licensing has been liberalised in Nepal, and an Export Development Council created in the Sudan. Some success has been achieved by linking export initiatives t. sub-contracting activities, for example the growth of the textiles sector. The prospects for further progress in this strategy, particularly given the adverse trends in the terms of trade for commodities, are not promising.

Prospects for Self-reliant Development Strategy for Industry in LDCs

A conception of development which focuses on endogenous development based primarily on a self-reliant integrated approach concentrated on rural commodities, agriculture and food self-sufficiency, may be more appropriate for most LDCs. This strategy includes an industrial component which would accompany rural development instead of trying to precede it. It introduces a new role and dimension for industrialisation which would be based on local needs and resources, on domestic or regional markets, on self-sufficiency rather than on exports. In the eighties UNIDO carried out a series of case studies in LDCs to assess the potential for resource-based industrial development[5/].

Self-reliant industrialisation will help significantly to:

(i) increase production of goods and services meeting essential requirements;

(ii) increase employment and ensure a broader income distribution;

(iii) multiply intersectoral links furthering self-reliance;

(iv) develop local sources of saving to replace as far as possible external financing;

(v) develop human resources (manpower, management, training, research and innovation, technological adaption, spirit of enterprise, etc.) as a means towards progressive, generalized mastery of modern technology.

The slow pace of agricultural development and the lack of customers for manufactured products among the rural population are major factors blocking

5/ The Potential for Resource-based Industrial Development in the LDCs, Country Case Studies prepared by the Regional and Country Studies, UNIDO

industrialization in the LDC States. Priority must therefore be given to:

(1) increasing rural productivity so as to obtain a larger surplus;

(2) leaving the rural population a larger share of that surplus so as to create purchasing power to be used on agricultural inputs and consumer goods manufactured in the country.

Industrialization, in this context, should no longer therefore be viewed in isolation as it has been hitherto - an approach which has inevitably led to failure and real doubts as to the proclaimed priority of such industrialization - but integrated within a process of comprehensive development in which the rural population and agriculture provide the motive force.

Within this new strategy, three directions of industrialization could warrant special attention; namely, the supply of agricultural inputs process products adapted to the needs and tastes of the urban consumer, and meeting the basic requirements of the rural population. The improved producer prices paid to farmers on the other hand have meant a growing purchasing power for the rural citizens - the majority of the population - and have had a stimulating effect on demand for consumer goods bought by them as well as for agricultural implements and some intermediate goods needed in the country-side. These factors have particularly benefited small-scale industries located in rural areas whose production is based on domestic inputs and geared to rural markets.

Commitment to this self-reliant strategy would necessitate incorporation of appropriate objectives and instruments in a revised SNPA for the nineties. There is a danger that the strategy could result in a delinking process between manufacturing units in LDCs and their industrial market partners, even from the limited contacts so hard fought to establish, for example, in export and import substitution activities in the 'modern' urban sector. Furthermore there is a new recognition by both development partners of the need to

encourage private investment. The question must be raised whether developed economy firms would become involved in a self-reliance strategy given the narrow profit-margins for satisfying low-income rural-dweller markets, and the gulf in technology and marketing which would exist, at least in the short term until adaptations were made. Furthermore, evidence for some countries which shows that domestic demand has already been the overwhelmingly important source of growth for manufacturing output, and when set against the dismal sector performance, must raise doubts whether further reliance on domestic markets would lead to any significant growth in the near future.

Annual average growth rate of population is high at 2.6%, and there are 5 LDCs in addition to the existing 10 LDCs with populations just below the ten million which should soon pass this figure. The improved producer prices paid to farmers has increased purchasing power for rural dwellers, and in LDCs 76% of all the labour force is employed in agriculture, which would continue to simulate demand for consumer goods bought by them, as well as for agricultural implements and intermediate goods needed in rural areas. These trends would continue to improve the prospects for small-scale industries located in rural areas whose production is based on domestic inputs and geared to local markets. However, the potential for manufacturing growth from domestic purchasing power is limited since the absolute level of per capita income is low at $ 225 in 1985, (in 1970 $). Based on the target rate of 4.5%, as called for by the International Development Strategy for the Third UN Development Decade, by 1990 per capita income would still only be $ 268. In the more likely event of a continuation of the trend in 1970 - 85 per capita income in 1990 would decline to $ 212. This prospect is unlikely to radically alter profit expectations for the private sector to invest - whether they be domestic or foreign entrepreneurs. Market dispersion in large but scarcely populated LDCs reduces correspondingly the size of the available outlets. Market fragility lays open the possibility of a substantial fall in consumer demand in the event of an economic downturn.

Prospects for Increasing Investible Resources to the Industrial Sector

If the prospects for manufacturing are to improve, action needs to be

taken to reverse the trend of declining investible resources. Despite their poverty, there are positive indicators that domestic resource mobilization can be improved. The experience of the Grameen Bank in Bangladesh is evidence that the rural poor can, and do, save. Measures have been taken to improve efficiency in the public sector and cutting budget deficits. By dint of recruitment freezes, stringent selection, cuts in pay or redeployment measures, a number of governments have managed to reduce the public sector wage bill. Many countries have overcome considerable misgivings to set in train the process of reducing subsidies on staple food items and agricultural inputs. The reform of public sector firms has also allowed significant reductions in deficit subsidies and a number of countries have succeeded within the space of two or three years in cutting overall public sector deficits by half, to under 5 per cent of GDP.

Some LDCs have introduced measures to curb capital flight, and to improve taxation systems. The Government of Botswana has gone further. It provides grants for the establishment of industry, particularly in the rural areas. However, in most LDCs investment is in urgent need of revival, and in the immediate and long term future, international resource flows must be increased to supplement domestic savings.

The commitments made in the SNPA on increasing official financial flows and on improving aid modalities still remain to be fulfilled. Given the limited assistance directly allocated to the industrial sector (2 - 3 per cent for DAC and 5 per cent for Opec Aid) there may be a case for both development partners making greater efforts to switch a higher proportion of their assistance to industry. Consideration should be given to creating more special windows in multilateral and bilateral financial institutions to allocate funds to industry.

