



BRACING FOR CHALLENGES AHEAD

Dear Reader,

Welcome to 'UNIDO South Asia—In Action' the Newsletter that we are reviving with this issue (July-September 2007) after a gap of nearly four years. A lot has happened in the intervening period. For one, UNIDO turned 40! It has been a special occasion for us in the region – an occasion to look back on the many milestones crossed in these four decades, and also to brace for the challenges that lie ahead at this key juncture for sustainable industrial development in the region.

The Newsletter opens—quite appropriately, in the 40th anniversary context – with excerpts from the Director-General's recent media interview giving a broad overview of the vision and approach underpinning UNIDO's efforts to reduce poverty through industrial growth, protect the environment and build capacities to enable developing countries garner a fairer share of world trade. Our Director-General's vision sweeps across initiatives from the promotion of small and medium enterprise clusters, to the dissemination of clean, energy efficient technologies in manufacturing processes, and to south-south cooperation through the launch, earlier this year in New Delhi, of UNIDO's very first Centre for South-South Industrial Cooperation.

"UNIDO South Asia— In Action" is meant to give regular updates on our activities and will follow a regular template: a 'Case Study' illustrating one particular project, preferably from the perspective of our partners on the ground—in this pioneering issue, on UNIDO's support to the thriving domestic auto components industry and its impact; 'New Initiatives' such as assistance in formulating state industrial policies as well as a landmark collaborative project with the Ministry of Environment and Forests to develop a national implementation plan for the elimination of persistent organic pollutants; 'Events' that reflect our pursuit of UNIDO's thematic priorities in this region; a 'Press Corner' where we will report on the media coverage of our activities; and 'Upcoming Events' focused this time around on our General Conference in Vienna in December 2007, and on the five-year Integrated Programme of Cooperation between India and UNIDO for 2007-2012 being reviewed by the Department of Industrial Policy and Promotion (DIPP).

[Continued on Page 2](#)

'My big message will be green, sustainable industry'

-Kandeh Yumkella, Director-General UNIDO

Dr. Kandeh Yumkella, who hails from Sierra Leone, has had an illustrious career. With a doctorate in agricultural economics from the University of Illinois, Dr. Yumkella has occupied several academic and research positions in the US and served as minister for trade, industry & state enterprises in his homeland in the mid-nineties. He then joined the United Nations Industrial Development Organisation (UNIDO) in 1996 where he served in various capacities before taking over as Director-General in 2005. Here are extracts from his interview published recently in 'The Financial Express':

UNIDO is now more than 40 years old. What, in your view, have been the major achievements in these four decades as the industrial development arm of the UN?

Looking back at the four decades since inception in 1966, I can say that UNIDO has played a valuable role in the global effort to eradicate poverty, promote sustainable development and help developing countries and countries in transition build their capacities to benefit from world trade. Of course, our focus and means of intervention have evolved over time, in par with prevailing socio-economic development paradigms in the Third World. It has, over the years, successfully promoted the growth of small and medium enterprises—a key area of our endeavours, and actively promoted productive activities for rural development. And above all, it has, through its varied activities, helped the poor in many countries earn an income and improve their quality of life.



"UNIDO has carried out over 700 development projects in India" - Yumkella

[Continued on Page 6](#)

EVENTS: India-Africa Cooperation in Industry, Trade and Investment



India's Minister for Commerce and Industry Kamal Nath inaugurated Sanjaya Lall Memorial International Conference. See page 2.

