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ECONOMIC COMMISSION FOR AFRICA
Seminar on Industrial Estates
Addis Ababa, 15 June - 24 June 1964



PROPOSED QUESTIONS FOR DISCUSSION

The following list of questions for discussion has been prepared by the secretariat of the Seminar with a view to facilitating the debates. Participants are invited to send any amendments or additional proposals in writing to the secretariat as soon as possible. These will be issued and distributed as addenda to the present document.

Item 4. General discussion on the role of industrial estates and industrial areas

(a) Objectives and policies in establishing industrial estates

The Seminar on Industrial Estates in the ECAFE Region, held in Madras, India, in November 1961, observed that, in most countries of that region, the objectives of industrial estate programmes were to promote the development of small-scale industries and to influence industrial location in accordance with policies of decentralization. A few countries were also developing industrial areas, centres or complexes, including heavy and light industries of all sizes. The Seminar considered that long-run development requirements of countries in Asia and the Far East called for both large and small industrialization projects, and therefore for industrial areas as well as industrial estates; at the present stage of development, however, the emphasis was placed on the development of industrial estates for small-scale and medium-sized industries.

Participants are invited to express their views on the suitability of industrial estates for achieving, in their countries, one or several of the objectives listed in the annotated provisional agenda (E/CN.14/IE/1/Rev.1/Add.1).

With special reference to industrial estates for small-scale industries, participants are invited to discuss the question whether Governments should limit themselves to setting up, in certain strategic locations, a limited number of model estates, or should plan and support, over a long period, the establishment of a large number of publicly-sponsored estates throughout the country or certain regions. The ECAFE Seminar pointed out that a main objective of government-sponsored industrial estate programmes was to induce further private initiative and effort, in particular in the form of privately-sponsored industrial estates.

Documents

- The role of industrial estates in policies and programmes for the development of small-scale industries (E/CN.14/IE/2)
- Establishment of Industrial Estates in Under-developed Countries (United Nations publication, Sales No.: 60.II.B.4)
- Industrial Estates in Asia and the Far East (United Nations publication, Sales No.: 62.II.B.5).

(b) Review of industrial estate developments in Africa

Participants are invited to make a brief review of the plans, progress and problems relating to the establishment of industrial estates in their countries, state objectives of the current plans and programmes, and, whenever possible, outline future developments.

Documents

- A Review of Industrial Estate Development in Africa
(E/CN.14/IE/3)
- Three Case Studies on Industrial Estates (E/CN.14/IE/4)

Item 5. Planning the establishment of industrial estates

(a) Feasibility studies

The ECAFE Seminar recommended that surveys be undertaken to ascertain the feasibility prerequisites and industrial growth prospects for each proposed estate in one or more possible alternative locations. As a minimum, it recommended surveying the availability of basic utilities, and planning on the basis of requirements expressed in applications which small entrepreneurs might be invited to submit as soon as a preliminary decision to set up an estate was taken. It recognized the special difficulties of pre-project planning in areas where development possibilities were limited and suggested that a flexible application of the criteria of feasibility and desirability of establishing new industries would be needed in such areas.

- (i) Participants are invited to discuss the criterion of feasibility in the light of the conditions of extreme scarcity of entrepreneurship and skilled labour, electric and water supply, and transportation facilities prevailing even in the main urban centres of many countries of Africa, and of the small number or absence of industrial enterprises.

- (ii) Should the establishment of industrial estates be deferred until plans for expanding the supply of utilities for domestic and industrial use are carried out, or should they be planned for early implementation on the basis of their own "infrastructure" facilities (e.g. central and/or individual diesel generating power units, special water supply and effluent disposal system, special road construction programme, etc.)?
- (iii) Participants are invited to discuss the criterion of desirability of establishing new industries under the conditions prevailing in African countries. (This question is related to the broader problem of admission policies, to be discussed under item 7(b).) In many industrializing countries, the industries considered to be desirable are those producing goods replacing imports, or goods in short supply in the country as a whole or the local area, or export products. New types of industries are often preferred to the traditional ones. Where there are shortages of utilities, industries consuming large quantities of power or water are considered undesirable.

