



# UNIDOScope

weekly internet newsletter

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## UNIDO Investment & Technology Promotion Office for Mexico

Vienna, Austria, 22 October, 2004



Mexico's Minister of Economy, Fernando de Jesús Canales Clariond brings his country into the UNIDO ITPO network

Mexico's Minister of Economy, Fernando de Jesús Canales Clariond, and UNIDO Director-General, Carlos Magariños signed a letter of intent at UNIDO headquarters in Vienna on 22 October 2004, for the establishment of a [UNIDO Investment and Technology Promotion Office \(ITPO\)](#) in Mexico. The fundamental objective of ITPO Mexico will be to promote the active participation of Mexican small and medium-sized enterprises in commercial, financial and technological interchange.

Mexico's National Development Plan 2001-2006 establishes as an objective the achievement of qualitative growth, the increasing and expansion of competitiveness,

the generation of an inclusive development, the achievement of a regionally balanced development and the creation of conditions to achieve a sustainable development. In the context of National Development Plan, the Mexican government has ascribed a high priority to investment promotion and technology transfer that benefits small and medium-sized enterprises and stimulates employment generation. The UNIDO ITPO is seen as a useful tool in achieving this objective.

ITPO Mexico will assist the creation and/or strengthening of local capabilities in order to attract foreign investment; to advocate foreign investment in the country; to promote national investment abroad; to prepare outlook and forecast surveys, to elaborate market analyses, to evaluate projects; to identify business contacts for Mexican and foreign enterprises, to facilitate communication between potential business partners; to assist in all business activities; to provide access to ITPO information systems; to advise in the identification of local and foreign business partners; and to coordinate and support activities related to local and international networks.

With the addition of ITPO Mexico to the network, UNIDO now has 15 ITPOs and four Investment Promotion

Units. ITPOs lie at the hub of UNIDO Exchange ([www.unido.org/exchange](http://www.unido.org/exchange)), the Organization's portal for the promotion of investment, technology and other partnership opportunities. UNIDO Exchange embraces all ITPOs, National Cleaner Production Centres (NCPC), the Sub-Contracting and Partnership Exchanges (SPX), the International Technology Centres as well as the UNIDO field offices.

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## Ethiopia Update: IPE2 / Meet in Africa / PRO€INVEST



Ambassador of Italy, Angelo Gabriele De Ceglie, Ambassador of Ethiopia, Halima Mohammed and UNIDO Director-General Carlos Magariños at the signing of the Trust Fund Agreement for technical assistance to the Ethiopian Leather and Leather Products Technology Institute

The Integrated Programme Ethiopia (IPE) team has just issued its newsletter, profiling IPE Phase 2 (IPE2), Meet in Africa 2004, and the PRO€INVEST Business Mission on leather ([view or download newsletter](#)).

**Integrated Programme Ethiopia Phase 2:** Implementation of IPE2 started in October 2004. On 29 September, the Government of Italy signed a Trust Fund Agreement with UNIDO to provide approximately € 1.4 million for assistance to the Leather and Leather Products Technology Institute (LLPTI) for the development of its managerial and operative capacities.

The Government of Ethiopia requested UNIDO to formulate the second phase of the programme against the backdrop of the successful experience in the implementation of IPE1 acknowledged by the Government, project counterparts and an independent In-Depth Evaluation carried out in May 2003. The evaluation confirmed the impression of the UNIDO Director-General and senior UNIDO management staff gained on their visit to various project sites in Ethiopia in January 2002.

The programme concept for IPE2 and its methodology were discussed with the Ethiopian Minister of State for Industry and other senior Government officials in March 2004, where a general consensus was reached. Subsequently a presentation was made to the Ambassador of Ethiopia to UNIDO, in the Office of UNIDO Director-General in April 2004. During this presentation, both the Director - General and the Ambassador expressed their support for the approach taken in IPE2. The outcome of this process is that IPE2 is fully in line with the priorities of the National Development Plan of Ethiopia, CCA/UNDAF, the PRSP and UNIDO's corporate strategy.