EVENTS

India-Africa Cooperation in Industry, Trade and Investment

UNIDO, in cooperation with the Government of India, UNCTAD and ITC, organized the first Sanjaya Lall Memorial International Conference on India-Africa Cooperation in Industry, Trade and Investment in New Delhi on 10-14 September 2007, under the banner of the recently established UNIDO Centre for South-South Industrial Cooperation (UCSSIC). Twenty eight delegates from 13 African countries – Cameroon, Ethiopia, Ghana, Kenya, Madagascar, Mozambique, Nigeria, Senegal, South Africa, Sudan, Tanzania, Uganda and Zambia – participated, including senior civil servants and policy makers as well as private sector business representative. The five-day Conference exposed participants to the new dimensions of industrial policy-making and determinants of effective policy implementation. It also focused on strengthening the capacity of policy-makers to improve their skills to commercialise new knowledge through relevant policy initiatives and interventions, thus fostering sustainable industrial development. Since Government of India is keen to deepen its economic and commercial engagement with Africa, it cooperated fully in focusing on the leveraging of India's expertise and experience in order to expand industrial, trade and investment cooperation between India and Africa.

The Conference, dedicated to the memory of the Oxford-based late Professor Sanjaya Lall, was inaugurated by Mr. Kamal Nath, India's Minister of Commerce and Industry, in the presence of 150 dignitaries, including Mr. Vinanchiarachi, who represented the Director-General / UNIDO, while the valedictory session was presided over by Mr. Ajay Shankar, Secretary, Department of Industrial Policy and Promotion (DIPP). The event also saw presentations by Mr. Jawhar Sircar, Additional Secretary, Ministry of Micro and Small and Medium Enterprises (MSMEs); Mr. N.N. Prasad, Joint Secretary (DIPP); Mr. Philippe R. Scholtès, Representative and Regional Director of UNIDO South Asia;

and Mr. Anthony de Sa, Director, UCSSIC. The delegates evinced keen interest in the Indian experience with policy-making, and in establishing linkages with Indian training and development institutes, especially in the areas of leather and renewable energy, for skill development and capacity building.

UNIDO Signs MoU for Auto Component Cluster Development in Chennai

UNIDO's consolidated project for SME development has identified AIEMA-ATC (Ambattur Industrial Estate Manufacturers Association - Advanced Technology Centre) as a focal point and counterpart for the development of the Investment and Technology Promotion Component (ITP) of the SME Consolidated Project in India. This project will consist of profiling the AIEMA companies in partnership with MSME, with the objective of building the capacity of this automobile cluster by creating subcontracting/sourcing platforms, investment matchmaking, financing (through equity, venture capital, credit guarantee schemes etc) in order to enable them to be competitive in the international market. UNIDO and AIEMA-ATC signed an MOU to this effect for auto cluster development in Chennai on 10th July, 2007. The MOU was signed by Mr. M. Elumalai, the then Chairman of AIEMA-ATC, and Mr. Alejandro Vera, UNIDO Project Manager, UNIDO SME Consolidated Project for India – Investment and Technology Promotion Component. AIEMA has 700 members, out of whom over 150 are auto component companies. This programme would help AIEMA to extend the promotional and institutional capacity for the development of the rest of its members. On the occasion of the signing, Mr. Bruno Valanzuolo, Chief Technical Adviser, explained the key features of the UNIDO Consolidated Programme. The then Vice-Chairman (and present Chairman) of AIEMA, Mr. Selvanathan, thanked UNIDO for its efforts in building the capacity of AIEMA. Mr. Mustak Calger from Turkey and Mr. Ferda Gelegen from Japan also participated in the programme.

Pictured after signing the MoU for Auto Component Cluster Development between UNIDO and AIEMA-ATC in Chennai by Mr M. Elumalai, then Chairman of AIEMA-ATC (fifth from the left) and Mr Alejandro Vera, UNIDO Project Manager (fifth from the right), Mr Bruno Valanzuolo, Chief Technical Adviser



"We hope to turn the Newsletter into an 'Interactive Platform' to facilitate continued exchange of ideas between the regional office and our colleagues and stakeholders in the region and in Vienna, so that our mission of promoting socially equitable and environmentally sustainable industrial development is truly a collective endeavour" - Scholtès.

From Page 1

The Newsletter will be published every quarter, both in print and HTML format. It will also be uploaded on our upcoming regional website, together with a wealth of information on UNIDO's activities in the region.

