

SECTION IV

Policy Requirements

Developing countries are confronted by many obstacles to establishing and expanding local processing facilities for indigenous natural resources, whether for the domestic market or for export. The term 'natural resources' covers a vast heterogeneous collection of commodities; therefore all policy proposals must necessarily apply more or less according to the type of commodity, which particular constraints it faces, in which country it is produced, as well as a host of determining factors like the political ability of governments, the social and economic situation and so on. But in all cases LDCs generally need to improve the necessary infrastructure, develop local markets (often largely rural) and develop co-operative measures by joint action, specifically in relation to expanding processing local raw materials.

In this section we therefore consider a number of general policy measures that could be taken both nationally and internationally to encourage LDC domestic processing, as well as more specific measures relating to the major constraints identified in Section III.

LDCs, in their own domestic policies, must pay especial attention to opportunities for expanded processing within their overall development strategy; full integration of policies in various fields is essential. The role of processing industries must be clearly defined in agricultural as well as industrial policies, and particularly its role in rural development strategies. It is essential to avoid contradictory or inconsistent policies where governments on the one hand encourage food processing industries but at the same time tax the imports of intermediate inputs, like tins used for canning.

Policies should be geared to utilise the stimulus that 'linkage effects' can create and the economies of backward and forward integration can be of great importance in the development process. Government measures can facilitate 'backward linkages', that is to say, production of intermediate inputs and increased raw material production, for example by providing road and land-clearing equipment, pipe and irrigation facilities, etc. Forward linkage may be induced by infrastructural investment in transport, electricity or, more specifically, improved storage facilities and marketing systems. Technological policy and R and D expenditures can also be usefully guided by the concepts of linkage, of which processing is an important part.

Where possible and appropriate, measures should be taken to encourage the development of indigenous small efficient processors; (1) incentives which permit firms to adapt their size and productive capacity to evolving local and international markets; measures which promote concentration, without loss of independence such as inter-firm co-operatives and co-ordinating centres like the "G.I.E." in France, (2) to undertake a variety of joint ventures. The 'leading enterprise', when appropriate, can be encouraged to provide

technical assistance to smaller enterprises. The development of sub-contracting relationships can be useful to smaller enterprises. Trade Associations between processing industries can be established.

A number of general monetary and fiscal measures are available to encourage local processors to enter production, including export incentives, general tax relief and where possible these should be integrated with other measures. Rural development policies for example can encourage rural co-operatives to set up special reserve funds for small and medium-sized processing industries. For larger-scale processing industries access to finance from state credit agencies should be facilitated.

Another important area of government policy is in research and in funding pilot plants to adapt technologies to local conditions and particularly to develop locally suitable processing equipment - preferably on a smaller scale, to help overcome any loss of competitive advantage arising from scale economies; to develop more suitable local varieties of raw materials; to promote the quality control and standardisation of primary products so essential to processing; and to undertake research into further uses for by-products and waste products. The dissemination and application of such research is of particular importance; this requires good links between the science and technology system and the production system. The poorer and smaller LDCs will find all this very difficult to achieve, and may require a good deal of financial and technical assistance.

In fact, in all measures designed to expand and support the domestic processing of LDC natural resources particular attention should be given to the problems of the least developed, small and land-locked countries. Such particular emphasis is justified by the proportionately even more important role which raw material processing industries can play in their initial industrialisation and development.(3)

Then there are specific policy measures that can be taken with regard to agricultural supply adaptation. Processing industries buying raw material supplies on the open market may be subject to a good deal of uncertainty, and policies should be aimed at encouraging dependable contractual supply arrangements between independent farmers and agricultural processing industries. Such arrangements themselves "... are in a sense a mechanism for self-regulating agricultural supply adjustment", (4) and provide for both regular supplies and uniform quality. The contract may cover various matters, such as stipulating prices, varieties, acreage, types of seeds, fertilizers, dates of planting, weeding and harvesting, harvesting methods and so forth, which leaves both sectors free to plan their activities within the agreed framework according to their own preferences. Often, in existing agreements, processing industries supply seeds and provide free technical assistance, perhaps also harvesting equipment etc. Producer Associations are helpful in establishing long-term contracts which may be encouraged by creating agencies to grant special incentives like 'take-off' and 'initial activity' aids.(5)