Given the emphasis placed on small-scale endogenous industry in the preceding section on industrial strategy, sector loans to financial intermediaries in LDCs would seem the most appropriate means for channelling such external loans to industry in the LDCs. Access to risk capital for local businessmen needs to be improved. The problem is that institutions of this

kind either do not exist or are so weak that they do not serve the purpose. Efforts have to be made to develop and/or strengthen those that do exist as they have a crucial role to play. Apart from channelling foreign funds to the industrial sector, they have to help identify viable projects, provide equity financing and raise capital on the local markets through bond and share issues. An area in which financial intermediaries would need assistance is exchange rate losses where foreign loans are denominated in local currency and exchange rate depreciation is not offset by asset revaluation due to market imperfections. Special provision could be made for this. An important impediment to investment in LDCs has been inadequate insurance coverage. The scope of the national systems and the private sector has been limited. Attempts have been made to establish a multilateral system which would provide much broader coverage of investments against risks, including the World Bank's Multilateral Investment Guarantee Agency (MIGA), and the IFC's Guaranteed Recovery of Investment Principal (GRIP).

Prospects for Upgrading Industrial Capabilities

The Private Sector:

Reference has already been made to the change in the prevailing ethos between the eighties and nineties. One such major shift has been in the increasing importance being attached to the role of the private sector in industrial development. In the eighties it was widely accepted that if there was to be any structural transformation in the LDCs the public sector would have to take the leading role in industrial development. Now that the level of expectation as regards structural transformation has fallen and the importance of the human element, its entrepreneurial flair, skills and motivation have been recognized, greater significance is being attached to the role of the private sector. This is not confined merely to the donor countries. As evidenced by the Chairman of SADCC who, in his closing address at their 1987 Annual Consultative Conference referring to a seminar for businessmen that that organization had recently, observed: "I believe that, as a result of the seminar, businessmen from outside the region now have a better understanding of the practical and pragmatic approach which our governments are developing in order to create the elusive thing called 'an attractive climate for investment'".

Experience has, however, shown that care needs to be taken if the political decision is made to privatise. Without co-ordination, there is the danger that LDCs will end up competing against each other for a relatively small amount of foreign private investment and foreign assistance for public enterprise. Although the governments of LDCs adopting privatisation policies have been turning to domestic business circles with their proposals, it has generally become apparent that, given the limited savings capacity of these countries, the capital outlays required for the take-over of public enterprises exceeds available domestic resources, and hence the search for foreign investors. Even this alternative encounters serious limitations in the case of LDCs, as their ability to attract foreign investment is impeded by their small domestic markets, lack of skilled labour, and inadequate infrastructure. Given the great number of public enterprises in need of rehabilitation, governments much decide how much, if any, of the country's manufacturing sector they want to see in foreign hands, and on which discounts they are prepared to sell the enterprises built up with substantial capital outlays. In LDCs very large concessions usually have to be made to induce private buyers to take on weakening assets. Thus in Togo, for instance, where State corporations were sold to the private sector at very low valuations, the immediate, once-and-for-all benefits to the national budget may be outweighed by the longer-term effects on the economy as a whole. In addition, for a number of ACP States with a heavily subsidised public enterprise sector, privatisation through foreign investment is not a viable option, as no investor is likely to be prepared to buy loss-making enterprises whose long-term profit prospects are doubtful without enormous local subsidies and long-term concessions.

Structural Adjustment:

In several LDCs, events have gone beyond the talking stage as efforts are made to rehabilitate the devastated industrial sectors. The reforms usually embrace expanding the role of the private sector, improving the performance of those enterprises that remain in the public sector, liberalizing the import regime, and adopting a flexible exchange rate policy and incentives to promote exports.

In Bangladesh, under the Revised Industrial Policy of 1986, the Government limited public sector monopolies to only seven strategic industries (arms and ammunition, atomic energy, telecommunications, air transportation, commercial and energy production and distribution, mechanized forestry and currency printing). The Government has also taken measures to improve the performance of enterprises which remain in public hands. The major reforms include: (i) denationalization/divestiture; (ii) financial restructuring and rehabilitation; and (iii) introduction of a performance monitoring and evaluation system. Over 650 industrial units have been privatized since the mid-1970s, leaving 160 firms (40% of modern manufacturing sector fixed assets) in the public sector. Public enterprises reform entered a new phase in FY87, with the partial divestiture (49% of outstanding shares) of selected firms. In order to improve competitiveness and efficiency in the Bangladesh economy, the import regime has been liberalized by relaxation of quantitative restrictions, rationalization of tariffs, and transferring additional imports to the secondary foreign exchange market. The "positive" list of items specifically permitted to be imported has been replaced by negative and restricted lists. There has also been a gradual reduction in the extent of the negative list since its introduction. The Government recently initiated reforms to rationalize the tariff structure by: (i) reducing the number of tariff rates from 24 to 11; (ii) reducing rates for the sales tax from 4 to 3; and (iii) reducing the maximum nominal tariff rate for most final goods imports in the textile, steel and engineering, chemical and electronic sectors. It is intended that these reforms will be continued and extended in the next few years. The Government has also taken steps to encourage export growth. The real exchange rate has been substantially improved and the differential between the official exchange rate and the secondary market rate declined from 15% in FY85 to about 5% in mid-FY88. A number of free trade schemes (e.g. bonded warehouses) and export benefits and incentives have been adopted.

While the process may have gone further in Bangladesh than in many other LDCs, several others have embarked on similar programmes, including Uganda, Somalia and Togo.

