

**STATEMENT BY RIGHT HONOURABLE EDWARD LOWASSA (MP),  
PRIME MINISTER OF THE UNITED REPUBLIC OF TANZANIA AT THE  
12<sup>TH</sup> SESSION OF THE UNIDO GENERAL CONFERENCE,  
VIENNA, AUSTRIA  
3<sup>RD</sup> DECEMBER 2007**

Your Excellency President of 12<sup>th</sup> Session of  
UNIDO General Conference, Mr. O. Zniber;

Your Excellency Director General of UNIDO,  
Dr. Kundeh Yumkella;

Excellencies;

Distinguished Delegates;

Ladies and Gentlemen.

At the outset, let me most sincerely thank Dr. Kundeh Yumkella, the UNIDO Director General for the invitation to address this august Assembly.

In the same vain, let me join other delegations who spoke before me to congratulate you, Mr. President, for your well deserved election to preside over the 12<sup>th</sup> Session of the UNIDO General Conference. The Delegation of Tanzanian is confident that your able leadership will steer discussions of this Conference into a successful conclusion. It is in this regard that I assure you of my full support and that of the delegation of Tanzania.

Let me also take this opportunity to thank the Government and the people of Austria for their hospitality accorded to me and my delegation since our

arrival in this beautiful city of Vienna. The preparations and conference facilities at our disposal are commendable.

**Mr. President,**

We are meeting at a time of momentous change which poses daunting challenges, but also offers great opportunities to the developing countries. Globalisation is accelerating. Economic and social imbalances are growing within and among continents. Technological advancement as well as Information and Communication Technology (ICT) gaps continue widening between developing and developed countries. Industrial development is unevenly distributed. Developed countries continue to dominate and monopolise this sector. Thus, leaving developing countries to continue to play the role of spectators. As a result, developing countries, particularly the Least Developed Countries (LDCs) continue to produce what they do not consume and consume what they do not produce.

On 17 December 1903, the first controlled flight in a heavier-than-air machine by the Wright Brothers took off at Kitty Hawk, USA. It is more than 100 years now since that time and we have witnessed great technological changes in the world. However, the changes have mainly benefited the developed world. Today, the technological gap between Africa and the industrialized rich countries is getting even wider. The distinguished African-American writer and poet, Maya Angelou, said: ***“History, despite its wrenching pain, cannot be unlived, but if faced with courage, need not be lived again”***. We have to work together and share more technological information for the prosperity of all humanity.

**Mr. President,**

In spite of all these inequalities, the role and importance of the developing countries in the world is increasingly recognised. Some of developing countries are now among the major drivers of global economic growth.

***The Report of the World Economic Situation and Prospects 2007*** states that and I quote:

***“The outlook remains mostly positive for developing countries, but a degree of moderation is also expected. Sustained high growth in China, India and a few other major emerging economies seems to have engendered synergy among developing countries so that growth in this group is more endogenous. However, a large number of developing countries remain highly vulnerable to the vicissitudes of commodity prices and the volatility of international financial markets.”*** End of quote.

**Mr. President,**

The theme for this Conference ***“Industrial Development in a Changing Global Landscape”*** is in deed timely and critically pertinent if developing countries are to achieve the outcomes of the internationally agreed development goals, particularly the MDGs and the Johannesburg Plan of Implementation. The full implementation of the Johannesburg Plan of Implementation is crucial because it embraces the three pillars of sustainable development that are economic development, social development and environmental protection. When one speaks of industrial development, environmental protection should immediately be the

concern. Thus, as much as increased industrial production is critical to eliminating poverty, particularly in the third world countries, environmental protection is even more important.

It is a fact that industrial development has a positive correlation with the increased pollution if not well managed. The faster the growth of industrial development, the higher the rates of global pollution. Unfortunately, the global pollution neither recognises and respects sovereign borders nor economic and military powers. In recent years, we have witnessed the increase of natural calamities such as floods, drought, cyclone and hurricane, mudslide and melting of mountain glaciers. Global warming is on the rise. We all, developing and developed countries have the responsibility to reverse the situation.

I am optimistic and I have to confess that if all the outcomes of the major UN conferences and Summits were successfully implemented, sustainable development would have been achieved within and among nations.

There would be no poor nations. There would be no people dying because of lack of food or living under less than a dollar a day. Let me take this opportunity to urge all the member countries to, for example, recall some of the Rio Principles that were adopted during the 1992 UN Conference on Environment and Development which state and I quote:

***“The special situation and needs of developing countries, particularly the least developed and those most environmentally vulnerable, shall be given special***

**priority..... In view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit to sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command.” End of quote.**

Have we implemented these principles fairly? Has each nation played its role? Let us work together to pursue sustainable development in favour of our societies and the future generation. We should not wait for history to judge.