Indeed, we hope to turn the Newsletter into an 'Interactive Platform' to facilitate continued exchange of ideas between the regional office and our colleagues and stakeholders in the region and in Vienna, so that our mission of promoting socially equitable and environmentally sustainable industrial development is truly a collective endeavour. We very much

see this initiative as a means to highlighting and ultimately, realizing cooperation opportunities amongst projects in the region, thereby contributing to higher quality services and the consolidation region-wide of a distinctive corporate image.

We look forward to your inputs and suggestions, and take this opportunity to wish you every happiness and success at the onset of the festive season.

*Philippe R. Scholtès,
UNIDO Regional Director for
South Asia.*

NEW INITIATIVES

UNIDO to Assist In Framing Punjab's Industrial Policy

The United Nations Industrial Development Organization (UNIDO), in cooperation with the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India, is assisting the state government of Punjab in framing an industrial policy, aimed at strengthening the manufacturing sector in the state.

The objective of the project is to assist the government of Punjab in creating a new industrial policy for increased investment and output in the manufacturing sector, and consequently, to a stronger contribution of the manufacturing sector to the state GDP (gross domestic product). The project has been undertaken in response to a request from the state government to partner in the formulation process of a new industrial policy by suggesting measures for attracting new investments as well as reviving and developing existing industry. This envisages

Attracting new investments as well as reviving and developing existing industry

policy initiatives on revival of sick industries as well as expansion of existing industry; improvement of industrial infrastructure and fresh investments in industrial units, both domestic investment as also foreign direct investment (FDI).

An initial meeting was held in Chandigarh on 4th September 2007 to mark the launch of the project. The meeting was chaired by Mr Parkash Singh Badal, Chief Minister of Punjab, in the presence of several prominent members of the local government and administration including the Ministers of Finance, Commerce and Industries, Information Technology, the Chief Secretary and the Principal Secretary, Industries. The Union Ministry of Micro, Small and Medium Enterprises (MSMEs) was also represented. The three-member team of policy experts fielded by UNIDO and the UNIDO Representative in India Mr. Philippe Scholtes were given an opportunity to present the methodology of the policy formulation process, and to discuss the vision of the State authorities with respect to economic and industrial progress in Punjab.

This followed preliminary consultations with the local industry through 50 members of the business community mobilized by CII, FICCI and the PHD Chambers. The project starts with a detailed analysis of the strengths and weaknesses of the manufacturing industries in the state, to be carried out by a local research institution in cooperation with the state department of industries and commerce and business associations in Punjab. Apart from regular consultations between UNIDO, the research institution and the stakeholders in Punjab, workshops will be held at the beginning and end of the project to discuss the workplan and conclusions of the project. The total duration of the project is four months, with a contribution of US\$ 44,000 from UNIDO and US\$ 18,000 from the Union Ministry of Commerce and Industry, Department for Industrial Policy and Promotion.

UNIDO is already active in Punjab: a) in cluster development of industries such as the Ludhiana knitwear cluster (1997-2001) with direct intervention; Ludhiana knitwear cluster (2002-2005) with indirect intervention through the Textiles Committee; and the Jalandhar sports goods cluster; and b) on energy efficiency in the hand tools industry in Jalandhar. It is felt that the experience of UNIDO in Punjab would contribute to a stronger technical assistance response by UNIDO to the needs of industrial enterprises in Punjab. The project supports the UNIDO Integrated Programme of Cooperation with India 2007-2012, which aims at strengthening the competitiveness of small and medium enterprises (SMEs) through firm and cluster level interventions.