Regional Co-ordination:

Regional co-ordination of national privatisation strategies could serve to increase the attractiveness of potentially viable enterprises to foreign investors, since it could serve as a mechanism for widening the market and eliminating production duplication. Regional based public firms (created out of the amalgamation of national public enterprises) would enjoy similar advantages. An effective privatisation programme in the LDCs would require not just the reorganisation of national ministries, development financing corporations, and parastatals, but the creation of a regional institutional network for policy co-ordination and the establishment and sustainance of regional privatisation and regional public sector re-organisation programmes. Agencies concerned with industrial development, especially UNIDO, can play a key role in the development of a regional institutional and policy framework for the harmonization of national privatisation and public sector rationalisation programmes and strategies.

Improving Linkage Capabilities

Success in creating fully effective linkage-capabilities has been achieved only by the most advanced NIC's. LDC industry has to date failed to create significant linkages capabilities. Some success has been achieved with expanded technical education systems, on-the-job training, and promotion of SME, but generally progress has been uneven and slow. Few firms have the technical or organisational manpower to set up linkages with local suppliers of industrial inputs. Few firms are able to transfer their technology to other local large firms. The "missing-middle gap", caused by a vacuum of linkages between small- and large-scale industry has been a serious barrier to industry growth. The primitive stage of mechanical, metal-working and electrical skills is especially harmful.

Linkages between other institutions, as well as manufacturers themselves, for example consultancy groups, universities, research laboratories, industry associations, etc. have also remained at a rudimentary stage in LDCs. The various schemes set up to date have failed to link the small and large-scale

enterprises. Activities in the rural sector have not been integrated into a strategy for manufacturing growth, and dualism of the industrial structure and low productivity techniques have persisted.

Priority Areas for Co-operation in LDC Industry

A key feature in pursuing industrialization through encouraging entrepreneurial development and private investment is that priorities for industry are determined primarily by the private sector. However, in co-operating with the private sector, and in influencing the priorities of the public sector, certain issues may be specified, as in the 1981 SNPA.

a) As a matter of policy, LDCs should recognize industrial development as a powerful engine of overall growth and allow it a high priority. The problem of food security (and agriculture) cannot be solved effectively and structurally without considerable inputs from industry and science and technology.

b) In the industrial planning process, LDCs should concern themselves with certain crucial areas including agro-industries, small-scale industries, entrepreneurship development, investment promotion, and training.

c) LDCs should aim at moving their production capabilities gradually from consumer goods to intermediate and capital goods industries.

d) In conjunction with the development of the industrial sector, LDCs should concentrate on the development of the agricultural sector as both complement each other in the pursuit of self-sustaining growth.

e) In planning and designing of industrial projects, before industries are established, LDCs should be careful to ensure the establishment of inter-industry linkages and the availability of raw materials and other inputs and markets.

f) LDCs, particularly those with entirely domestic markets, should examine the possibilities for developing export-oriented industries, particularly those that might fill existing or potential market niches.

g) LDCs need to give the highest consideration to the management of industrial plants at all levels, in order to improve efficiency. This can be achieved by developing human resources, particularly managerial, engineering and other technical skills.

h) LDCs should develop institutional arrangements, including the adoption of greater incentives, to improve the efficiency of the public sector.

i) In order to complement national efforts, international programmes of financial and technical assistance as well as other supportive measures from all donors should be expanded. The volume and forms of international aid should be supportive of, and commensurate with, the growing requirements of the adjustment programmes of LDCs and broader development efforts. The flow of Official Development Assistance (ODA) and concessional loans should be increased in accordance with various recommendations, in particular those of the Substantial New Programme of Action.

j) The international community should facilitate an increase in the transfer of technology to LDCs by providing expertise, training facilities and adequate credit and loan facilities for the industrial sector.

k) The developed countries should give preferential treatment to exports of manufactured goods from LDCs by opening their markets to those countries and refraining from protectionist policies.

l) LDCs should be encouraged to process their raw materials, to use their installed capacities more economically and to acquire assistance in training and management through sub-contracting arrangements.

SECTION D: ROLE OF UNIDO

With the United Nations system, UNIDO has been entrusted with the role of promoting and co-ordinating international co-operation for developing countries' industrial development - a role enshrined in Article 2(b) of the UNIDO Constitution. This implies that the Organization should take a lead in identifying the need for resources and know-how for the expansion and modernisation of developing countries' industrial capacities within the framework of national policies and that it should contribute through its technical co-operation and other activities to the provision of such resources and know-how. To this end, the regular programmes of UNIDO cover analytical, promotional and operational activities, the Consultation system and various other special activities.

As can be seen in details on these activities given in the Annual Reports of the Organization, even now when the emphasis is on the development of the private sector, much of UNIDO's efforts in the LDCs are extremely pertinent. For instance, the Organization's System of Consultations, its Investment Promotion activities as well as Industrial Co-operation among Developing Countries are all designed to help foster joint ventures between the private sector in the LDCs and that of the developing countries. To develop the human resources which are currently hailed as the key to the development of the LDCs, UNIDO has long provided practical courses overseas for personnel from LDCs as well as supplying experts to the LDCs not merely to do the job but to train nationals to take over from them. To promote regionalization, which is one way of overcoming the constraint posed by limited domestic market, UNIDO has conducted studies for the Southern African Development Co-ordination Conference (SADCC) as well as for the Preferential Trade Area for Eastern and Southern African States.

The resources of UNIDO, however, are extremely limited. In the period 1980-1987, technical assistance to LDCs ranged between a high of $ 20 million in 1982 and a low of $ 15 million in 1987, a year in which the organization experienced serious financial difficulties. The annual average over the eight year period (1980-1987) was $ 17 million (Table 8). Yet between 1980 and 1987,

the number of LDCs increased from 30 to 39. The figure now stands at 41. Obviously there is a need for more resources.

In order to make these limited resources go as far as possible, the Organization has been taking several steps.

It places particular importance on close co-operation within the United Nations system, so as to ensure that scarce resources are pooled and the merits of a multi-disciplinary approach is maximized to fulfil the objectives in each proposal. While continuing its role as a major executing agency of projects financed by the United Nations Development Programme (UNDP), as a part of its efforts relating to the implementation of Article 2(c), UNIDO is also strengthening its relationship with the World Bank and the regional development banks.

