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C E P A L

Economic Commission for Latin America

Meeting of Latin American and Indian
Engineering Industry Representatives,
sponsored by the United Nations Industrial
Development Organization (UNIDO), with the
collaboration of the Association of Indian
Engineering Industry (AIEI) and the Economic
Commission for Latin America (CEPAL)

Santiago de Chile, 4-6 August 1980

CONCLUSIONS AND RECOMMENDATIONS

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1. The meeting was unanimous in its view that there was need for economic and industrial co-operation between India and Latin America. It was noted that at present this co-operation is almost non-existent in the engineering sector. This is due to the problem of distance, shipping, language, etc. It was therefore agreed that the decade of the 1980s should see increasing co-operation between these two areas because such co-operation was bound to be of mutual benefit and result in expediting industrial growth. It was recognized that between major countries of Latin America and India there are many areas of similarity leading to a situation of competitiveness. However, it was also noted that between India and such major Latin American countries areas of complementarity also exist. Further bilateral discussions are required to identify such areas. It was also recognized that the need for self-reliance and the need for encouraging indigenous technology also made such co-operation between India and Latin American countries desirable.

2. The meeting felt that in certain industries there was need for technologies and processes which are not always available with the developed countries. This is due to the fact that for relatively low volume of operations and where labour is abundant, "appropriate technology" is required rather than the latest or the most automated technology. To promote co-operation between developing countries, therefore, it is necessary to identify such appropriate technology and the source from where such technology is available and develop such technology in areas where it does not as yet exist.

3. It was recognized that such co-operation could take the following forms:

1. Joint ventures
2. Exchange of technology
3. Technical consultancy
4. Engineering services
5. Joint projects in third countries
6. Sub-contracting
7. Bilateral trade
8. Technical training
9. Exchange of personnel.

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4. The Indian Mission informed the meeting that AIEI will be holding its Fourth Engineering Trade Fair in New Delhi between February 2-16, 1981 and extended to all present and their colleagues an invitation to visit India at that time, as this will provide them an opportunity to see Indian engineering capability at one place. The Indian Mission also recommended for consideration by UNIDO/CEPAL the holding of a review meeting between India and Latin American countries in New Delhi during the above period.

5. Participants in the meeting agreed to the following recommendations:

For EIAs

6. The Meeting recommended that it was incumbent on participants to initiate the establishment of EIAs in countries which do not have them. This is an area of UNIDO, CEPAL and EIA co-operation. Individual firms in the engineering industry should in countries that do not have EIAs, ask their governments to seek UNIDO's support in this regard. UNIDO and CEPAL can then provide the assistance required to establish such EIAs.

7. Immediate action should be taken in countries which have EIAs to bring about a pyramidal structure. In other words efforts should be made to create apex EIAs or federations in the near future.

8. EIAs should institute continuous exchange of association manpower between themselves. This can, in specific cases, be assisted by UNIDO.

9. There should be no further delay in exchange of association information as well as industrial technical and marketing data between EIAs of different countries. This exchange of information is relatively costless, and therefore, can be initiated without the need for assistance from UNIDO or CEPAL.

10. Participants agreed to consider the formation of bilateral committees as part of the agreement between two associations or by itself where such an agreement does not exist.

11. EIAs can arrange manpower training programmes for their staff. Special attention should be given to the less developed countries of the region. UNIDO's assistance may be available to facilitate such programmes.

12. In collaboration with UNIDO, EIAs can assist each other by identifying viable suppliers and buyers of goods and technology. To this extent, identification of international projects and passing on information regarding

/such projects

such projects to members of different engineering industry associations can take place without further delay. EIAs should come into close contact with different Technology Information Centres and should have directories on sources of technology.

13. The EIAs can organize co-operation committees among themselves to identify international projects and promote consortium approach between their members. The participants agreed that there was a great deal of ignorance in India regarding the engineering capabilities of Latin American countries and vice versa. It was agreed that one way to communicate with each other and to bridge this information gap was for each region to send trade missions to the other region with a view to exchange information. Similarly, it was felt that the Association of Indian Engineering Industry and its counterparts in the Latin American countries should organize engineering trade fairs in which the engineering products of the country concerned would be displayed.

14. The meeting recommended that the EIAs should take all possible steps to increase the number and the level of personnel exchanges between countries whether in the field of manufacturing, training or research and development, to enable exchange of information and experience. It was thought that such exchanges would facilitate co-operation between companies in the two regions.

15. It was considered desirable to open an AIEI office in some Latin American country and for EIAs in major Latin American countries to do likewise in India, as this would not only serve as a follow-up measure to this meeting, but would also serve as a means of future communication. It was however pointed out by some participants that while this proposal was acceptable in principle it was not likely to be implemented in the near future.

For governments

16. The meeting suggested that the participating countries should:

(a) examine the provisions being included in the General Agreement on Trade and Tariffs for Manufacturing and International Standards, to ensure that these do not produce barriers to trade between developing countries, and,

(b) strengthen their representation on the Council of the International Standards Organization to ensure this direction.

/17. Having

17. Having recognized the important role which EIAs play in the industrial development of a country, governments may consider associating these bodies with their consultative and advisory processes.

18. In the field of international trade, governments can help trade missions and publicise trade fairs through their diplomatic channels. They can also help, through diplomatic channels, in giving advance information on international projects.

19. The participants recognized that one of the obstacles for trade between Latin America and India was the absence of regular shipping and the very high cost of the same wherever it existed. It was also recognized that this was at least partly a result of inadequate trade between India and Latin America. It was therefore advisable that a committee be formed in which a major shipping line/lines of India and certain Latin American countries are represented so as to evolve a satisfactory solution to this problem.

20. In view of the importance of the role played by consulting engineers in the overall development of a country, the participants felt that consultancy work comprising project planning, investigation, feasibility studies, design construction and start up work, etc., should be preferably entrusted to consultants from developing countries.

21. The participants recommended that the government of India on the one hand and the governments of the Latin American countries on the other consider entering into double taxation avoidance agreements, as this would facilitate industrial and economical co-operation.

For UNIDO and CEPAL

22. The participants recognized the need and importance of assistance from UNIDO and CEPAL. They therefore recommended that UNIDO and CEPAL may:

(a) Help to establish EIAs and strengthen the organizational structure of existing EIAs;

(b) Facilitate the training and transfer among EIAs of experts needed for co-operation;

(c) Encourage setting up of apex EIAs;

(d) Participate in specific industrial projects and particularly in workshops and seminars relating to different sub-sectors of the engineering industry;

/(e) Participants

(e) Participants recommended the strengthening of the non-government organizations (NGOs) unit in UNIDO and CEPAL.

23. The participants hoped that the EIAs would make better use of the information centre available at different places including the UNIDO Centre in Vienna and that UNIDO, in consultation with various EIAs and other concerned bodies, would try to make these centres more useful for the membership.

24. CEPAL in collaboration with Latin American Indian shipping interests may undertake studies of transportation problems between the countries of Latin America and India.

