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LEGISLATIVE MEASURES FOR THE ENCOURAGEMENT OF INDUSTRIAL DEVELOPMENT

(Note by the Secretariat)

62-4073

LEGISLATIVE MEASURES FOR THE ENCOURAGEMENT OF INDUSTRIAL DEVELOPMENT

This item will be introduced on to the provisional agenda as item 5(a).

1. Several developing countries of the world have experienced outstanding industrial growth, which was in part due to the enactment of legislation favouring newly-established enterprises.

2. In a desire to know more of what Member States are doing in this respect ECA sent out a questionnaire in September to which a substantial number of replies have been received. These have for the present purpose been grouped very broadly as shown in the annex and indicate that virtually all French-speaking countries employ a "code d'investissement" as an arm of industrial policy and that English-speaking countries either have provisions for special exemptions for new industries or are in the process of creating them.

3. It is well known that some countries are better endowed than others, both by nature and by their state of development. It may thus be necessary for lesser-endowed countries to offer greater encouragement to industry. Legislation should not be a weapon for attracting an industry away from another country but rather a basic tool for industrial growth.

4. ECA believes that Members should be aware of existing legislation throughout the region and, subject to agreement by the Conference, proposes to pursue the subject.

5. As legislative provisions vary greatly, it may be useful for ECA to suggest the adoption of a common approach based on the relative situations of Member States and, if this were desired, recommendations to this effect could be made to the next meeting of the Standing Committee.

<u>Country</u>	<u>Investment Code</u>	<u>Tax Holiday (years)</u>	<u>Duty Exemption</u>	<u>Contemplating Legislation</u>
Gambia	Provisions available	Yes 5	Provisions available	Yes
Swaziland	No	No	No	No
Togo	Provisions available	Yes 5	Yes	
Liberia	No	Yes 5-16 $\frac{1}{2}$	Yes	
Somalia	Provisions available	Yes 10	Yes	
Cameroon	Yes	Yes 5-25	Yes	
Congo (Brazz.)	Yes	Yes 5-10-25	Yes	
Dahomey	Yes	Yes 5	Yes	
Niger	Yes	Yes 5-10	Yes	
Tanganyika	No	Provisions available	Provisions available	Yes

<u>Country</u>	<u>Investment Code</u>	<u>Tax Holiday (Years)</u>	<u>Duty Exemption</u>	<u>Contemplating Legislation</u>
Madagascar	Yes	Yes 10	Yes	
Libya	Yes	Yes 5	Yes	
Zanzibar	No	Provisions available	Provisions available	No
Nigeria	Provisions available	Yes 5	Yes	
Mauritania	Yes	Yes	Yes	
Ethiopia	Provisions available	Yes 5	Yes	Yes
Rhodesia and Nyasaland	Provisions available	Yes 5 (in N.Rhod. only)	Yes	
Senegal	Yes	Yes 5-8	Yes	
Guinea	Yes	Yes 5-25	Yes	