Its programmes are being rationalized and efforts made to increase their impact increased through continual innovative efforts. The aim is to have its programme play a pioneering and catalytic role, giving impetus to programmes of national and international entities, and, in turn, being complemented by them. UNIDO is thus able to serve as a springboard in key areas of industrial development for mobilizing flows of investible resources and know-how through governmental, financial, commercial and other entities. Article 2(c) is regarded as urging UNIDO to venture into important new areas of co-operation within its mandate and within its financial framework.

In a Report by the UNIDO Director-General (IDB. 3/16, 1987), New Concepts and Approaches for Co-operation in Industrial Development, the following areas were identified as being important for UNIDO assistance to improve the prospects for industry in developing countries. These areas are equally, if not more critical for LDCs' prospects:

1. Industrial rehabilitation assistance teams.
2. Industrial maintenance and instrumentation.
3. Small- and medium-scale industry.
4. Regional industrial development.
5. Human resource development.
6. Transfer of technology.

They could provide a focus for an Action Programme led by UNIDO to substantially improve the prospects for industry in LDCs.

TABLE 1 - GDP, MVA, AND POPULATION FOR THE LEAST DEVELOPED COUNTRIES FOR THE YEARS 1975 - 1987

YEAR	GROSS DOMESTIC PRODUCT GDPC80$		Manufacturing Value Ad. MFGC80$ .WORK			Population POP			MVA per capita		
	1980-U.S. dollars million	growth rate %	1980-U.S. dollars million	growth rate %	share %	persons million	growth rate %	GDPC per capita	1980-U.S.	growth rate %	share %
1975	74205	4.1	6239.7	0.12	8.4	287.7	2.6	258	21.7	-2.39	0.03
1976	76397	3.0	6315.5	1.22	8.3	295.2	2.6	259	21.4	-1.33	0.03
1977	79013	3.4	6340.4	0.39	8.0	302.8	2.6	261	20.9	-2.13	0.03
1978	81753	3.5	6337.5	-0.05	7.8	310.6	2.6	263	20.4	-2.55	0.02
1979	81233	-0.6	6168.4	-2.67	7.6	318.5	2.6	255	19.4	-5.10	0.02
1980	83033	2.2	6470.4	4.90	7.8	326.7	2.6	254	19.8	2.28	0.02
1981	85212	2.6	6430.2	-0.62	7.6	335.0	2.5	254	19.2	-3.09	0.02
1982	88386	3.7	6449.4	0.30	7.3	343.5	2.5	257	18.8	-2.18	0.02
1983	89916	1.7	6815.8	5.68	7.6	352.3	2.6	255	19.3	3.04	0.02
1984	92349	2.7	7035.4	3.22	7.6	361.5	2.6	255	19.5	0.58	0.02
1985	95493	2.4	7245.1	2.98	7.6	371.3	2.7	257	19.5	0.27	0.02
1986	98745	3.4	7468.6	3.08	7.6	381.7	2.8	259	19.6	0.28	0.02
1987	101894	3.2	7748.3	3.75	7.6	392.2 E	2.8	260	19.6	0.96	0.02

E= Estimate

Source: UNIDO/PDD/IPP/PA Estimates and figures based on data of the UN Statistical Office, UN Regional Commissions, IMF, National Sources and various journals and publications.

TABLE 2 - INDUSTRY IN LDCS

Country	Percentage share of the manufacturing sector in GDP			Annual average growth rates (per cent) a/ Manufacturing b/		Industry b/		Real GDP	
	1975	1980	1986	1975-1980	1981-1986	1975-1980	1981-1986	1975-1980	1981-1986
Afghanistan	..	..	..	..	..	-1.0	6.6	2.1	2.1
Bangladesh	7	10	8	5.7	1.8	7.1	4.4	4.9	3.5
Benin	9	6	4	-2.5	3.1	2.1	7.5	4.1	2.6
Bhutan	..	3	4	..	6.3	..	2.9	..	5.6
Botswana	7	4	6	5.3	0.4	17.2	20.5	12.2	13.8
Burkina Faso	13	12	14	1.1	4.2	-0.2	3.0	3.0	1.2
Burma	9	10	10	5.3	5.6	8.0	6.2	6.2	4.7
Burundi	9	9	10	5.6	6.7	11.6	4.9	4.5	2.2
Cape Verde	..	..	..	..	..	..	..	6.0	6.1
Central African Rep.	12	9	7	-9.9	3.2	..	4.1	1.0	1.7
Chad	11	9	9	-5.3	-2.4	-4.6	-3.4	-1.9	-1.7
Comoros	8	4	4	-5.4	5.1	..	4.1	1.6	3.8
Democratic Yemen	10	10	11 c/	16.6	-11.2 d/	18.3	0.2 d/	10.1	-4.6 d/
Djibouti	8	10	10	3.0	0.7	-6.1	1.5	0.8	2.6
Equatorial Guinea	..	5	5	..	2.1	..	1.5	..	2.7
Ethiopia	11	11	12	4.2	5.4	..	4.9	2.9	-0.9
Gambia	3	4	10 e/	..	..	-5.1	-0.8	2.4	1.2
Guinea	2	2	1	-4.6	1.9 f/	6.5	-1.9 f/	3.2	0.4 f/
Guinea-Bissau	25	7	4 g/	5.6	1.1 f/	5.6	10.6 f/	-0.8	2.4 f/
Haiti	(14)	(18)	(17) e/	10.9	0.6 f/	9.3	-0.2 f/	5.3	-0.3 f/
Kiribati	..	2	2 c/	..	..	..	..	-47.8	1.2
Lao People's Dem.Rep.	..	..	..	..	..	..	14.9	..	5.7
Lesotho	6	5	11	11.1	13.0	27.9	1.1	11.7	2.3
Malawi	..	11	12	2.6	2.3	3.8	2.0	5.6	3.5
Maldives	..	4	5 c/	..	9.3	..	7.3	14.8	10.3
Mali	..	4	8	..	10.0	..	9.6	4.7	1.5
Mauritania	5	7	6 c/	5.5	5.1	1.4	6.2	2.3	1.9
Nepal	4	4	5 e/	..	..	..	..	2.6	3.0
Niger	6	4	4	..	..	17.8	-5.1	7.6	-2.4
Rwanda	12	15	16	8.2	4.2	8.9 I/	5.3	8.8 I/	1.1
Samoa	..	6	6 g/	..	10.4 J/	..	10.3 J/	2.0	-0.2 J/
Sao Tome and Principe	8	9	9 e/	12.7	0.9 f/	9.5	-0.2 f/	9.1	1.0 f/
Sierra Leone	6	6	6	1.3	-1.4	-5.9	-3.2	1.7	0.3
Somalia	6	8	6 e/	6.8	-3.8 f/	0.5	-6.4 f/	0.9	2.8 f/
Sudan	7	7	7	3.0	-0.9	2.1	1.0	2.9	-1.5
Togo	7	7	7	0.5 I/	-4.2	7.2	-0.8	4.9	0.0
Tuvalu	..	..	..	..	..	..	..	..	..
Uganda	6	4	5	-14.9	-1.1	-14.2	0.1	4.0	0.4
United Rep.of Tanzania	10	11	7	6.0	-1.8	5.0	-2.1	3.9	1.7
Vanuatu	..	3 g/	4 e/	..	..	..	..	..	2.1
Yemen	6	6	7 e/	12.2	15.4 f/	22.7	9.2 f/	8.1	3.5 f/