UNIDO CASE STUDIES - 1

Success of UNIDO Partnership Programme for Indian Automotive Component Industry

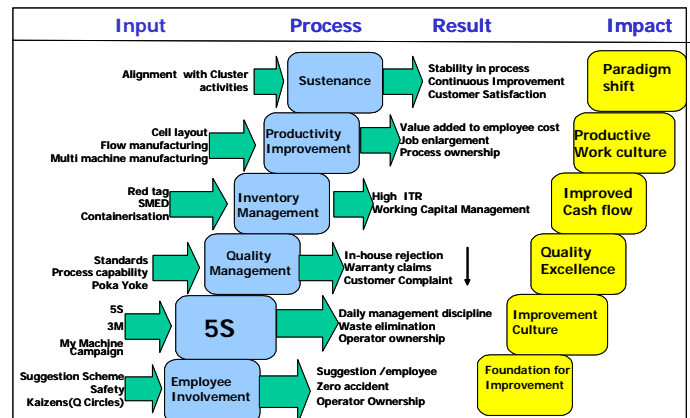
The global automotive industry is today in the midst of a transformation on all fronts - technology, quality and productivity. Several international car producers have established manufacturing facilities in India. At the same time, the automotive components sector is opening up for competition in the coming years, consequent upon the WTO regime.



Auto Components

Recognizing the urgent need for the Indian automotive component industry to be globally competitive, as also the need to embrace globally accepted best practices not only in their own operations, but also to vertically extend such practices to their sub-suppliers, UNIDO, jointly with the Government of India, and the Automotive Component Manufacturers Association of India (ACMA) launched the UNIDO Partnership Programme for the Indian Automotive Component Industry. The objective of the programme is to strengthen the capacity of Indian small and medium auto component suppliers to meet the requirements of vehicle manufacturers, and to enhance their productivity and performance levels so as to facilitate their inclusion in the domestic as well as the global automotive supply chains.

ROAD MAP FOR SMEs



Phase 1 of the programme was taken up in 1999 in the western region as a demonstration programme in which 20 companies participated. About 40 companies took part in Phase 11 (2003-2005), and the programme is in its third phase now with 58 companies participating across the country. The UNIDO Partnership Programme was given shape by the following "road map" envisaging training inputs to firms that would go through a process of implementation having tangible performance enhancing results and an impact leading ultimately to a paradigm shift.

The cluster approach is best summed up as "Getting together, Working together and Achieving together". One cluster comprises of 8 to 10 companies. Their grouping depends on the geographical location of the companies selected, and for each cluster, national engineers (counselors) having expertise in TPM/TQM etc are appointed, working under the guidance of senior counselors and industry experts. The national engineer visits the company and helps translate the training inputs. In-plant training and shopfloor interventions are provided in the



Shopfloor of an Auto Components Cluster in Chennai

following modules: employee involvement (Kaizens – Q circles, safety); 5S (maintenance of model machine, daily management discipline, waste elimination); quality management (Poka Yoke, process capability, standards); inventory management (containerization, SMED, red tag); productivity improvement



Workers adopted technical changes leading to increased production.

(multi-machine manufacturing, flow manufacturing); and sustenance (alignment with cluster activities).

The benefits of the programme are seen in: reduction in absenteeism, improvements in work place and work practices, total employee involvement, reduction in number of accidents, decline in in-house rejections, reduction in customer returns, reduced inventory levels, reduction in set up time, fewer machine breakdowns, and improvement in productivity. According to ACMA, the intangible benefits have been even higher – measured in terms of a clean working environment, improved relations between the management and employees, transformation in work culture, openness and the desire to learn and share, and trust and respect for each other. And it is a journey that is continuing as the automotive SMEs sustain these gains and learn to remain in business and grow in today's increasingly competitive environment.

Independent Study Shows Benefits Reaped by Auto Component Sector

Some Excerpts from



Impact Assessment of the Auto Component Programme:

■ HIGHER GROWTH

15 of the 30 firms that data was available for on the indicator of sales turnover have grown at a rate above the industry growth rate of 62.58 % for the two year period between 2002-03 and 2004-05. In fact, these 15 firms have registered revenue enhancements that significantly exceed the industry growth rate over the period.

