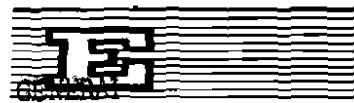




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ECONOMIC AND SOCIAL COUNCIL

ECONOMIC COMMISSION FOR AFRICA
Follow-up Committee on
Industrialization in Africa
Extraordinary Meeting
Sponsored by ECA, OAU and UNIDO
Addis Ababa, 10-15 March 1980

ECONOMIC COMMISSION FOR AFRICA
Technical Preparatory Committee
of the Whole
Addis Ababa, 3-8 April 1980

ECONOMIC COMMISSION FOR AFRICA
Fifteenth session of the Commission/
Sixth Meeting of the Conference of
Ministers
Addis Ababa, 9-12 April 1980

PROGRAMME OF FOLLOW-UP ACTION ON RECOMMENDATIONS ADOPTED
AT SECTORAL EXPERT MEETINGS, THE SYMPOSIUM ON INDUSTRIAL
POLICIES AND STRATEGIES AND THE FIFTH MEETING OF THE
CONFERENCE OF MINISTERS

I. Introduction and background

1. The participants at the fifth session of the Conference of African Ministers of Industry examined, inter alia, the progress made towards the achievement of the Lima target, and the preparations for the third General Conference of UNIDO and the OAU Summit on Economic Development and the implementation of sectoral and intercountry projects. They also considered the report of the Symposium on Industrial Policies and Strategies.

2. The Conference recommended that further work be carried out on the implementation of the policies and strategies agreed upon at the Symposium and on the implementation of sectoral programmes. It also recommended that the secretariat should assist in the identification of suitable industrial development zones, possibly on the basis of the existing subregions, and should organize consultations with the Ministers of Industry of the countries in the industrial development zones identified to decide on the priority projects for implementation and on the establishment of African multinational corporations. Moreover, it requested ECA, OAU and UNIDO to initiate pre-feasibility studies on projects likely to develop into multinational enterprises.

3. These recommendations were embodied in several resolutions adopted by the Conference, including resolution 4(V) on follow-up action on conclusions and recommendations of the Regional Symposium on Industrial Policies and Strategies which, inter alia, called for (i) the formulation of concrete measures and (ii) projects to assist member States in the individual and collective implementation of the policies and strategies agreed on at the Symposium and distribution of those measures and policies to member States; resolution 1(IV) on African multinational corporations which requested, inter alia, the Executive Secretary of ECA, in collaboration with the Secretary-General of OAU and the Executive Director of UNIDO, to take steps to initiate consultations among member States to (i) identify priority areas for the establishment of African multinational corporations including those based on agreed industrial development zones; (ii) to work out suitable ways and means for establishing such corporations which would implement specific projects in identified priority areas, and (iii) convene regular consultative meetings of ministers of industry of the industrial development zones.

4. Among the major policies and priorities agreed to at the Symposium and not referred to above were the following:

(a) Development of agro-industries, specially those based on agricultural raw materials and which could be developed in time by backward integration of resources;

(b) Industries catering for basic needs of the people (in food, shelter, clothing, medicine, transport) even those based on raw materials which are not available locally;

(c) Labour-intensive industries including decentralization of small-scale industries devised to meet employment requirements and basic needs;

(d) Engineering and metal industries for manufacturing machine tools since these provide linkages and serve as instruments for the transfer and development of technology; and other locally based industries producing for domestic and export markets;

(e) Integrated rural development supported by programmes related to water supply, electricity, transport and communications which provide the basis for development of agriculture;

(f) Effective development of agricultural and manpower as well as the natural resources sectors to ensure integrated development of the economy and industry as a whole.

II. Implications of the policies and strategies

5. The secretariat is expected to formulate concrete measures and projects to assist member States in their individual and collective implementation of the policies and strategies agreed upon at the Symposium. The secretariat will take action to translate the priority objectives adopted into concrete product lines, production structures and programmes.

6. An attempt will then be made to indicate possible modalities for implementing such programmes at the national, subregional and regional levels and to determine the role of the industrial development zones.

7. The general production programmes will be linked with the sectoral programmes with a view to determining what types of strategies can be followed at the level of the agro-industries and the building materials, forest, chemicals, metals and engineering industries subsectors.