Where foreign investment is dominant, its very nature with its technical capabilities and its preference for vertical integration for the control of supplies and markets can serve to alleviate the problems of supply constraints, but as we saw in Section III, it may also in its turn present a number of other

constraints to the expansion of processing industries in developing countries. As is recognised in current discussions concerning a 'code of conduct', there is a clear need for both LDCs and DCs to co-operate and co-ordinate policies concerning the impact on developing countries of restrictive business practices of foreign enterprises, especially multinational corporations. LDCs could benefit by ensuring a free flow of information among them regarding the practices of foreign firms and by co-ordinating their foreign investment servicing procedures; in other words, it is "... essential that developing countries should harmonize their foreign investment legislation."(6) DC governments should likewise within their own legislation and control of restrictive business practices, take account of the need for similar monitoring and control on the part of LDCs. Furthermore, DC legislation, with specific impact on processing, should include control of national and international export cartels, discourage 'brand' monopolies by disallowing excessive brand advertising expenditures as an exemption from taxable profits. LDCs can also themselves legislate to prevent the proliferation of foreign brands and to encourage the development of local brands.

Foreign investment is particularly dominant in the field of non-renewable natural resources and in determining the location of processing facilities, but relationships are gradually changing in favour of processing in developing countries as technology becomes increasingly available on market terms and as the policies and leverage of the LDC resource countries become more clearly perceived and more purposefully used. As the assurance of raw material supplies, both in terms of quantity and of price stability, becomes increasingly important to processors, they are anxious to adopt a co-operative attitude to LDC host governments while at the same time diversifying and seeking alternative sources of supply. The choice of strategy that confronts LDCs vis-a-vis foreign investors is one determined by their relative bargaining strengths, which in turn depends on factors like alternative sources of supply of raw materials for foreign importers and processors, the size of domestic and export markets for the primary and processed forms, the dependence of LDCs on foreign exchange, the possibilities of regional LDC co-operation and so on.

In the latter instance, where LDCs decide that greater benefits may accrue by adopting a co-operative strategy in order to attract foreign investors in natural resources, there are a number of measures that can be taken to encourage them to expand into down-stream processing locally. Joint ventures between the host governments and foreign enterprises can be established with a distribution of profits based on their equity share, or as otherwise agreed, and perhaps complemented by a range of service contracts and various other incentives to induce multinational corporations to invest in local processing facilities. Another possibility is to leave foreign investors to operate in the field of primary product and raw material production but to specify that a quantity of output be made available to local LDC processing industries, which thus enter only at the processing stage. A privileged position in supplying the local market with the processed product could also be one of the inducements for attracting investors, local and foreign, into domestic processing in the LDCs.

To enact such inducement measures a variety of policy instruments are available to LDC governments, of a contractual, administrative and legislative nature. The most important measures of the latter type are tax rebates which include special tax holidays and differential tax rates on dividends, rate reductions, accelerated depreciation allowances and so on. However, in some situations methods more directly aimed at processing may be more effective; for example varying the royalties on raw materials as between domestically processed and those exported unprocessed; imposing export quotas or levying export duties on unprocessed raw materials. It has been suggested that a general export tax on all primary commodities levied by LDCs could also serve to move the terms of trade in their favour.(7)