The programme will make a positive step towards the attainment of the Millennium Development / Poverty Reduction Strategy Paper goals of poverty alleviation through the building of the productive capacities in priority subsectors through: 1) Market access and trade facilitation support through strengthening national institutional capacities related to standards, metrology, testing and quality; 2) Enhancement of international competitiveness of the textile, garments, leather and leather products and the food industries; 3) Improvements of primary agro based resources in rural areas through promotion of micro, small and medium-sized enterprises (MSMEs).

IPE2 will analyze the scope for enhancing export and domestic demand oriented production in key industries (food manufacturing, textile and garments, leather and leather products), and bring about efficiency improvements of primary agro based resources, with an emphasis on MSME development especially in rural areas, including agro machinery and safe use of pesticides. Issues relating to environmental norms, and energy efficiency are cross-sectoral, they will be mainstreamed into these activities. IPE2 will improve the

performance of agro-based supply chains contributing to the fulfillment of the Government's main objective, namely, the promotion of income generating activities for economic growth and poverty alleviation.

On 9 October, 2004, a meeting was held in Ethiopia with Prime Minister Meles Zenawi to discuss options for solving major bottlenecks currently affecting the Ethiopian leather and leather products sector. The Prime Minister accepted the value chain approach and agreed with the "Top Down (Pull) Approach" meaning that leather products should be the engine for the growth of the leather industry, the comparative advantage of Ethiopia being availability of trainable manpower at low cost, and the Leather and Leather Products Technology Institute (LLPTI). On the acquisition of "technological capabilities" and which market segment to target, the following was decided: 1) LLPTI should be considered as a "think-tank mechanism" and Centre of Excellence for the creation of necessary technical and HR capabilities; 2) Subcontracting should be the tool to enhance technological capabilities and ensure market access.

**Meet in Africa 2004:** The largest international gathering of the leather industry in the African continent was held from 6 to 9 October 2004 in Addis Ababa, Ethiopia. Some 270 companies, covering raw materials, finished products, chemicals, components, equipment, accessories, and machines were represented. Prime Minister of Ethiopia Meles Zenawi, inaugurated the Trade Fair on 7 October 2004. MIA 2004 was organized in a slightly different manner from previous years in response to the demands of enterprises that wished to give a more commercial edge to the event. Buyer/seller and partnership meetings took place over the three days of the fair, from 7 to 9 October. All activities were held at the UN Economic Commission for Africa (UNECA).

As a side event at MIA 2004, UNIDO organized a business mission of European entrepreneurs from Italy, Spain and Germany willing to cooperate with Ethiopian leather companies. H.E. the Minister of Trade and Industry and the Ethiopian Tanners, Footwear, Leather Goods Manufacturers Association awarded UNIDO a Certificate of Recognition for the organization of this event.

Handicraft producers assisted under UNIDO IPE1 participated in MIA 2004 with four exhibition booths. So far in 2004, 32 craft producers from Amhara, Southern Tigray and Addis Ababa regions have been completed training in basic and advanced handicrafts. Most trainees have reported that within eight months of basic training they had increased their income by changing their product range and / or improving product quality. The majority also reported that in addition to the technical skills acquired, their attitudes to work had changed in terms of higher level of ambition, increased willingness to invest in the business, and enhanced understanding for the importance of systematic management of their businesses.

MIA 2004 was preceded by the African Federation of Leather and Allied Industries (AFLAI) General Assembly on 5 and 6 October, officially opened by Minister of Trade and Industry, Girma Birru. One of the major decisions taken at this year's AFLAI was to restructure AFLAI with an ad-interim Board of Directors for a period of 6 months with the aim of preparing a business plan for a better functioning of the Federation. It was also decided that Cairo, Egypt would be the venue for MIA 2006.

