ECONOMIC COMMISSION FOR AFRICA
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Item 5 of the revised provisional agenda

REPORT OF THE STANDING COMMITTEE ON INDUSTRY,
NATURAL RESOURCES AND TRANSPORT ON ITS
SECOND SESSION

Corrigendum

The following paragraphs should be substituted for paragraphs
6 - 24:

INDUSTRY

(a) Industrial co-ordination missions

6. Provisional reports of the Economic Commission for Africa industrial co-ordination missions to West Africa and to East and Central Africa were introduced by the leaders of the mission (E/CN.14/INR/25 and 37). The basic objectives were recalled: investigations of the scope for development of industries and the laying down of new industries on a scale requiring markets beyond the scope of most African countries, and hence sub-regional co-ordination. It was pointed out that both reports were in a preliminary and incomplete form. Much of the supporting data and reasoning which had led to the suggested industrial patterns remained to be added. Furthermore, although the primary objective of the missions had been an investigation of larger scale industry, the full reports would contain substantial material on the scope for import substitution through development of small and medium scale industries serving essentially
domestic markets. It was planned to present the final reports to the Commission at its sixth session. After a general discussion of the reports and on problems of industrial co-ordination, each report was examined section by section. The following points were made:

(i) it was agreed that the industries considered by the co-ordination missions should be classified in such a way as to draw a distinction between those essentially serving domestic markets and those susceptible of being co-ordinated on a sub-regional basis;

(ii) it was essential that a common unit of accounts should be used in the statistics throughout the reports, which, following United Nations practice, should be US dollars;

(iii) the Committee stressed the importance of the transport problem from the point of view of economic and especially industrial development. In this connexion the importance of regional transport links and therefore of the all-African transport conference proposed, was stressed. Furthermore, emphasis was laid on the usefulness of establishing a standard railway gauge;

(iv) it was also generally agreed that where there were several possible locations for an industrial enterprise serving several countries from the point of view of costs ex-works, the choice of a definite location should take into consideration delivered prices at centres of consumption;

(v) industrial co-ordination had to be viewed in the wider context of the movement towards an African common market and an African payments union. The work being done by ECA in these fields was noted.
The delegations of Algeria, Morocco and Tunisia welcomed the intention of the ECA to send an industrial co-ordination mission to North Africa at the beginning of January 1964. The wish was expressed that this mission should go deeply into the basic problems of industrial development in this sub-region, establish the perspectives for industrial development on a co-ordinated basis and suggest priorities. It was recommended that particular attention should be paid to perspectives for the development of steel production and petrochemicals. It was also requested that the industrial development centre for North Africa which had been proposed by the Tunisian delegation at the UN Industrial Development Committee should be fully studied with a view to initiating action at an early date. The delegate of Congo (Leopoldville) expressed regret that it had not proved possible for the mission to East and Central Africa to visit his country, in view of the close links between the eastern part of the Congo and the East and Central sub-region. The industrial possibilities in this part of the country were such as to require modification of some of the conclusions in the East and Central African report. Apart from taking Congo's possibilities into account in the final report of this mission, he proposed that another industrial co-ordination mission should be sent to Congo (Leopoldville) and the countries of Central Equatorial Africa. The delegate of Madagascar also expressed regret that it had proved impossible for the mission to East and Central Africa to visit his country and proposed that an industrial mission should be sent there as soon as possible. The Committee endorsed these requests, subject to the agreement of the governments concerned.

7. The Committee reaffirmed the essential importance of co-ordinated development of large scale industries and hence of sub-regional co-operation, while recognizing that there was scope for all-African co-ordination in the development of certain very large industries, e.g., steel and petrochemicals. The importance of following up the reports by vigorous action was unanimously recognized. The following recommendations were agreed:
(i) a conference at a high level should be held in the West African, East and Central African and Northern sub-regions as soon as possible after the preparation of the full-reports of the co-ordination missions to examine in detail the proposals and suggestions made. In the case of West Africa, the report should be examined at the Conference on Industrial Co-ordination to be held in Bamako in 1964. In the case of East and Central Africa, the hope was expressed that a conference of ministers, as recommended in the report, would be held as soon as possible after the industrial co-ordination missions had visited Congo (Leopoldville) and Madagascar. The Executive Secretary was requested to make such further preparations as the governments concerned deemed necessary;