Source: UNCTAD secretariat calculations based on data from the United Nations Statistical Office, the Economic Commission for Africa, the World Bank and other international and national sources.

a/ Exponential trend function. b/ Value added at constant prices. c/ 1984. d/ 1981-1982. e/ 1985. f/ 1981-1985. g/ 1983. h/ 1981-1984. I/ 1976-1980. J/ 1981-1983.

TABLE 3 – CAPACITY UTILIZATION OF INDUSTRIAL UNITS, 1985

(Number of Units)

Sector	No. units in the sample	Satisfactory operation	Under-production	Stand still
Wood	33	12	18	3
Paper	16	2	6	8
Cement	43	6	27	10
Textiles (not made up)	47	2	33	12
AGRO-FOOD:				
Sugar	32	5	19	8
Oils and fats	48	1	31	16
Cereals and poultry	33	4	26	3
Food preserving (fish fruit and vegetables)	33	5	16	12
Beer and lemonade	43	25	14	4
Milk	15	7	5	3
Total	343	69	195	79
	100%	20%	57%	23%

Source: G.Egnell, The Rehabilitation of Malfunctioning Industrial Units in the ACP States, European Commission, 1985

TABLE 4 - ODA COMMITMENTS FROM DAC MEMBER COUNTRIES a/ AND MULTILATERAL AGENCIES b/ TO INDIVIDUAL LDCS, BY PURPOSE, AVERAGE 1983-1985

Recipient country		Industry, mining, construction	Energy	Transport and communication	Health	Education	Social infrastructure	Trade banking and other services	General economic support c/	Other d/	Total
	Per cent of total										in $ m.
Afghanistan	-	-	-	-	1.9	0.0	1.9	-	13.2	83.0	50
Bangladesh	21.9	3.0	21.3	9.4	4.6	4.1	0.2	0.6	33.5	15.4	4450
Benin	17.5	3.5	16.8	15.2	7.3	1.3	5.1	0.6	3.2	29.5	302
Bhutan	15.0	17.0	6.0	1.0	3.0	1.0	-	3.0	-	54.0	100
Botswana	7.3	1.8	6.7	7.3	7.6	10.4	1.2	0.9	8.6	48.2	323
Burkina Faso	19.3	1.7	9.3	5.8	10.1	5.5	0.0	-	6.1	42.2	647
Burundi	15.0	0.0	17.7	12.7	8.2	7.2	2.7	1.0	3.1	32.4	484
Cape Verde	6.6	10.9	2.6	14.4	2.6	1.3	0.4	1.7	21.8	37.7	229
Central African Rep.	20.9	1.2	1.5	7.8	3.5	6.4	2.3	1.2	7.6	48.4	344
Chad	9.4	3.4	8.3	3.6	3.8	1.3	2.0	0.4	16.8	59.1	446
Comoros	16.4	1.8	6.4	10.0	4.5	0.9	0.0	0.9	6.4	52.7	110
Democratic Yemen	20.0	4.4	-	10.8	15.0	6.1	-	-	1.1	43.4	175
Djibouti	3.3	0.0	9.9	13.2	8.0	3.3	4.2	0.0	4.3	53.9	212
Equatorial Guinea	21.7	..	6.0	2.4	4.8	8.4	..	2.4	3.6	49.4	83
Ethiopia	15.0	3.5	1.9	16.3	2.4	1.8	1.5	-	23.9	33.7	1647
Gambia	28.7	-	2.9	9.2	0.0	1.7	6.9	1.1	10.3	39.2	174
Guinea	14.8	6.6	5.9	28.3	3.6	3.0	7.4	0.8	12.3	18.9	474
Guinea-Bissau	14.9	5.3	5.7	13.2	3.9	3.1	2.6	0.9	20.6	29.8	216
Haiti	20.9	1.5	6.2	6.2	6.0	9.6	8.1	2.1	13.5	25.9	444
Kiribati	24.4	2.4	-	4.9	7.3	..	..	..	17.1	41.5	40
Lao People's Dem.Rep.	23.7	8.8	5.3	10.7	8.4	0.0	-	0.0	7.6	43.5	117
Lesotho	11.1	1.0	4.1	19.8	10.2	7.0	2.5	0.3	9.5	35.3	305
Malawi	20.1	1.0	0.3	16.5	6.7	6.3	2.6	1.0	15.9	29.6	636
Maldives	17.9	-	..	7.7	12.8	5.1	..	-	10.3	43.5	38
Mali	18.8	0.4	1.8	11.4	8.3	2.5	2.6	0.1	16.9	37.2	1085
Mauritania	13.1	3.2	3.9	6.6	4.1	1.5	4.4	-	20.7	42.5	410
Nepal	25.9	3.4	17.9	9.7	4.7	3.4	0.5	0.0	1.7	32.8	1029
Niger	19.4	1.1	3.0	13.7	7.8	3.5	1.6	1.6	12.1	35.2	789
Rwanda	14.1	1.8	7.2	11.4	8.9	2.0	3.6	2.2	6.9	41.9	552
Samoa	2.9	2.9	1.4	18.6	10.0	0.0	0.0	5.7	1.4	57.1	70
Sao Tome & Principe	21.1	-	-	7.9	..	5.3	2.6	-	28.9	34.2	37
Sierra Leone	16.3	-	4.0	1.8	1.8	10.6	0.9	-	37.0	27.6	228
Somalia	12.6	0.1	2.8	8.9	4.7	1.2	0.2	0.3	17.2	51.7	1028
Sudan	17.7	0.4	4.1	6.1	2.7	0.9	0.3	0.0	34.2	33.6	2227
Togo	15.5	1.7	6.6	1.1	8.7	2.8	1.3	0.2	40.9	21.2	497
Tuvalu	..	-	..	..	..	..	..	-	30.0	50.0	11
Uganda	20.6	1.9	9.3	14.3	10.1	4.4	2.6	1.2	16.2	21.4	732
Un. Rep. of Tanzania	10.7	5.8	11.7	14.6	6.1	3.7	0.7	0.1	12.2	34.4	1490
Vanuatu	18.6	2.3	-	3.5	0.0	1.2	-	1.2	12.8	60.4	82
Yemen	17.2	1.6	6.5	2.6	8.1	9.3	3.4	1.0	8.3	42.0	434
All LDCs	17.5	3.4	8.9	9.7	5.6	3.6	1.6	0.5	17.8	32.4	22749