(r) Location of estates

The ECAFE Seminar considered that although the location of industrial estates in or near large urban centres offered a number of undoubted economic advantages, a point was soon reached beyond which countervailing social considerations would make it necessary to locate the estates at sufficient distance from the cities. On the other hand, it recognized

that the location of estates in rural areas presented difficulties and recommended a selective and cautious approach in planning them.

- (i) Participants are invited to discuss the question of location of industrial estates in large towns, small towns, or rural locations, in the light of conditions and needs in their countries.
- (ii) Participants are also invited to consider special problems of location such as those involved by urban redevelopment schemes and development of depressed or backward areas.
- (iii) Participants are invited to outline the measures adopted in their countries for co-ordinating or integrating industrial estate projects or major industrial projects with programmes of urban and regional development.

The following questions might be discussed, among others:

- Integration of industrial estate projects in regional or urban master plans.
- Planning industrial estates (single projects or networks) within the framework of large areas, such as the British Development Areas and the Italian areas of industrial development. Need for special development agencies or co-ordinating bodies with jurisdiction over the area. Such agencies may provide the necessary economic and social overhead ("infrastructure" investment)

and facilities such as industrial estates and, if need be, group sites or individual factory sites or buildings.

(c) Types of estates

- (i) Most of the estates established or planned in the industrializing countries present, as their main feature, a choice of general-purpose factories of various sizes. Discussion is invited of the respective merits of the types of industrial estates listed in the agenda, with reference to suitability for different types of areas, incentive to the establishment of industries, composition of industries and speed of development of the estate. Participants are invited to comment, in particular, on the conditions under which estates providing only improved sites - which are the most economical - may be a sufficient incentive to the formation of industrial undertakings and the relocation of existing ones.

Comments are invited on the suitability of specialized industrial estates such as those mentioned in the agenda, to the conditions prevailing in countries of the region.

Documents

- Planning the establishment of industrial estates (E/CN.14/IE/5)
- Types of industrial estates (E/CN.14/IE/6)
- Industrial Estates in Asia and the Far East, (Part I, paras. 41-69)

Item 6. Physical planning and engineering aspects

- (i) Participants are invited to discuss the problems of acquisition of land for industrial purposes in countries of the region, and the measures, adopted or proposed, to facilitate and protect transfer of ownership, tenure and change in use, and to regulate price and other contractual conditions.
- (ii) Participants are invited to submit information on the costs of industrial estates of various types and sizes and providing different services and amenities, or, where these are not available, on the costs of industrial factory buildings of different type and size. Although the data from different countries may not be fully comparable, the information may provide useful indications for planning industrial estates in countries of the region. Information on indirect costs, e.g. social overhead investments, and various services related to industrial estate projects would also be desirable.
- (iii) Comments are invited on the data and recommendations on physical planning of industrial estates in Africa contained in Discussion Paper E/CN.14/IE/7.

Documents

- Planning, Design and Construction of Industrial Estates, with Particular Reference to Africa (E/CN.14/IE/7)
- The Physical Planning of Industrial Estates (United Nations publication, Sales No.:62.II.B.4)
- Industrial Estates in Asia and the Far East (part I, paras. 70-105 and 146-148)

Item 7. Organization, management and financing of industrial estates

(a) Sponsorship and organizational arrangements

(i) The role of the participating organizations.

Participants are invited to exchange views, on the basis of their country's experience, on the arrangements best adapted to sponsor, co-ordinate and organize industrial estate projects. These arrangements usually allow for a variety of forms and degrees of co-ordination or integration.

(ii) Public, private or joint ownership and administration

(iii) Co-operative ownership and administration by occupants of the estates

All forms of ownership and administration - public, private, mixed, and co-operative - are found in industrial estate projects in the industrializing countries. Public ownership and administration prevails, but efforts are made in certain countries to stimulate the establishment of privately-sponsored co-operative industrial estates. Discussion is invited of the merits of these various forms of organization, bearing in mind the possibility, if need be, of shifting in the course of time from one form to another, e.g. turning over public or mixed industrial estates to private ownership and administration.