(ii) the Executive Secretary was requested to render all possible assistance to the carrying out of feasibility studies of the industries proposed in the reports, in co-operation with the United Nations Centre for Industrial Development and the United Nations specialized agencies, by providing United Nations experts or assisting governments to find experts under the Technical Assistance Programme, by helping governments to prepare requests to the United Nations Special Fund and by seeking the support of non-African countries prepared to help in making such feasibility studies;

(iii) the Executive Secretary and the United Nations Centre for Industrial Development were requested to assist governments to find outside capital, both from the international financing institutions and from non-African governments and other sources.

(b) World conference on industry

8. The Commissioner for Industrial Development drew the attention of the Committee to a resolution of the General Assembly that a world symposium
11. The Committee examined a study on the development of the iron and steel industry in Africa (E/CN.14/INR/27). In introducing this paper, the secretariat pointed out that it was the first attempt at a comprehensive study of the development of both the market for iron and steel and the iron and steel industry on an all-African basis. It was essentially a background document with no specific conclusions, but might in its final form be useful to African policy-makers and planners. In the discussion, attention was drawn to a number of minor errors, and suggestions were made for further development of the study, as follows:

(a) return freights for imported coking coal;
(b) methods of economising coke through, for example, direct reduction and fuel injection;
(c) the cost of imported steel;
(d) the cost of the economic and social infrastructure required for developing an iron and steel industry;
(e) the need for a more detailed examination of iron and steel-making costs;
(f) the problem of idle capacity at stages in the iron and steel-making process;
(g) the relation between the steel industry and other industries in industrial development;
(h) fuller analysis of possible African markets for finished steel products, and
(i) further research on the availability of coking coal in Africa.

The Executive Secretary was requested to revise and complete the study for the development of the iron and steel industry in Africa and to publish it.

12. It was agreed that an all-African conference on steel should be convened before the end of 1964, which should deal inter alia with
on industrialization would be held not later than 1966, preceded, as appropriate, by regional and sub-regional conferences. The Committee endorsed the proposition of holding a world symposium and decided to call an industrial African conference to be held in 1965 and to be preceded by intensive preparations at sub-regional and sectoral levels as may be arranged jointly by the Executive Secretary and the Commissioner for Industrial Development within the available budgetary resources. The Committee noted that its own intensifying programmes of activities would be a substantial contribution to the success of both the African regional conference and the world conference.

9. The Committee, in supporting these propositions, considered that a world symposium was essential for, and a visible evidence of, the intensification of United Nations activities in the field of industrialization and would be an opportunity for establishing closer contact among African countries and the agencies in a position to provide finance and practical assistance and for promoting the transfer of industrial technology. The world conference would indeed provide for those countries who were making at present strenuous efforts to achieve a larger degree of industrialization, the widest possible international forum to discuss the many problems arising; it would also serve to focus the world's attention on the needs and problems of industrialization and as a call to mobilize its resources for an over-all effort such as envisaged through the proclamation of the Development Decade.

10. The Committee also approved a suggestion of the Commissioner for Industrial Development to call informal meetings of African ministers of industry and United Nations agencies directly responsible for industrialization to exchange views and consultations concerning the activities of the United Nations in giving aid to the African countries. The first of such meetings is proposed to be held in May 1964.
perspectives on a detailed basis of steel consumption, an appropriate all-African pattern for the development of iron and steel production, taking into account the scope for division of labour in the production of finished steel products, and the possible creation of an iron and steel institute concerned with research studies and professional training at all levels.

13. The Committee took note of the report of the Meeting of Experts on Iron and Steel in West Africa, held in Monrovia from 14 to 18 October 1963 (E/CN.14/INR/26) and also of the recommendations relating to steel of the ad hoc Conference on Industry held in Lagos on 29 and 30 November 1963 (E/CN.14/INR/51). The Committee endorsed the recommendations of the Monrovia Meeting and those relating to iron and steel of the Lagos Conference, relating to the further studies required with a view to the establishment of an integrated iron and steel works on the coast of West Africa and a second, smaller iron and steel works inland; and the intention to discuss these studies at a further meeting to be held in 1964.