Source : OECD "Creditor Reporting System".
Note : For technical reasons the amounts to sectors may be understated.

a/ Excluding Ireland.
b/ Multilateral agencies mainly financed by DAC member countries.
c/ Including current imports financing, food aid and other emergency and disaster relief, budget support, balance of payments support and debt re-organisation.
d/ Technical cooperation and other unallocated commitments.

TABLE 5 - ODA COMMITMENTS FROM INDIVIDUAL OPEC MEMBER COUNTRIES AND INDIVIDUAL MULTILATERAL AGENCIES MAINLY FINANCED BY THEM, TO LDCS AS A GROUP, BY PURPOSE, AVERAGE 1981-1985

	Agri-culture	Mining	Manufac-turing	Elec-tricity gas & water	Trans-port & sto-rage	Other ser-vices	Multi-purpose	Balance of payments support	Dis-tress Relief	Other & unallo-cated a/	Total
	Per cent of total										in $m.
Bilateral donors											
Algeria	-	-	-	-	-	0.2	-	16.6	83.2	-	120
Iraq	27.3	-	17.4	-	19.4	1.0	-	-	-	34.9	183
Kuwait	9.5	-	6.8	23.9	22.8	-	5.4	-	1.1	30.4	1061
Libyan Arab Jamahiriya	-	-	-	-	-	-	-	-	-	100.0	34
Qatar	-	-	-	-	-	-	-	-	-	100.0	45
Saudi Arabia	2.0	1.7	3.6	2.4	6.6	1.0	3.2	24.1	8.1	47.3	3188
United Arab Emirates	-	-	10.5	8.2	8.2	-	-	-	1.4	71.6	273
Total	4.3	1.1	5.1	7.2	10.4	0.7	3.3	16.1	7.6	44.2	4904
Multilateral donors											
BADEA	5.4	-	13.6	6.8	68.8	-	-	-	-	5.4	74
AFESD	19.8	-	8.7	28.3	34.5	5.4	1.3	-	-	2.0	534
Islamic Dev. Bank	15.1	-	-	21.8	17.9	6.5	14.2	-	-	24.4	246
OPEC Fund	5.5	5.1	3.4	22.0	16.3	3.1	-	32.1	-	12.5	529
Total	12.7	2.0	5.4	23.6	26.4	4.5	3.0	12.3	-	10.1	1383
GRAND TOTAL	6.2	1.3	5.1	10.8	13.9	1.5	3.2	15.2	5.9	36.8	6287

Source: UNCTAD secretariat estimates.

a/ Mainly budget support in the case of bilateral flows. Mainly technical assistance in the case of multilateral flows.

TABLE 6 - COMPOSITION OF TOTAL FINANCIAL FLOWS IN CONSTANT DOLLARS - ALL LDCS

Net disbursements in millions of 1980 dollars

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Concessional loans & grants	6387	5639	6045	6832	6695	7184	7213	7937	8223	8449	9542
of which :											
DAC	4758	4002	4112	5330	5425	5508	5625	6038	6083	6745	7917
- Bilateral	3137	2474	2573	3288	3405	3491	3497	3867	3683	3953	4764
- Multilateral a/	1620	1528	1538	2042	2020	2017	2128	2171	2400	2791	3153
- Grants	2971	2629	2723	4072	4130	4881	4466	4300	4513	4814	6037
- Loans	1787	1372	1388	1258	1295	627	1159	1537	1570	1931	1880
- Technical assistance	1080	1112	1036	1261	1351	1495	1646	1672	1769	1754	1962
- Other	3678	2889	3076	4068	4074	4012	3979	4366	4314	4991	5955
OPEC	1208	1276	1573	1204	994	1089	1008	1238	1147	907	635
- Bilateral	1071	1108	1392	1049	882	950	779	1047	968	793	542
- Multilateral b/	137	167	181	155	112	140	230	191	179	114	93
- Grants	742	669	1144	533	282	440	270	623	710	547	374
- Loans	467	607	429	671	712	650	739	614	437	360	261
Non-concessional flows	943	710	820	487	909	1181	642	900	584	557	430
of which :											
DAC	714	629	815	545	878	1131	608	984	545	535	452
- Bilateral official	10	65	50	25	140	228	169	206	244	297	159
- Multilateral a/	144	38	65	91	106	89	92	112	130	74	166
- Export credits c/	363	414	529	329	451	863	202	203	115	103	138
- Direct investment	97	76	180	69	40	52	107	183	34	37	26
- Other d/ a/	100	37	-10	30	142	-101	38	280	22	24	-36
TOTAL FINANCIAL FLOWS	7330	6348	6865	7319	7604	8365	7855	8837	8807	9006	9972