■ TRANSFORMED SHOPFLOORS

Many customer acquisitions, some of them big brands such as Caterpillar, Volvo, General Motors, Valeo, Ingersoll Rand etc may be attributed to the programme. Apart from the improvements achieved on quality and other parameters, the intervention transformed the look and feel of shopfloors to such an extent that customers who would otherwise not be inspired to place an order with participant firms felt confident that the firm could deliver to expectation.

■ NEW PRODUCTS

50 % of participating firms added in excess of 9 new products, and available data shows that firms added from 2 to 143 new products over the course of the programme.

■ HIGHER PRODUCTIVITY

Measured on 5 indicators – Labour productivity, Overall equipment effectiveness, Machine breakdown hours, Absenteeism and 5S, available evidence suggests that the programme has helped firms to enhance labour productivity and that these enhancements have come about as a result of a combination of various training interventions. These initiatives ranged from organizing the workplace better by putting in place such enablers as shadow boards that helped to reduce “searching time” for tools and waste elimination to targeted activities undertaken in flow manufacturing and SMED.

■ QUALITY IMPROVEMENT

Firms have achieved substantial improvements in quality.... Firms have also been awarded quality certifications over the course of the programme, for many of which they derived support from the training intervention. The names of different certifications achieved by the number of firms (indicated in brackets) are as follows: TS-16949 (18); ISO 9001 (14); QS 9000 (5); ISO 14000 (6); and OHSAS (4).

■ COST SAVINGS

About 50 % of firms have shown a percentage increase in inventory turn ratio (ITR) of above 95 %. A firm in the northern region attributed a 13 to 14 % /cost reduction/ indirect and indirect raw material cost to mudas and kaizen ideas that came from operators.

■ CULTURAL CHANGE

The programme has helped to bring about a cultural change for many firms. Workers adopted technical changes and in spite of unionized activities that restricted output, were willing to increase production.

NEW INITIATIVES

First Step to Eliminate Persistent Organic Pollutants in India

The Global Environment Fund (GEF) recently approved a three-million dollar project for the Development of a National Implementation Plan (NIP) in India as a first step to put into operation the Stockholm Convention on Persistent Organic Pollutants (POPs) submitted by UNIDO. The project will support the Ministry of Environment and Forests (MoEF) in the formulation of a NIP for India to implement the Stockholm Convention for the reduction and elimination of persistent organic pollutants. India signed the Stockholm Convention on 14 May 2002, and ratified her accession to the Convention on 13 January 2006. The Stockholm Convention seeks to protect human health and environment from 12 harmful organic pollutants, of which nine are pesticides (including DDT, of which India remains the world largest producer), one (PCB) is found primarily in degraded transformer oil, while the last two, dioxins

and furans, are unintentionally produced mostly in poorly controlled combustion processes.

The preparatory phase of the project was completed in 2004 by MoEF to facilitate assessment, *inter alia*, of regulatory control and capacity building needs at the national as well as the state and union territories' levels. GEF has approved a grant of US\$ 3.4m for the two-year project, expected to be completed by August, 2009. India has expressed a strong interest in playing its full role as a party to the Stockholm Convention. Enabling India to comply with the Convention will have a significant and positive impact not only on India's own chemicals management regime but also on the ultimate global success of the Convention to protect human health and environment from the threat of POPs. Success in moving towards compliance will also serve as model for other developing countries.

Press Corner: Informative and Continuous Exposure of UNIDO Activities

In keeping with the mandate to deliver UNIDO's message better and raise the organization's visibility, the UNIDO South Asia Regional Office has embarked on several initiatives – of which this Newsletter "UNIDO South Asia – in Action" is one. Public awareness of UNIDO'S activities is being continuously enhanced through a series of press communiqués and accompanying media briefings on key issues of interest to this region such as UNIDO's strategy for the development of SME clusters; the beneficial impact of UNIDO'S business partnership programme for the Indian auto component industry; preparations for the 5-year Integrated Programme of Cooperation between UNIDO and India; findings of the joint research project of UNIDO and Harvard University disseminating awareness of the importance of building effective linkages for



