

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION



UNIDOScope

weekly internet newsletter

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"made in China" driving economic growth in Asia*Boao Hainan, China, 22 - 25 April 2004*

China's Premier Zhu Rongji at the
Boao Forum for Asia
photo: english.peopledaily.com.cn

Director-General Carlos Magariños led a UNIDO delegation to the first annual conference of the [Boao Forum for Asia](#) (BFA) held in Boao, an eastern coastal town on south China's [Hainan](#) Island. The theme of the Forum was *Asia win-win: An Asia Open to the World*. The Director-General was a speaker in the *Supply Chain and Made in Asia* session chaired by Group Chairman of the [Li & Fung Group](#) of Companies, Victor Fung. Other speakers in the session were: [UPS](#) President, Asia Pacific, Kenneth Arthur Torok; Chairman, Managing Director and CEO of [Apollo Tyres Limited](#) and Senior Vice President of the Federation of Indian Chambers of Commerce ([FICCI](#)), Onkar Kanwar; Board of Trustees, Centre for [Strategic and International Studies Indonesia](#), Member, Mari Pangestu; and Chairman and President [BYD Company Limited](#), Wang Chuanfu.

Japanese Prime Minister Junichiro Koizumi, Thai Prime Minister Thaksin Shinawatra and Lee Han-dong, Prime Minister of the Republic of Korea (ROK) all delivered speeches on the first day of the Conference. Former US President George Bush was one of a number of former heads of state that attended the meeting ([view or download programme](#)) along with representatives of over 100 multinationals. In all, some 2,000 government officials, scholars and entrepreneurs from 48 countries and regions attended the Forum.

China's Premier [Zhu Rongji](#) led a delegation to the meeting and delivered a keynote speech ([view or download speech](#)) in which he said that notwithstanding evidence that mutually beneficial cooperation is taking shape, compared with Europe and North America, Asia's regional cooperation is still rather backward. President Hu Jintao, in his address ([view or download address](#)), told the Forum that China's

development is an opportunity for Asia and China's development cannot be achieved in isolation from Asia. The Chinese president also outlined five steps China plans to take to strengthen its cooperation with Asian neighbors.

Discussions at the Forum covered: the prospect of liberalizing and facilitating trade and investment within Asian countries and regions; monetary and financial cooperation in Asia; sub-regional cooperation; energy; telecom; manufacturing and the export competitiveness; sustainable development; and the globalization and commercialization of the mass media in Asia.

Speaking of the opportunities and challenges facing Asia in inserting local industries into global value chains and production networks, UNIDO Director-General Magariños, as reported by the online news service Sina ([view or download report](#)), said it was the result of integration and optimization of global production sectors that Asia had become a world manufacturing center.

Magarinos said this would boost the all-around development of global economy and international community. Investment coming from transnational groups accelerated Asia's economic development, he said, and this would consequentially increase Asia's needs for commodities and services, which meant great business opportunities for the rest of the world.

It was a virtuous circle, Magarinos said. World major manufacturers of computers, electronic products, telecom devices and petrochemistry have already transferred their manufacturing centers to Asia, including such trans-national giants as Microsoft, Motorola, General Motors, General Electrics, Dupont, P&G and Siemens.

At the same time manufacturing had undergone reshuffle within Asia, Magarinos said. Traditional manufacturing enterprises in Japan, the Republic of Korea, and China's Taiwan and Hongkong were now transferring at an amazing speed to other places of Asia, in which the Chinese mainland benefited a lot. Product labels "made in China" were now driving economic growth in Asia, China's booming electronic industry, for instance, is increasing the demand for components produced by its Asian partner countries and creating new industrial value chains, said Magariños.

The Boao Forum for Asia was launched in February 2001, to provide a platform for high-level dialogue between Asian countries on economic and social challenges and to promote economic cooperation in Asia, while opening up further to the other parts of the world. The BFA Board of Directors held its [annual meeting](#) prior to the Conference. [Yongtu Long](#), Vice Minister and Chief Representative for Trade Negotiations (CTR) of China's Ministry of Foreign Trade and Economic Cooperation ([MOFTEC](#)), is Secretary General of the Boao Forum.

MORE INFO ► Olga Memedovic, Tel: +43-1 26026 / 4676, E-mail: O.Memedovic@unido.org

Bahrain entrepreneurship development & enterprise creation

A certificate award ceremony was held at UNIDO/ITPO - Bahrain under the patronage of the Minister of Industry Dr. Hassan Fakhro. The Minister distributed certificates to 15 participants who successfully completed the 8th Entrepreneurship Development and Enterprise Creation Program (EDECP). The programme is a continuing feature of the capacity building offered by UNIDO's Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT). The EDECP is organised in association with Ministry of Industry, the Bahrain Development Bank and the Bahrain Businesswomen's Society.