Tax incentives may also be used to regulate the repatriation of profits and determine re-investment policies: for example the amount of earnings that foreign enterprises can repatriate could be made conditional upon the degree of processing they undertake domestically; it could be stipulated that a certain percentage of profits must be re-invested in domestic processing facilities and so on. Even without specific link, agreed limitations to the repatriation of profits can serve as an incentive to invest them in processing facilities. However, a drawback with such financial measures is the uncertainty of how much actual downstream processing will result, whereas with contractual arrangements specific projections can be made; with such a safer basis for projections, a longer-term perspective can be taken which is helpful for planning purposes. Contractual agreements may contain certain processing obligations, as for example, foreign investors committed to buy a proportion of LDCs' domestically processed output. There can be more direct obligations to process domestically, subject to such sanctions as financial penalties, forfeiture of the right to renew the agreement and LDCs' right to terminate it. Joint ventures, licensing and management agreements between the host government and the foreign enterprise can also deal specifically with the transference of technologies necessary for establishing processing industries.(8) Governments should additionally establish national institutions to cover problems relating to access to and acquisition of processing technology from multinational corporations and other sources. This is a part of the general problem of developing an appropriate science and technology policy - a subject which will be under discussion in connection with the 1979 UN World Conference on Science and Technology in Economic Development (UNCSTED). The processing technology for an LDC's major natural resources should normally be among the priority areas of that country's science and technology policy and institutions.

In the postwar period, as so many LDCs have attained political independence, they have increasingly sought control over their own natural resources, often by way of nationalisation. A UN study (9) shows that 45% of the nationalisation which occurred between 1960 and 1971 was concerned with raw materials and that from 1971 to 1974 this had risen to 62%. Nationalisation may on the one hand result solely from unilateral action taken by LDCs, but in other cases the companies themselves may have welcomed and initiated such moves.(10) Most commonly the conditions of partial or full take-over will be mutually negotiated between the foreign enterprise and LDC host government. However, despite nationalisation at the raw material stage, LDCs may still face the previously discussed constraints to the development

of domestic processing. To the extent that they remain dependent on foreign investors for technology and marketing and distribution outlets the concept of 'permanent sovereignty over natural resources' may not have much effect upon the location of processing facilities. Different measures can be pursued to overcome these barriers in conjunction with any policies of nationalisation or other methods of strengthening 'sovereignty'. But such measures are relevant to any progress with raw material processing, whether foreign investment is involved or not.

In many cases there do exist independent firms or rival corporations with whom LDCs could make contact and seek to establish marketing and distribution outlets for processed products. Measures can also be taken to encourage direct co-operative links with other state enterprises, both within LDCs and developed countries, including the centrally planned economies. All instances where a mutuality of interests and useful knowledge exist should be exploited and fully utilised.

General marketing measures include establishing organisations such as Trading Corporations to undertake joint marketing arrangements.⁽¹¹⁾ These could deal with distributing in local markets through retail shops and consumer co-operatives; develop an international brand image for the domestically processed good; encourage quality control and (in the case of food products) health legislation; promote exports, including participation in International Trade Fairs. Trade Banks could be established to provide export insurance, banking services and other information regarding the export of processed goods. Government policies should encourage and pursue all 'potential' market openings;⁽¹²⁾ sectors of 'buoyant demand' like many of the food processing industries should be fully exploited especially where LDCs may develop a competitive advantage. Important areas are speciality products, goods for the catering and institutions market, animal feedstuffs, and also the supply of domestic markets with local brands. In all these respects, the promotion of domestic processing is not essentially different from the promotion of domestic manufacturing in general.

Government agencies, such as a Food Corporation, as well as being concerned with nutrition programmes etc., can identify which are the priority areas to be developed, plan production according to different capacities, provide financial help like long- and medium-term loans to processing firms, and encourage the Government to use fiscal facilities e.g. duty-free admission of processing equipment and other necessary inputs.

The establishment and expansion of certain types of domestic food processing in developing countries is also very desirable on nutritional grounds, particularly in relation to young children. The protein requirements of young children are so high in relation to their small absorptive capacity for bulk food that specially processed and nutritionally fortified foods for young children can play an important role in preventing malnutrition, with possibly irreversible effects on the future physical and mental development of the children concerned. In the absence of domestic processing of this kind the special baby food and children's food concerned will be imported, when in fact it could be based on domestically produced food. This would also have higher acceptability for the local population.

