

## PREFACE

A substantial proportion of the raw materials produced in developing countries is processed in developed countries and very little change is taking place in this location pattern of processing activity. It has been clear for some time now that in many cases economic considerations are not the determining factor in the pattern of location of processing and that among the many constraints to the development of processing in developing countries are unfavourable trading policies including restrictive business practices as well as factors related to underdevelopment. It is likely therefore that the removal of these constraints and the positive encouragement of processing could make a substantial contribution to economic development especially in view of the vast scope for increasing value added in raw material production in these countries.

Commonwealth developing countries are substantial producers of commodities and the expansion of domestic processing is therefore of significant importance to them. In the light of these considerations this study was commissioned from Professor Hans Singer with a view to identifying the constraints to the development of processing in developing countries, evaluating their importance and recommending remedial measures.

The study is intended to assist the developing countries in their industrialisation efforts and the international community in accommodating policies which could facilitate such efforts.

The Secretariat is grateful to Professor Singer and Juliette Stephenson for the substantial amount of work they have put into this study. It is hoped that the study will make a valuable contribution to the discussion of this important issue.

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