The program was initiated on February 14th 2004 with classroom training for a duration of 4 weeks followed by the business counseling phase under which the entrepreneurs get support in planning and implementing actual projects.



Industry Minister Fakhro, ITPO Bahrain Head, Hussein (centre l & r) and EDECP graduates ([larger picture here](#))

UNIDO/ARCEIT has so far trained 128 Bahraini entrepreneurs on SME development and management. About 180 potential Bahraini entrepreneurs have been given advisory support on Business Opportunity Identification, Market Analysis, Business Plan Preparation, Technology Tie Up, Financial linkages with the Bahrain Development Bank and in Enterprise Establishment. The enterprise planning and implementation support offered to start up entrepreneurs through the package approach of the Programme has given a boost to SME development in Bahrain.

ARCEIT has announced that the 9th EDECP is scheduled to start on 15th May.

MORE INFO ► Hashim Hussein, Head, ITPO Bahrain, Tel. +973 - 536881, E-mail: itpo.bahrain@unido.org

UNIDO Productivity Drive



In an article entitled "Productivity Drive" ([view or download article](#)) in the April/May 2004 issue of the Financial Times Business magazine *Foreign Direct Investment*, UNIDO Director-General Carlos Magariños presents UNIDO's investment promotion activities in the context of the Organization's Corporate Strategy *Productivity Enhancement for Social Advance* and his continuing campaign to update the development agenda.

"One of the key drivers of productivity is investment, which carries with it new technologies and new ideas that contribute to higher productivity and growth. My conviction that higher productivity drives development is at the heart of my insistence on the urgent need for a new paradigm for development, built not on the rejection of the current one, but on the realisation that its chief elements - macroeconomic stability; trade liberalisation and

good governance - have not been sufficient to bring about productivity gains that translate into social benefits. ... UNIDO's programmes that build capacities in developing countries to assist private enterprises partner with FDI bring together all of the organizations core competencies: the promotion of investment; technology diffusion; trade capacity building; environmental management; renewable energy and private sector development...." writes the Director - General.

The article covers issues relating to the building of infrastructure to facilitate or promote the flow of FDI and portfolio investment and the role that innovative portfolio instruments could play in this, but comes back to the need for productivity enhancement by emphasising that these activities "must be matched with equal or greater attention to strengthening and supporting domestic companies."

The benefits of the linkage between UNIDO's technical cooperation and Global Forum activities are

brought to the fore in the an example from the Round Table held at the recent 10th Session of the UNIDO General Conference with a reference to a presentation on how TNCs organize their global financing, production and distribution. The article concludes with a reminder that achieving the Millennium Development Goals will require "a joint effort, by the international community - not just the development community." and that UNIDO stands ready to "join hands with partners in the UN system, the development community and the private sector."

COMING SOON

Technology Fair of the Future

Energy

Biotechnology

Nano-
Technology

Materials

Information
Communication
Technology

Aerospace
Industry

Technology Fair of the Future at UNCTAD XI, São Paulo, Brazil, 14 - 18 June 2004. The Technology Fair of the Future is one of a number of events being held at UNCTAD XI which together are expected to attract some 3,000 participants from over 190 countries. Other events are the [EMPRETEC](#) /SEBRAE Business Fair, [WAIPA](#) Investment Forum and Fair Brazil Invest, [ITC](#) Competitiveness Tools Fair and NGOs Solidarity Market Fair. The Technology Fair of the Future will take place at the Anhembi (São Paulo city) Conventions and Exhibition Centre, simultaneously with the FISPAL 20th International Food Fair, the most important fair for food products in Latin America.

Up to 100 participants in the Technology Fair of the Future will be provided with an exhibition area, auditorium, multi-media area and room for business meetings (including video conferencing) free of charge. The successful participants will be selected from "promising new technology" submitted by enterprises, technology parks, research and development institutes, or institutions for innovation in an industrialized or emerging economy.

The Technology Fair highlights selected technology sectors: energy; biotechnology; nano-technology and materials; information and communication; aerospace. Special feature: technologies for low-income and least developed countries (LDCs) - renewable energy, agro-food processing, medicines and building materials.

See the [Fair homepage](#) for more details and the online application form <http://www.unidoform.org>

[more coming events](#)



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