Where regular raw material supplies are critical to particular developed economies, there may be openings to negotiate direct agreements between either private companies or state controlled enterprises in the source LDC and in the importing developed country without recourse to multinational corporations. In such cases, the importers or the government of the developed country may be induced to provide private capital for investment in LDC processing facilities. (13)

A number of the international organisations are concerned with technology transfer and marketing problems as they relate to processing industries. The UNDP Country Programmes include a range of processing projects, carried out either by UNIDO or FAO, including feasibility studies, market surveys and pilot projects. Technical assistance is given in the establishment and operation of processing plants, particularly with the acquisition of 'processing skills' and the necessary training. This is in addition to various projects under the FAO direct assistance programmes which provide for training institutes for personnel in processing industries, help with the establishment of research institutes to look into different processing techniques, and investment appraisals, feasibility studies and pilot programmes. In the FAO Industry Co-operative Programme emphasis was given to projects which increase LDCs' industrial capacity and add to the value of domestic production by local processing. In particular the FAO Agro-Industry Strategy Import-Export Co-operative Programme (IECP) is designed to link LDC producers to large retailing organisations in DCs. The aim is both to expand the supply base and to encourage the relocation of processing capacities to LDCs.

This leads directly to the issue of 'Redeployment': this was the direct outcome of the Lima Declaration (Second UNIDO World Conference 1975), which stated that "... the redeployment of certain productive capacities existing in DCs and the creation of new industrial facilities in the developing countries" (14) should be encouraged. Redeployment, a rather ill-defined concept subject to a broad range of interpretations, as it relates to processing industries involves the following: a shift of processing capacities to LDCs, including physical shifts, concentration of new processing investment in LDCs and the deployment of technology, management services, equipment, etc., as part of a deliberate internationally agreed policy and as an intrinsic component of global industrial restructuring, which in turn is a key element in NIEO (New International Economic Order). There does appear to be a positive response on the part of some companies in the food, leather, pulp and paper, rubber, textile and wood processing industries; and a UNIDO study concludes that there exists a "definite potential for redeployment". (15) However, to the extent that the prime motivation on the part of redeploying foreign investors is to obtain easier access to LDC markets and safeguard sales proceeds, care must be taken that redeployment policies are consistent with other LDC and DC objectives and policies.

The other area of vital importance are the measures to be taken concerning the formidable trade barriers to processing that LDCs face, particularly in the form of tariffs and non-tariff barriers, and often as a result of deliberate commercial policies pursued by the developed countries. A number of international policies have been initiated but, given the LDCs' weak bargaining power within the present world economic order, to date

such measures have had little effect on improving the trade position for the processed commodities of the LDCs.

It has been pointed out that one method of supporting the transformation of LDCs from primary product suppliers is to create incentives for the location of processing facilities in the raw material producing countries "by virtually reversing the present tariff structure through a decrease of tariffs on manufactured, semi-manufactured and processed goods exported by LDCs while possibly even levying some tariffs on raw materials imported from them."(16)

The major action that has been taken in this area towards reducing tariffs and eliminating escalation is the General Scheme of Preferences negotiated by UNCTAD. The GSP in principle applies to processed and manufactured goods with 'certain exceptions' and it is these exceptions that determine its presently extremely limited coverage and correspondingly limited role in promoting LDC exports of processed raw materials. Indeed, in general, there is "... a direct correlation between the ability of the developing countries to export and the degree of restraint imposed", (17) in the sense that successful export performance tends to be penalised by restrictions sometimes described as "voluntary". Preference giving countries have generally provided that the GSP excludes primary products, and most especially agricultural products and their processed forms. These exceptions are made in the form of 'negative lists' which in practice also include leather goods, petroleum products and textiles. In addition to these 'exceptions' all countries employ some kind of safeguard as 'escape clause'.