(b) Management

Rules and regulations:

Participants are invited to discuss, among others,

the following questions:

(i) Admission policies

The ECAFE Seminar noted that admission policies varied appreciably from one estate to the other, not only in the region, but sometimes in the same country. Some estates reserved admission to new industries meeting specified requirements, others gave priority to certain industries, others admitted new and existing enterprises of all types which qualified under the estate's zoning and administrative regulations. The Seminar felt that admission policies should reflect the over-all industrialization policies for the area or the country, but should not be applied in a rigid manner. It considered that, in general, existing industries as well as new ones should be eligible for admission, provided they met certain technological, economic and social conditions.

Participants are invited to discuss the question of admission policies in the light of conditions prevailing in the region. The following aspects might be examined, among others:

- Conditions of admission of new and/or existing industries.
- Measures to influence the industrial composition of the estate.
- Should admission policies vary with the type and location (urban or rural) of the estate? In particular, should a higher priority be given to new industries on the more costly estates providing standard factories and a variety of services?

- Admission of industries from other areas of the country or from foreign countries.
- Estates reserved to industries from abroad.

(ii) Sales and leases policies

Should sites and factories be leased, sold or made available on hire-purchase? Should rents and selling prices be subsidized and should equal treatment be given to all tenants and purchasers? Should individual ownership be encouraged or discouraged?

(iii) Managerial controls and responsibilities

Should managerial control be limited to the administration of the estate, or should it extend, within proper safeguards, to certain aspects of the organization and operation of the enterprises on the estate, e.g. control of the type and quality of the machinery installed, quality of product, working conditions, etc.?

(c) Financing

Participants are invited to discuss the most suitable arrangements for financing public, private, mixed and co-operative industrial estates and networks of industrial estates.

Document

- Industrial Estates in Asia and the Far East (Part I, paras. 106-135)

(d) Provision of common services

Which common services should be established as a minimum? Should certain common services be organized, financed and

operated by the developing agency or by the occupants themselves, grouped, for instance, in co-operative or voluntary associations? Should certain common services (e.g. forge, foundry, tool room, laboratory, canteen) be set up on a commercial basis, provided at cost, or subsidized? Since the economical operation of most common services requires a stable and adequate volume of demand, can they be provided on the smallest estates, and, if not, what alternative arrangements can be made to secure similar benefits to the occupants of such estates?

(o) Assistance facilities

(i) Assistance to prospective occupants

Is assistance to prospective industrialists provided by the existing or planned agencies, and what measures are adopted to that effect?

(ii) Assistance to industrialists established on the estate

The following questions might be considered, among others:

- Institutionalization of assistance and training facilities on industrial estates.
- Special problems of assistance to industrial estates in small towns or rural areas, which, because of remoteness and small size, generally preclude the establishment of permanent facilities.

(f) Special inducements

(i) Should special inducements be given to prospective occupants:

- to attract them to the estates at the early stages?

- to attract them to estates in the more undeveloped areas?
- to influence the industrial composition of the estate?
- to attract foreign capital?

Document

- Industrial Estates in Asia and the Far East (part I, paras. 136-145)

Item 8. Regional and international co-operation in the development of industrial estates

The Seminar may wish to suggest specific measures which may be taken at the international or regional level to promote the development of industrial estates. These may include:

- (a) Training of managerial and technical personnel;
- (b) Establishment of production and training centres;
- (c) Exchange of observation and study teams among countries;
- (d) Technical assistance in planning and construction of industrial estates;
- (e) Supplies of equipment and machinery;
- (f) Financing, especially the development of large industrial estates, industrial ports, etc.

Documents

- United Nations Activities in the Field of Industrial Estates (E/CN.14/IE/8)
- International Financing of Industrial Estate Projects (E/CN.14/IE/9).

Item 9. Other business

Item 10. Adoption of the report of the Seminar