competitive and responsible entrepreneurship; and the emergence of UNIDO as the largest provider of trade-related technical assistance among UN organizations. As a result of these efforts, and continuous liaison with the media, ten articles/news reports have appeared in the local press, including the national newspapers, besides regular inputs from URO to SME-related columns in leading economic dailies in the span of two and a half months since July 2007, as will be seen from the collage of press coverage shown here. Electronic media as well as online communication channels will be tapped more effectively, and plans are under way to develop a website to provide up-to-date information on UNIDO projects and our field operations. This Newsletter on UNIDO operations in the South Asia region is an integral part of our efforts to reach out to all our stakeholders and facilitate constructive interaction between project teams.

NEW INITIATIVES

Renewable Energy and Energy Efficiency in SME Clusters

Introducing renewable energy and energy efficiency technologies in Small and Medium Enterprises (SMEs) in India will improve their productivity while yielding substantial benefits country-wide in terms of abating GHG emissions. UNIDO is developing a proposal for submission under the Climate Change component of the Resource Allocation Framework of GEF-4. Although India has made remarkable progress in improving productivity and competitiveness of manufacturing SMEs in the last two decades, barriers of financial, institutional, technical, information and human resource nature as well as the sheer lack of awareness have hindered so far the adoption of renewable energy sources and energy efficient equipment in the sector, even in energy-intensive SMEs. The UNIDO initiative in this respect breaks new ground where the domains of key

public institutions meet, namely the Bureau of Energy Efficiency (Ministry of Power), the Ministry of New and Renewable Energy, and the Ministry of Micro, Small and Medium Enterprises. The formulation process started in September, and a Project Identification Form and Project Preparation Grant—as per the August 2007 templates posted by the GEF Secretariat will be available by the end of the year. The full-scale programme, expected to start in late 2008 or 2009, will support ten clusters over five years and facilitate the adoption of renewable energy sources and energy efficient technologies through a combination of hard and soft intervention, at cluster and firm level. It will draw upon UNIDO's corporate expertise and experience in India in the congruent domains of energy efficiency standards, cleaner production and cluster development.

UPCOMING EVENTS

India at UNIDO General Conference, Dec. 2007



Mr Kamal Nath

India's Minister for Commerce and Industry Kamal Nath is expected to participate in UNIDO's twelfth biennial General Conference in Vienna from 3rd to 7th December 2007. The General Conference is the supreme legislative body of the organization consisting of all 172 of its member states. It is usually attended by high-level representatives of member states including Heads of State and Government, Ministers and senior officials. The Integrated Programme of Cooperation between UNIDO and India for 2007-2012 is

expected to be signed during the General Conference. This year, UNIDO is introducing an Industrial Development Forum in the form of a high-level panel discussion on the theme of 'Industrial Development in a Changing Global Landscape', within the plenary of the General Conference, in addition to side events, such as round-table discussions, exhibitions and presentations. Interesting side shows at the Conference will be focused on India: an exhibition by the Government of India on its industrial development initiatives in the last 60 years and a presentation of the Cane and Bamboo sector by the UNIDO-assisted Cane and Bamboo Technology Centre (CBTC). This project is significant for the north-east of India, where bamboo is abundantly grown, from the perspective of UNIDO's pro-poor development strategies.

UNIDO-India Technical Cooperation 2007-2012

The UNIDO Integrated Programme 2007-2012, about to be finalized with the Department of Industrial Policy and Promotion (DIPP), aims at raising the competitiveness of small and medium enterprises through interventions at two levels: at firm level, through technology-oriented initiatives to increase productivity, quality, energy efficiency, occupational health and safety, and the environmental sustainability of industrial production; and at the level of industrial organization, through cluster based approaches targeting collective rather than individual efficiency to develop social capital. In line with the organic evolution of UNIDO's operations in India over the past 40 years, the Integrated Programme will also build on India's expertise, technology and know-how to assist other developing countries; the UNIDO-India partnership to that end was launched in February 2007 as the UNIDO Centre for South-South Industrial Cooperation.