An UNCTAD study⁽¹⁸⁾ recommends five major ways in which the GSP should be improved, which are as follows: firstly, extend the scheme to cover all processed commodities of export interest to LDCs; secondly, all preference giving countries should grant duty-free treatment to all beneficiary items under the GSP; thirdly, all ceilings, tariff quotas and 'maximum amount' limitations should be suppressed; fourthly, under the GSP all LDCs should be subject to 'cumulative treatment', i. e. the stringent origin requirements should be relaxed; and finally, the duration of the GSP should be extended beyond its original ten years in order that it may in fact fulfil its original objectives. All these improvements, especially of course the first, would help with the development of processing in LDCs.

The STABEX scheme, which compensates the EEC-associated African Caribbean and Pacific (ACP) countries for certain shortfalls in their export earnings on selected 'primary products', because of the ill-defined position of most 'processed' products, (19) in fact includes a number of raw materials in processed form, e. g. cocoa paste and butter, coffee extracts, palm and palm kernel oil, and groundnut oil. For those processed products covered, this scheme may well provide encouragement for LDCs to export raw materials in processed form. However, STABEX and the GSP, to be effective in this direction would have to extend coverage to those processed goods which at present fall through both nets.

Other measures include individual commodity agreements, including agreements not to discriminate against imports of the commodity in processed form.⁽²⁰⁾ OECD countries have pursued policies of 'Orderly Adjustment'⁽²¹⁾ which incorporate a variety of schemes to deal with single or small groups

of similar processed products. One such scheme is the conclusion of special agreements which, according to the season and market situation, grant reduced tariff rates or levies, e.g. EEC agreement with Argentina and Uruguay for supply of processed beef; (22) this should be extended to all processed commodities covered. Likewise, there are agreements for specific commodities subject to strong competition, like processed fruit and vegetables, providing for imports from LDCs under duty-free quotas, e.g. EEC imports of canned pineapples and green coffee from East African countries. Another approach to 'orderly adjustment' by OECD countries are the conferences on particular commodities to improve the market situation by providing information exchanges on production and marketing, problems of market access and expansion and so on; an example was the Tripartite Conference of South Africa, USA and Australia 1968 on canned peaches. Finally, all the cuts that are agreed in multilateral trade negotiations should be implemented immediately.

In the field of non-tariff barriers (NTBs) again much work has been done, under the auspices of UNCTAD, on measures which should be taken to reduce barriers to LDC processed exports. These include, firstly, the removal of import quotas (including discretionary licensing) as soon as possible and a number of interim measures like progressively enlarging global quotas, converting discretionary licences, bilateral and unspecified quotas to 'global' quotas etc.; secondly, the removal of variable levies and the exemption of processed products of LDCs from such levies; thirdly, the abolition of prohibitions and embargoes now inhibiting LDC processed exports; fourthly, health and sanitary regulations should be revised, and where no longer necessary, should be removed and relaxed when too stringent, particularly by treating imported and domestically processed goods equally; and finally, UNCTAD recommend that the possible adverse effects of state trading enterprises on LDC processed exports might be eliminated by encouraging, rather, the import of processed products, perhaps by adopting discriminatory pricing policies in favour of LDC processed goods to eliminate any price handicaps.

In principle, thus, all trade liberalisation measures should be extended as far as possible to cover LDC exports of processed raw materials. Obviously, in many cases, there is a need for gradual adjustment particularly where such measures conflict with other objectives. The need, therefore, is to integrate and coordinate to the greatest possible extent all such liberalisation policies; at the same time, the need for adjustment assistance programmes in DCs should not be neglected. Actions and measures taken in the trade field which are generally of broad coverage, can be complemented by development assistance measures of a more selective nature, geared to meet specific needs of specific countries; such assistance can come from UN agencies, or other multilateral or bilateral aid funds: here again there arises a need for the co-ordination of such aid measures with each other as well as with trade liberalisation measures. Joint venture projects can combine the resources of private industry, the advantages of multilateral and bilateral aid, and governmental support.