(d) Studies of other industries

14. The Committee took note of the progress made in the studies of industries requested at its first session: chemicals and fertilizers, engineering and non-ferrous metals, and textiles (as reported in E/CN.14/INR/31). It also took note of the recommendations of the Lagos Conference concerning the studies to be prepared, largely by ECA, on cement, tobacco, textiles, flour mills, fertilizers and related problems of transport, payments and exchange. The Executive Secretary was requested:

(i) to convene a conference to be held in Bamako between June and September 1964, in agreement with the Government of Niger, the Secretary-General of OAUPE and the provisional secretariat of the Organization for African Unity, with a view to concentrating in one meeting in 1964 discussion of problems of industrialization in West Africa. The conference would consider the reports requested above, together with those on iron and steel (see paragraph 11 above) and the full report of the West African industrialization mission (see paragraph 6 above);
(ii) to enter into consultation with the consultant who was preparing on behalf of the countries who had attended the Lagos Conference part of the documentation for the Bamako Conference, with a view to ensuring co-ordinated preparations for this meeting.

(e) Industrial financing

15. The Committee considered an outline of a study of problems of financing industry in Africa (E/CN.14/InR/29). Although delegations generally agreed with the outline submitted by the secretariat, they emphasized the need to conduct more detailed investigations into methods and conditions of financing used by international and regional finance institutions and conditions imposed by lending institutions and concerns. It was considered that all sources of finance for African investment should be taken into consideration and in particular it was necessary to examine possible sources of finance enterprises of sub-regional interest. There was a general discussion on experience gained by African countries in relation to the problem of financing industrial enterprises. Regret was expressed that lending countries often imposed, directly or indirectly, stringent conditions with a view in particular to selling their own equipment and services on exorbitant terms. The discussion revealed interest in this problem and at the same time the need to learn more, and in concrete terms, of the practical difficulties encountered by recipient countries. Some delegates expressed the wish that some of
the problems African countries are facing today may be alleviated through the establishment of the African Development Bank. In this respect, it was requested that the secretariat should study the advisability of establishing a special bureau within the framework of the ADB which would assist governments when negotiating external loans on the terms of the loans and specifically on quality and prices of capital goods to be purchased outside Africa. Delegations expressed the desire that the study now under consideration by ECA should be comprehensive, give detailed information on sources of financing, and expose in clear terms problems and experience faced and gained by the different African countries.

(f) Industrial statistics: Inventory of African industries and periodic country reporting

16. The Committee requested the Executive Secretary, in consultation with member countries and the United Nations Centre for Industrial Development, to study the establishment at the country level, possibly within appropriate national departments of industrial development, of suitable arrangements for periodic reporting about industrial trends, achievements and
proposals. Such reports would be prepared in view of being reviewed in meetings of the Standing Committee for Industry, Natural Resources and Transport of the ECA, so as to realize better co-ordination of industrial development and to effect better mobilization of domestic and international resources. This material should be included in a quarterly information bulletin covering industry, transport and natural resources, built up progressively and replacing as quickly as possible the present Bulletin on Natural Resources. The Committee noted the progress reported by the Executive Secretary as regards the development of industrial statistics in the African countries and the project of establishing an inventory of African industrial enterprises. It noted that these two projects were closely linked with the country reporting suggested.

(g) Investment laws and regulations

17. The secretariat introduced a preliminary study on investment laws and regulations in Africa (E/CN.14/INR/28). This was in two parts: part I consisted of an analysis of existing investment laws in Africa on a comparative basis and part II of a brief summary on a country by country basis of existing investment laws and regulations. Delegates welcomed this preliminary study and there was general recognition of the need for a harmonization of investment codes and other development laws.

18. It was agreed that the Executive Secretary should be requested:

(i) to make available additional copies in both French and English of the document already prepared;

(ii) to request all governments to submit comments on the document by not later than 31 March 1964;

(iii) to revise the document, including not only a summary but a brief appraisal of the national codes and issue it in printed form as soon as possible; in this connexion it was noted that the cost of printing and publishing the document would be US$ 10,000;
(iv) to begin an analysis with a view to establishing eventually
unified investment laws by bringing together those elements
of investment laws already common to many African countries;

(v) to examine the administrative problems relating to the approval
of new industrial enterprises.