Source: UNCTAD, Least Developed Country Report, 1987

TABLE 7 - TECHNICAL ASSISTANCE DISBURSEMENTS a/

$ million

Country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Afghanistan	25.1	20.3	28.1	31.1	37.8	21.8	14.8	13.9	15.2	12.4	15.4
Bangladesh	58.3	60.1	27.4	99.8	148.3	158.9	147.2	133.2	176.0	157.7	165.1
Benin	19.8	16.0	13.7	16.9	20.4	25.9	25.1	27.9	25.5	28.1	29.9
Bhutan	1.8	2.7	2.1	2.2	4.8	6.0	7.4	6.2	7.2	8.8	10.3
Botswana	13.7	15.5	18.0	23.0	36.4	47.5	48.0	42.8	40.5	34.8	33.9
Burkina Faso	32.6	37.5	37.6	49.1	60.7	73.0	72.1	73.7	65.2	71.4	67.3
Burundi	23.2	23.0	25.6	30.4	35.7	45.1	44.2	46.9	43.3	42.7	45.1
Cape Verde	1.0	2.2	2.8	5.6	6.2	11.9	11.4	20.6	17.3	17.0	19.1
Central African Rep.	19.5	19.4	20.8	24.6	32.9	34.1	33.6	31.2	28.9	38.5	33.9
Chad	25.4	22.0	24.6	29.2	21.4	11.9	16.8	15.3	21.7	18.8	42.4
Comoros	7.0	2.2	2.3	1.3	2.9	7.0	10.1	9.6	9.9	9.4	10.6
Democratic Yemen	9.2	11.3	10.6	10.8	7.9	11.6	12.6	14.8	14.3	9.9	12.5
Djibouti	11.1	14.0	15.2	14.3	19.0	27.8	29.8	30.9	29.3	29.8	29.5
Equatorial Guinea	0.7	0.4	0.4	0.6	2.2	2.0	4.5	4.1	3.9	6.7	6.0
Ethiopia	36.1	31.5	30.3	26.5	29.2	44.2	63.9	53.1	63.6	80.9	103.7
Gambia	2.7	4.3	3.3	6.8	9.6	12.7	13.8	17.4	15.8	14.8	17.3
Guinea	3.4	5.5	6.0	10.3	11.1	18.7	21 4	20.5	14.4	17.9	18.9
Guinea-Bissau	2.5	7.0	4.6	6.7	9.0	12.1	12.7	15.2	16.1	11.8	14.7
Haiti	11.8	13.5	13.6	20.5	24.0	32.3	32.8	34.1	31.0	33.0	39.7
Kiribati	2.2	2.7	2.7	3.6	3.4	5.5	4.5	5.0	4.4	3.7	4.8
Lao People's Dem.Rep.	15.0	4.5	5.0	11.8	12.0	14.0	13.3	11.3	10.7	12.3	13.8
Lesotho	8.7	12.1	12.8	16.6	21.2	32.0	33.4	34.7	34.7	34.0	29.5
Malawi	16.3	17.4	17.6	24.0	30.0	36.4	38.1	37.2	34.7	39.7	33.4
Maldives	0.8	1.0	1.0	1.5	2.2	2.8	2.5	3.6	3.8	3.6	4.9
Mali	24.6	23.2	25.6	35.4	49.5	76.9	63.0	55.0	52.8	59.9	59.2
Mauritania	11.4	13.3	13.8	18.6	24.5	28.8	37.7	33.7	32.6	31.3	35.8
Nepal	24.7	20.4	26.0	30.6	38.1	50.5	52.7	63.8	68.0	68.4	68.3
Niger	29.2	27.9	30.5	38.4	47.3	62.1	59.2	68.3	60.8	61.1	73.0
Rwanda	31.4	32.3	41.2	42.8	50.9	54.6	53.3	49.7	53.9	50.1	58.4
Samoa	4.7	4.7	5.6	6.8	6.0	9.8	10.8	7.6	7.3	6.9	7.6
Sao Tome and Principe	0.3	0.5	0.9	1.5	1.3	1.3	1.4	2.8	1.6	2.3	3.1
Sierra Leone	7.9	10.4	10.4	13.2	14.9	21.4	21.7	21.3	19.2	19.4	21.6
Somalia	19.6	16.0	19.4	21.5	32.1	92.9	103.2	92.0	113.5	107.4	131.5
Sudan	28.1	30.9	37.8	60.4	69.3	102.6	131.6	118.0	127.9	121.8	203.0
Togo	16.9	16.9	18.9	21.9	25.0	28.9	30.4	30.3	27.5	29.9	28.9
Tuvalu	0.1	0.2	0.2	0.7	0.6	1.4	1.8	1.8	1.5	1.4	1.5
Uganda	9.0	8.4	7.7	12.0	16.4	21.0	33.8	29.5	34.0	32.4	36.6
Un. Rep. of Tanzania	60.2	77.0	80.2	106.5	138.6	172.9	176.8	181.2	173.9	138.7	135.6
Vanuatu	2.1	14.5	2.3	2.7	22.4	24.7	17.2	16.1	16.0	13.1	11.7
Yemen	17.0	15.7	25.2	32.8	39.5	50.4	60.6	64.7	59.9	61.5	56.4
All LDCs	635.1	658.4	671.8	913.0	1164.7	1495.3	1569.2	1539.0	1577.8	1543.3	1733.9
All developing countries	3971.3	3807.7	4076.7	5000.4	6252.1	7255.2	7383.5	7364.4	7701.6	7744.7	7925.7

Source: UNCTAD secretariat, based on information from the OECD/DAC secretariat.

a/ Bilateral contributions from DAC member countries plus contributions from multilateral agencies mainly financed by them.