8. The possible inter-linkage between agriculture, transport and mining with industry derived from the policies and the individual and collective roles of Governments and of international organizations will be explored with a view to suggesting measures which will be amplified and concretized in further discussions and consultations among member States and by expert groups.

III. Projects identified by sectoral expert working groups as a means for implementing the strategy

9. The projects identified in the field missions and examined by the expert groups on chemicals, metals and engineering include projects for the manufacture of:

(a) Chemicals

- (i) Ammonia;
- (ii) Potash and phosphate fertilizers;
- (iii) Pesticides;
- (iv) Soda ash;
- (v) Caustic soda and chlorine;
- (vi) Antibiotics and the active ingredients of pharmaceuticals;

(b) Metals

- (i) Iron and steel (in integrated units);
- (ii) Brass and bronze;
- (iii) Heavy iron and steel sections, flat and long products;
- (iv) Structural and specialized steel products;
- (v) Refractories for metallurgical industries;
- (vi) Electrodes;
- (vii) Ferro-alloys;

(c) Engineering

- (i) Selected machines and machine tools in existing railway and large repair and maintenance workshops;
- (ii) Selected agricultural machinery and equipment;
- (iii) Electrical products, accessories and materials;
- (iv) Components and spare parts for motor vehicles, railway equipment, agricultural equipment etc.

10. With respect to engineering, the experts made additional recommendations regarding the expansion of existing foundries, forges, heat treatment facilities, machine shops, toolrooms, ancillary engineering industries and industrial estates and the establishment of subregional maintenance and repair workshops for transport equipment.

11. It was understood that the secretariat, for its part, would provide details on these projects at the subregional meetings to help member States to choose specific priority projects for implementation. Member States, for their part, are expected to send to these meetings delegations prepared to make the selection. They will also be requested to bring in additional projects of priority to their areas. Suitable opportunities will be provided by the secretariat for consultation among member States on priorities.

IV. Implications of the implementation of integrated sectoral programmes and of individual projects already identified

12. The effective formulation and implementation of integrated sectoral programmes and of individual projects already identified and other projects will depend on the availability and quality of raw materials, manpower, financing and markets; the stage reached in market development and the capabilities available for project formulation, design and implementation and for conducting contract negotiations.

13. During the recent sectoral field missions to a cross-section of African countries, certain limitations in respect of project implementation capabilities were observed in almost each country visited. These limitations

include lack of experienced local personnel in such areas as project planning and conducting contract negotiations; exploitation by unscrupulous foreign companies which take undue advantage by selling used plant and equipment and entering into contracts and never fulfilling them, exploitation by certain banks and foreign financial institutions, which extend credit to African countries on unfavourable terms and conditions; lack of co-ordination of and co-operation between national project management and government purchasing agencies; inadequate communications among governmental institutions; lack of capacity for the operation and maintenance of plants; the high cost of employing expatriate consultant technical and managerial personnel; mismanagement of joint ventures in which Governments do not have controlling interest and inappropriate import duty structures which discourage local manufacturing and encourage imports. Other constraints include inadequate infrastructures and small markets, the latter being the more crucial.

14. The secretariat will prepare questionnaires to be sent to the Governments concerned in an attempt to obtain supplementary information on such factors as raw materials, utilities and infrastructures, which is required for the performance of follow-up work on the implementation of the priority projects identified during the sectoral missions and expert meetings.

V. Modalities of the implementation of strategies and projects and the accommodation of priorities at the national, subregional and regional levels

15. During the past few years, various forms of measures and instruments have been suggested in connexion with the implementation of national industrial programmes and the furtherance of industrial co-operation among developing countries.

16. The secretariat will take stock of such measures and present proposals covering the following areas at the subregional meetings:

(i) Actions at national level to assist member States in improving their capacities for the implementation of national projects and to facilitate intra-African industrial co-operation;

(ii) The establishment of mechanism at the subregional level for consultations on and implementation of agreed action to promote co-operation, including the establishment of multinational development corporations in specific sectors, as requested in resolution I(IV) on African multinational corporations. The secretariat will initiate the formulation of proposals on the form such corporations might take and the stage at which identified projects should be transferred to them, but individual countries are expected to assist by sending suggestions to the secretariat;

(iii) Appropriate modalities and sequences of the implementation of multinational projects at different stages. Member States are also invited to present their own views and proposals in this regard, by submitting them either to the secretariat or to the subregional meetings.