**PRO€INVEST Business Mission to Ethiopia 4 - 8 October 2004:** [PRO€INVEST](#) (PROEUROINVEST) is a programme of the Group of ACP States and the European Commission for the promotion of investment. It strengthens ACP intermediary organisations and supports the development of company partnerships. Its management has been entrusted to a management unit in the Centre for the Development of Enterprise (CDE) under Europe-Aid.

The PRO€INVEST business mission to Ethiopia from 4-8 October 2004 targeted the leather sector, through FDI, partnership agreements, technical assistance projects, and trade improvement between EU and Ethiopian entrepreneurs. It was also designed to improve the Ethiopian export of semi-finished leather, leather products or footwear and to upgrade the quality of the local production. The mission visited several local companies.

The mission was co-financed by PRO€INVEST, UNIDO and ASSOMAC (including EU associations such as, AEC Spain, for component manufacturers in the leather products sector, VDMA Germany, machines and

accessories for leather products) and the ETA (Ethiopian Tanners Association).

A wrap-up meeting was held on 8 October 2004 at Ministry of Trade and Industry, attended by Minister of Trade and Industry, Girma Birru, State Minister for Industry, Tadesse Haile, Ambassador of Italy, Guido La Tella, and a delegation of European entrepreneurs, mainly from Italy. A lively discussion took place regarding interests of investing in Ethiopia, constraints experienced (need for modernizing banking system), progress in the general business environment, need for image Building of Ethiopia as source of leather and leather products. Several plans for follow-up have been made and additional meetings will take place at Bologna Linea Pelle / Tanning Tech, 26-28 October 2004.

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## SPX Update: UNIDO Subcontracting and Partnership exchange Newsletter latest issue



The latest edition of UNIDO's [Subcontracting and Partnership Exchange](#) newsletter is [available here for viewing or downloading](#). Featured in this issue: SPX ON THE SPOT: Beijing; AN ACADEMIC REVIEW: MIT Supply Chain 2020; COUNTRY WATCH: Algeria; and a roundup of SPX happenings in CLUB NEWS.

The editorial in this issue, a farewell message from long-time UNIDO SPX Programme manager, André de Crombrughe, follows.

*Dear Friends and readers,*

After having developed and managed for the last 20 years this highly interesting UNIDO programme, the "Industrial Subcontracting and Supply Chain Development" programme, the time has come for me to retire from UNIDO.

This programme was mostly known under the name of its institutional mechanism, the "Subcontracting and Partnership Exchanges" (SPXs) or under the name of its methodology, and at some stages of its software, the "UNIDO Subcontracting System" (UNISOSS). This programme has proven to be cost-efficient, sustainable (with a high survival rate over 20 years), to reach out to some 20,000 SMEs in over 30 countries with some 60 SPXs, and to bear impact as evidenced by the results achieved.

Today, I am very pleased to hand over this programme to my colleague Patrick Gilabert, who is very dedicated to this programme. He has professional experience in the UNIDO Investment Technology Promotion Branch, and he also worked in many African and Asian countries. He has also served in the field - in Vietnam and Srilanka.

However, I won't be leaving my friends, nor my field of work since the RIOST, the "International Network of Subcontracting and Partnership Organizations" has asked me to join them as Vice-President in order to develop an International Cooperation Commission. The association GOAL, "Global Outsourcing And Linkages", recently established, will serve this purpose. In this new capacity, I do hope to be able to build a strategic alliance with UNIDO and launch joint activities.

As a first step and symbol of this alliance, I am pleased to invite all the SPXs established by UNIDO to become members of RIOST, free of charge. As a second step, I would be glad to explore possibilities of cooperation between your SPXs, UNIDO and GOAL.

Being aware of the increasingly important role SMEs can play in the present context of the globalization of production systems, I extend my best wishes of succes to benefit from this growing opportunity.

André

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