TABLE 8 - UNIDO'S TECHNICAL ASSISTANCE DELIVERY TO THE LEAST DEVELOPED COUNTRIES, BY COUNTRY, 1980 - 1987 [a/]

Country/Region	1980	1981	1982	1983	1984	1985	1986	1987	TOTAL
AFRICA									
Benin	443,122	279,842	146,613	42,474	100,346	160,220	227,406	241,547	1,641,570
Botswana	707,263	102,129	96,082	50,606	6,137	118,597	191,881	470,929	1,743,624
Burkina Faso	947,146	669,776	717,481	276,965	341,169	263,515	452,783	401,272	4,070,107
Burundi	600,730	347,866	347,105	433,351	638,826	643,275	452,539	334,094	3,797,786
Cape Verde	36,637	18,867	30,341	58,877	98,499	276,776	274,757	414,587	1,209,341
Central African Republic	164,550	250,658	98,663	31,462	6,001	-	25,549	48,968	625,851
Chad	11,275	247	17,758	87,574	11,874	374,031	403,180	676,597	1,582,536
Comoros	95,490	171,803	157,742	37,353	94,300	84,112	108,252	595	749,647
Equatorial Guinea	-	-	-	1,297	-	-	27,531	(10,970)	17,858
Ethiopia	1,614,751	2,558,484	2,132,211	1,754,248	1,573,683	3,018,169	3,961,367	2,046,904	18,659,817
Gambia	24,478	(18,896)	16,562	356,462	106,991	85,891	35,512	112,609	719,609
Guinea	1,443,508	2,678,405	783,533	875,126	769,256	2,068,678	832,769	553,045	10,004,320
Guinea Bissau	-	-	39,492	23,743	33,112	-	43,759	196,887	336,993
Lesotho	147,379	148,406	162,748	104,753	127,502	113,998	352,442	126,199	1,283,427
Malawi	438,627	581,361	385,204	230,724	149,647	282,663	183,762	141,392	2,393,380
Mali	278,663	362,612	547,186	1,174,984	550,871	772,054	834,777	885,685	5,406,832
Mauritania	-	-	-	-	-	-	-	35,995	35,995
Niger	687,460	765,875	749,245	585,394	453,566	907,248	379,849	424,099	4,952,736
Rwanda	1,989,994	1,268,632	1,117,844	215,474	487,605	354,624	321,167	579,759	6,335,099
Sao Tomé § Principe	-	-	-	77,305	11,711	92,409	17,253	4,631	203,309
Sierra Leone	-	-	-	284,628	-	406,474	677,217	372,822	1,741,141
United Rep of Tanzania	1,501,094	2,318,375	3,468,885	1,837,908	1,449,157	1,183,891	842,468	929,614	13,531,392
Togo	-	-	-	308,358	433,967	275,405	772,907	547,720	2,338,357
Uganda	107,977	345,081	250,526	194,572	24,316	238,046	344,877	620,786	2,126,181
SUB TOTAL	11,240,144	12,849,523	11,265,221	9,043,638	7,468,536	11,720,076	11,764,004	10,155,766	85,506,908

Country/Region	1980	1981	1982	1983	1984	1985	1986	1987	TOTAL
AMERICAS									
Haiti	707,263	374,305	247,177	278,166	119,777	148,771	47,720	75,795	1,998,974
ARAB STATES									
Democratic Yemen	676,989	545,148	565,674	813,752	471,855	528,213	226,346	313,889	4,141,866
Djibouti	-	-	-	-	-	73,677	55,567	(9,725)	119,519
Somalia	383,722	668,109	494,427	163,048	723,643	618,217	780,125	538,597	4,369,888
Sudan	433,588	774,193	681,618	697,236	612,318	261,477	268,350	250,425	3,979,205
Yemen Arab Republic	414,559	337,405	358,015	369,066	350,049	28,596	104,549	125,127	2,087,366
SUB TOTAL	1,908,858	2,324,855	2,099,734	2,043,102	2,157,865	1,510,180	1,434,937	1,218,313	14,697,844
ASIA § THE PACIFIC									
Afghanistan	124,360	143,781	169,004	220,582	95,334	137,725	24,323	(589)	914,520
Bangladesh	3,721,609	3,075,367	3,305,089	3,245,946	2,153,642	1,923,352	1,976,819	1,660,439	21,062,263
Bhutan	209,490	57,223	175,189	178,290	181,970	1,019,676	389,967	360,054	2,571,859
Kiribati	-	-	-	-	-	-	-	19,134	19,134
Lao Peoples Dem. Rep.	196,183	33,681	36,298	117,672	196,611	199,055	255,910	82,584	1,117,994
Maldives	-	-	10,810	(1,174)	-	4,821	30,879	116,195	161,531
Nepal	272,918	770,678	2,100664	1,026,174	582,231	615,171	763,119	882,887	7,013,842
Western Samoa	69,734	10,252	28,684	2,370	-	32,648	-	-	143,688
Vanuatu	-	-	-	-	-	-	-	214,078	214,078
SUB TOTAL	4,594,294	4,090,982	5,825,738	4,789,860	3,209,788	3,932,448	3,441,017	3,334,782	33,218,909
Regional, interregional and Global projects specially designed for LDCs	1,029,627	287,538	717,020	585,717	671,284	286,465	324,564	419,749	4,321,964
GRAND TOTAL	19,480,186	19,927,203	20,154,890	16,740,483	13,627,250	17,597,940	17,012,242	15,204,405	139,744,599

a/ The table does not include regional interregional and global projects or individual fellowships and group training programmes in which LDCs have been involved together with other developing countries.

Source: Executive Director/Director-General's Annual Reports 1980 to 1987.