(h) Industrial research and training

19. A preliminary report on the possible establishment of institutes
for applying industrial research and development on a sub-regional basis,
prepared by a consultant from the United Nations Centre for Industrial
Development, with the aid of the Economic Commission for Africa secretariat,
was examined (E/CN.14/INR/41). Among the points made in discussion were
the following:

(i) it was generally agreed that there was a danger of research
institutes concentrating their activities too much on theoretical
research; the main emphasis should be on applied research,
closely linked with industrial development;

(ii) a distinction should be made between full scale industrial
research institutes and smaller scale centres concerned with
applied research and development;

(iii) the sub-regional approach suggested was one possibility but
careful consideration should also be given to the establishment
of all-African institutes dealing with specific industrial
centres and also smaller industrial development centres mainly
concerned to serve individual countries;

(iv) the creation of new sub-regional industrial research centres
was one possible approach but consideration should also be given
to the possibility of requesting existing industrial research
centres offering facilities to neighbouring countries. It would
nevertheless be difficult to obtain finance and personnel for
the establishment of industrial research centres in all African countries and hence there was a prima facie case for a sub-regional approach; however, the sub-regional groupings suggested in the paper under consideration should be regarded as purely tentative and other groupings might well emerge from discussions between the countries concerned.

20. It was agreed that the Executive Secretary, in consultation with the United Nations Commissioner for Industrial Development and with interested countries, should carry out further investigations on the establishment of applied research institutes and industrial development centres, on a national or sub-regional basis, and convene ad hoc meetings as appropriate. These investigations should be carried out in cooperation with UNESCO.

21. The Committee recalled decisions taken at its first session with regard to training at all levels. It was noted that responsibility within the United Nations family for these activities fell largely within the sphere of the responsibilities of UNESCO and ILO. It was also noted that while comprehensive reviews were in progress pursuant to a General Assembly resolution, it had not proved possible for ILO and UNESCO to prepare papers for the second session of the Committee. The representative of UNESCO gave an account of the activities being carried out by his organization. The Committee requested that papers should be prepared on problems of industrial training at all levels for its next session.

22. The delegate of the Union of Soviet Socialist Republics recalled an offer it had made to provide facilities for the setting up of a centre for the training of middle-grade technicians, capable of accommodating 800 students, half in the field of mechanization of agriculture and half general engineering. The Committee welcomed this offer and requested the Executive Secretary, in consultation with other appropriate United Nations agencies and interested governments, to take the necessary steps towards the setting up of this centre.
(i) Co-ordination of standardization in Africa

23. Several delegates drew attention to the need to co-ordinate standardization in Africa, in particular the main standards applicable to energy, transport, basic materials, manufactured goods, machinery and equipment. It was agreed that the benefits of such co-ordination would be felt at several levels:

(a) with respect to imports, in order to enable the African countries to open their markets in free competition to goods from the whole world, while offering an adequate outlet to goods manufactured in conformity with African standards;

(b) with respect to exports, in order to guarantee the quality of African raw materials or manufactured goods which will have to stand up to international competition;

(c) with respect to inter-African trade, in order to facilitate the interchangeability of African products and the co-ordination of investment policies in transport, energy, heavy and light industry, etc.;

(d) with respect to domestic markets, in order to improve the quality of national production and facilitate its development.

24. The Committee requested the Executive Secretary to undertake a preliminary study describing the present situation in the field of national standardization and the work already achieved or envisaged by African institutes for standardization, reviewing the experience of other regions and suggesting a suitable order of priorities and a phased programme of work in close collaboration with the governments and interested international organizations. It was further requested that a priority list of products to be standardized should be drawn up, such products corresponding to the requirements of accelerated industrialization in Africa. In this connexion
it was stressed that standardization should not mean discouragement of new industries in Africa but should contribute to the industrialization effort, inter alia by facilitating the importation of capital equipment. It was noted that to carry out such investigation it was necessary for the Executive Secretary to engage a consultant for one year at an approximate cost, including travel to selected African countries, of US$ 24,000.