Cluster Twinning Between India and Italy

A Cooperation Agreement will be signed on the 22nd October 2007 between UNIONCAMERE Marche of Italy and the Indian Shoe Federation (ISF) in Chennai. The Agreement is in pursuance of an ongoing programme of cooperation, fully funded by the Government of Italy, and the 'Consolidated Project for the SME Development in India', as agreed upon by the General Directorate for Cooperation and Development (DGCS), Ministry of External Affairs, Government of Italy; the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India; and the Development Commissioner, Micro, Small and Medium Enterprises (MSMEs), Ministry of MSMEs, Government of India. UNIDO is the implementing agency of this programme which envisages signing cooperation agreements between the Indian and the corresponding Italian clusters (Cluster Twinning Component). Partners of the Cooperation Agreement are the ISF, a leading association in the Chennai footwear cluster which helps its members in improving their levels of production, as well as in exploring and developing markets all over the world; and UC.M – Italy's Marche region body consisting of four chambers of commerce and industry. After conducting a detailed diagnostic study on the leather footwear cluster in Chennai, UNIDO has identified ISF as the operational counterpart for the cooperation programme, and UC.M as the corresponding partner in Italy.

Continued from Page One

Poverty alleviation is a key feature of UNIDO's activities, especially through the promotion of small & medium enterprises (SMEs), including rural industries, and developing new products. Yet, marketing does not seem to figure much in UNIDO programmes.

UNIDO is actively engaged in projects aimed at reducing poverty in developing countries—it has carried out over 700 development projects in India so far, and is thus assisting in the achievement of the UN Millennium Development Goals. These projects have contributed to a broad spectrum of sectors, notably the manufacturing sector. And many new products have also been developed in this process. I agree that marketing has to be a vital link in the chain of value-addition so that the economic benefits of industrial activity reach those who are producing the product. We are looking into this area to see how best the synergies of the institutions can achieve optimum results.

What is the role that SMEs will play in countries like India in years to come, with competition from international as well as large domestic players?

I see a very important role for SMEs in the years to come, as developing countries and countries with economies in transition continue their fight against marginalisation in an increasingly globalised world. SMEs have a unique advantage in being less capital-intensive and having a larger geographical spread. For UNIDO, the key to sustainable wealth creation is a pro-poor growth strategy that supports the development of micro, small and medium enterprises into dynamic and growth-oriented enterprises capable of competing in the national as well as international marketplace. UNIDO is contributing to this strategy through its specific support programmes that include: SME cluster development, SME export consortia, business partnerships, rural and women entrepreneurship development, promotion of an enabling framework and institutional support to SMEs, and investment and technology promotion services.

A new UNIDO initiative is the establishment of South-South industrial cooperation centres in several emerging economies, including in India and China.

-Yumkella.

What are your views on South-South cooperation?

UNIDO is renewing its efforts to promote the exchange of knowledge, information, skills and resources among developing countries to help spread the benefits. A new UNIDO initiative in this field is the establishment of South-South industrial cooperation centres in several emerging economies, including in India and China. I expect these centres to help identify and mobilise resources required for concrete projects to be developed and implemented within the framework of South-South cooperation, and play a catalytic role in mapping the potential in the more developed countries in the South to support other developing countries in mutually beneficial partnerships.

You have often spoken about your vision of a new UNIDO. Could you elaborate on this, especially in the context of UNIDO's role in developing countries like India?

We must help those countries diversify their production. Trade capacity is important, because countries not only want to trade, but they also want to trade in higher value products, because that is the way to create jobs, to create wealth—not just trading in commodities as they have been doing for millennia. So, the future will see a lot of work in the field of trade capacity building. The other important mandate of UNIDO is to promote sustainable development. My big message in the next few years will be green industry, sustainable industry. We will promote clean technologies because it is available today. But we will promote it in a way that creates wealth in developing countries.

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