One last policy measure that relates specifically to trade barriers concerns discriminatory and escalating freight rates. LDCs could collectively improve their bargaining position vis-a-vis the freight conferences and where possible obtain promotional freight rates by forming regional shippers'

councils and 'freight investigation units' to consult and negotiate with liner conferences.

Finally, while the removal of obstacles and constraints to trade should create conditions in the demand still more conducive to the expansion of domestic processing industries in LDCs, there is a strong need for closer co-operation and integration among LDCs to exploit such conditions and to further all possible benefits by "... identifying and promoting regional or inter-regional enterprises among them for local downstream processing of their commodities." (23) Furthermore, "It would seem particularly desirable to seize the opportunities provided by the emergence of surplus capital resources in some LDCs / OPEC countries / to launch a comprehensive programme of regional or interregional industrial enterprises among developing countries for the further local processing of their commodities." (24) Though the expansion of local processing of raw materials for the domestic market is desirable and important especially for many food products, (25) for most processed commodities this alone is "... generally not feasible because of the narrowness of many of these individual domestic markets." (26) The establishment of regional trading zones and preferential trade arrangements for processed products is "... one major area ... where the concept of 'collective self-reliance' among LDCs could achieve concrete meaning." (27) In this connection the establishment of producers associations is important for an improved bargaining position of primary producers in negotiations with the importing countries and also transnational enterprises. Specialisation, with particular countries producing specific processed commodities for a joint market, is also possible. Co-operation between developing countries should be aimed especially at developing indigenous technology for processed primary products, more suited to local conditions. This could help to disseminate, for example, Cuban sugar-cane processing techniques or Argentinian wood-pulp processing technology. Such matters are currently under discussion in the context of the Conference on Technical Co-operation among Developing Countries (TCDC).

Much work has been done in this area by UNCTAD (28) and their recommendations for policy action, as they relate specifically to processed commodities, are basically as follows: that LDCs should go beyond the limited coverage of the 'Protocol Relating to Trade Negotiations Among Developing Countries' by negotiating and developing a system of preferences; which as well as covering tariffs and NTBs could also cover preferences in sources of procurement. Furthermore, there is scope for both extending and strengthening existing regional integration and free trade areas, as well as promoting new groupings; preferential trading schemes could be supported by clearing unions and payment arrangements which provide credit to member countries, allowing them to expand mutual trade with other LDCs in processed commodities without immediate payment in convertible currency. Such payment arrangement (UNCTAD suggests) could well be funded by LDCs with surplus resources (OPEC countries). Another possible measure, where feasible, is accepting repayment of aid from LDCs to other LDCs in the form of processed imports. This last measure could also apply, of course, to aid from DCs to LDCs, with processing possibilities.

TABLE 4.1 Exports of Processed Foods from OECD Countries into
Developing Countries - 1969