**Mr. President,**

The rapid changing pattern of global production, consumption and trade are having a significant impact on the process of industrial development. This is true in developing countries and countries with economies in transition. The growth of manufacturing production in developing countries has been accompanied with increases on their share in the global trade. Much of this growth has been the increase of trade between developing and developed countries. Though unprecedented in its overall magnitude, this growth in manufacturing has been highly uneven, creating a growing industrial divide and widening gap not only between developed and developing countries but even within the developed countries. There is an African proverb which says: **“If a bully steps on your toe, you have two options. You can either keep quiet, suffering in endless bitterness, or**

*you can shout at the top of your voice that a bully is stepping on your toe”.*

**Mr. President,**

We all agree that industrial development is a locomotive for economic growth, employment and poverty eradication. The industrialisation process enables countries to create jobs, exploit its natural resources and add value to its agricultural produce. The process also enables the creation and expansion of markets since goods and services are readily available. When any country has a vibrant industrial sector and developed agricultural sector, automatically that country has higher economic growth rates due to the attainment of forward-backward linkages. The agricultural sector produces raw materials for the industries on the one hand, whereas on the other hand, the industrial sector produces equipment, machines and other inputs for the agricultural sector.

Industrialisation would require meeting the national capacity, including energy needs and adequate non-discriminatory market access for the products. We understand that there are barriers that must be tackled to enable us go through the process of industrialisation. Most developing countries lack technology and ICT, adequate and skilled human resources, financial resources and specialised training institutions.

**Mr. President,**

Some of us who are coming from developing countries believe that UNIDO can play a key role in assisting in the process of industrialisation in developing countries. UNIDO can provide support in the areas of capacity building, training, technical and financial assistance in industrial

management. These are critical areas for developing countries, particularly the LDCs to realise industrialisation. UNIDO can as well provide assistance through the technical co-operation programmes and through its advisory services to ensure the promotion of industrial development.

In most countries, the private sector is the main driving force of industrial development. However, changing patterns of production, investment and trade shapes the economic globalisation process.

A vibrant private sector based on a combined strength and linkages between large and medium, small and micro enterprises is essential for triggering economic dynamism, enhancing productivity transferring and diffusing new industrial technologies. Private sector is important for maintaining competitiveness and contributing to entrepreneurship development and ultimately poverty reduction.

**Mr. President,**

Over the years, Tanzania has successfully been undertaking various economic reforms aimed at revamping the economy. The industrial sector is one of the beneficiaries of these reforms which have lead to an increased industrial growth rate from 8.8 percent in 2004, to 9.0 percent in 2005 and with slight decline to 8.6 percent in 2006.

The sector's contribution to the Gross National Product (GDP) has also increased from 9 percent in 2005 to 9.2 percent in 2006. Furthermore, the industrial sector contribution to exports has increased to 11.1 percent in 2006 from 10.1 percent in 2005.

Investment flow in the industrial sector has been modest compared to other sectors and continue to be one of the leading sectors in terms of foreign direct investment (FDI) flow. Based on the approved projects in the year 2006, out of 679 approved projects by Tanzania Investment Centre, manufacturing sector accounted for 179 projects after tourism which was leading with 205 projects.

However, the industrial sector faces many challenges which impede faster growth. Our target is for the industrial sector to reach a growth rate of 15 percent by 2010 as envisaged in the National Strategy for Growth and Poverty Reduction (NSGPR).

The Government will continue to play its role in stimulating and promoting industrial development through, inter alia:

- creating an enabling environment;
- establishment of attractive regulation and investment incentives; and
- eliminating bureaucracy.

In conclusion, **Mr. President**, let me once again reiterate the readiness of the Government of the United Republic of Tanzania to continue working closely with UNIDO and support its endeavour. UNIDO is doing a commendable job in assisting developing countries. In his autobiography, the late comedian, film actor, director and satirist, Sir Charles Chaplin, has this to say of the odds he had to surmount to succeed. He said:

***“You have to believe in yourself, that’s the secret. Even when I was in the orphanage, when I was roaming the street trying to find enough to eat, even then I thought of myself as the greatest actor in the world. I had to feel the exuberance that comes from utter confidence in yourself. Without it, you go down to defeat”.***

The Late Mwalimu Julius Kambarage Nyerere, and the first President of Tanzania taught Tanzanians to believe in themselves, even when poor. The challenge before us is to turn that belief in ourselves into success. Developed countries have a greater role to play. They own technology and financial resources. The developed countries can just release a fraction of technological know how and resources for developing countries to realise industrialisation.

Together, with UNIDO support, it can be done. We believe that ***together we can make a difference!***

**Mr. President, Excellencies, Distinguished Delegates, Ladies and Gentlemen,**

I thank you for you kind attention.