Product	Million U.S. Dollars					
	Africa	Latin America	Near East	Asia	Unspecified	Total D.C.
012 Meat, dried, salted	0.8	11.2	-	1.0	2.7	15.7
013 Canned meat	7.6	15.4	6.3	9.1	14.7	53.1
022.1 Milk evaporated)	79.9	91.9	42.0	117.6	7.4	338.8
022.2 or dry)						
023 Butter	12.4	9.3	11.2	12.5	2.7	48.1
024 Cheese and curd	15.1	8.6	7.7	0.9	5.6	37.9
032 Canned fish	9.7	11.0	6.7	33.5	10.1	71.0
046 Meal and flour of wheat	33.1	63.1	54.4	75.9	5.5	232.0
048 Cereal preparations	31.2	36.3	9.2	43.8	5.5	126.0
052 Dried fruit	0.6	4.6	-	2.9	1.5	9.6
053 Preserved fruit	2.8	11.6	4.0	5.6	5.0	29.0
055 Preserved vegetables	13.6	10.9	9.9	10.5	6.6	51.5
062 Sugar confectionery and sugar preparations	5.5	6.4	4.5	6.8	5.4	28.6
072.2,.3 Cocoa butter, paste	3.2	0.2	2.2	2.1	34.6	42.3
073 Chocolate, cocoa preparations	3.7	3.8	4.1	6.6	4.8	23.0
081.3 Oilseed cakes, meals	0.5	6.0	2.8	5.6	1.4	16.3
081.4 Meat meal, fish meal	0.1	0.2	0.5	2.7	1.0	4.5
099 Food preparations n.e.s.	17.9	36.6	17.2	26.2	8.2	106.1
112.1 Wine and must	33.0	12.6	0.5	2.5	6.7	55.3
112.3,.4 Beer, distilled alcoholic beverages	32.5	64.4	12.0	36.8	11.9	157.6
411.1 Oil of fish	-	0.5	0.1	1.1	1.0	2.7
411.3 Animal oils, fats	9.2	18.0	10.3	27.3	6.6	71.4
421,422 Vegetable oils	29.7	45.7	23.7	59.3	5.4	163.8
431 Animal, vegetable oils and fats, processed	4.2	6.8	7.1	4.9	4.2	27.2
<u>Total of above</u>	345.3	475.1	236.4	495.2	158.5	1,711.5

SOURCE: FAO Working Paper ESCR: Misc.73/1.

Footnotes

1. See OECD, Processed Agricultural Products, pp.30-31; also E.B. Simmons, "The Small-Scale Rural Food-Processing Industry in Northern Nigeria".
2. OECD, Processed Agricultural Products, p.33 para 70.
3. See in particular UNIDO, Industrialisation of the Least Developed Countries (ID/WG.234/13).
4. OECD, Processed Agricultural Products, p.28 para.53.
5. Ibid., p.29 para 56.
6. UNCTAD, An Integrated Programme for Commodities (TD/B/C.1/197), p.12 para 31.
7. W.A. Lewis, The Evolution of the International Economic Order.
8. The next section relies on UNCTAD TD/B/C.1/197, especially p.13, paras.34-37.
9. UNCTC, Transnational Corporations and the Processing of Raw Materials, pp.24-25.
10. Ibid., p.28, for examples.
11. OECD, Processed Agricultural Products, pp.35-37, especially for general marketing strategies.
12. For 'perennial' markets within LDCs see Table 4.1 (and also Section II); NB: particular relevance to possibilities of 'regional trading zones'.
13. Z. Mikdashi, The International Politics of Natural Resources, pp.20-21.
14. UNIDO, Lima Declaration, para 61(d).
15. UNIDO, The Redeployment of Industries from Developed to Developing Countries.
16. K.P. Sauvant, "The Poor Countries and the Rich".
17. L.N. Rangarajan, Commodity Conflict, p. 153.
18. UNCTAD, An Integrated Programme for Commodities (TD/B/C.1/197), pp.6-7.
19. See Section I on problems of definition of processed commodities.
20. UNCTAD, An Integrated Programme for Commodities (TD/B/C.1/197), pp.16-17.
21. OECD, Processed Agricultural Products, pp.44-45.

22. Ibid., p.44.
23. UNCTAD, Integrated Programme for Commodities (TD/B/C.1/197), p.14.
24. Ibid., p.15.
25. OECD, Processed Agricultural Products, pp.10-11, especially the example cited: "UNIDO ... suggests that for factory produced oil and/or oilcake, approximately 75% of the total output should be absorbed by local markets to ensure that the oilseed processing industry is economically viable".
26. UNCTAD, Integrated Programme for Commodities (TD/B/C.1/197), p.11.
27. Ibid.
28. Ibid., pp.10-11 and 14-15.