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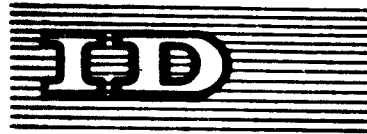
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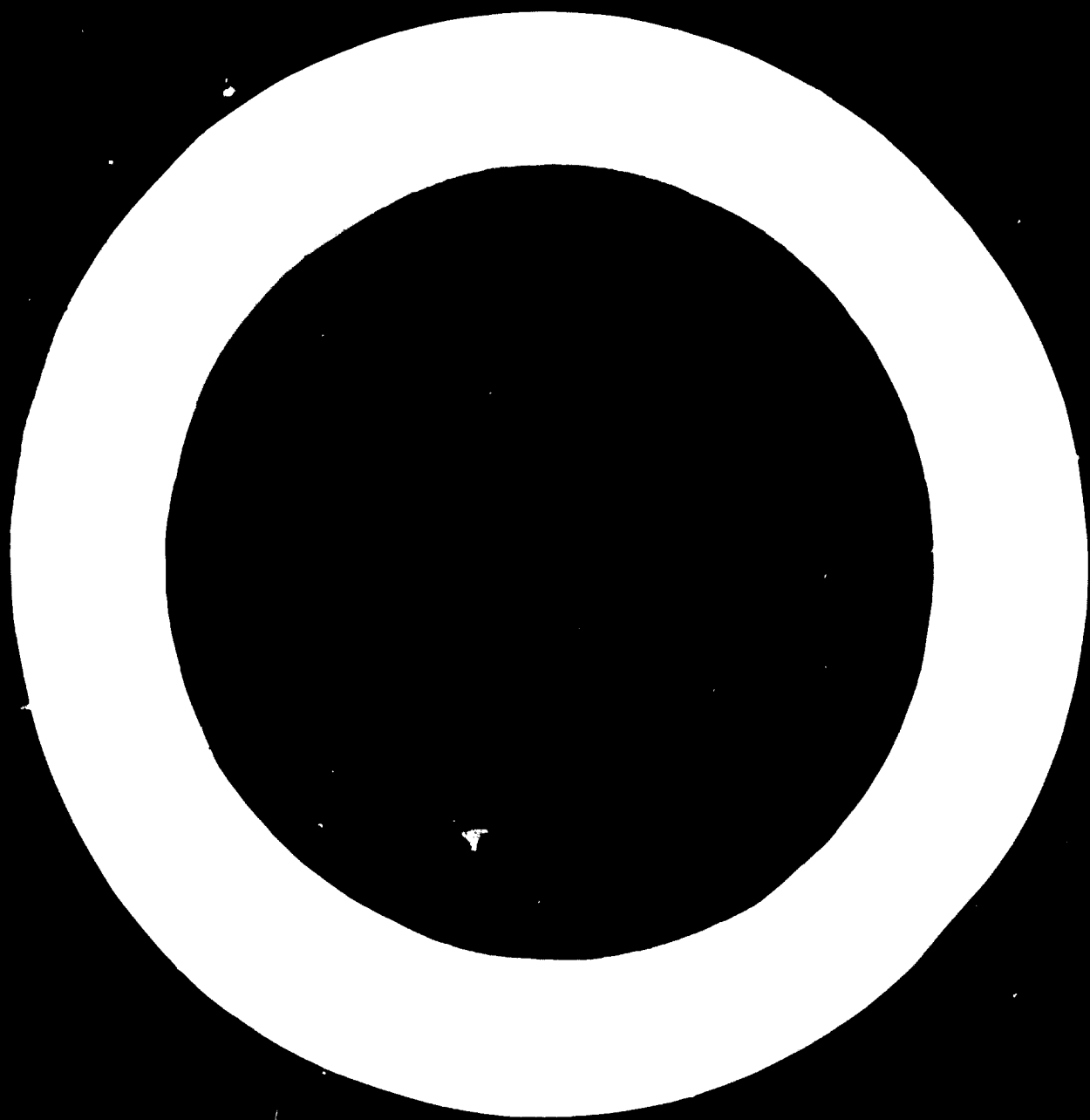
CHECKLIST FOR PROJECT INVESTMENTS^{1/}

by

Chase International Investment Corporation

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

^{1/} The views and opinions expressed in this paper are those of the Chase International Investment Corporation and do not necessarily reflect the views of the secretariat of UNIDO.



CHECKLIST FOR PROJECT INVESTMENTS

1. The Company to be Financed

- (a) Describe the (proposed) company, its capital structure, location and nature of major activities. Give biographical notes of promoters, principal stockholders, directors, management and bank references. If going concern, submit current balance sheets, earnings statements, financial history.

2. The Project to be Financed

- (a) Describe the project: Is it an expansion, modernization or a new undertaking? State and describe costs of plant and equipment. Describe products, their economic justification and contributions to the host country, i.e., what will make it welcome in the host country? (Will it generate dollar income, save foreign exchange, utilize local raw materials or local labor?)

3. Management

- (a) State what experienced corporate entity will construct and operate the plant, its competence and foreign experience.
- (b) What local independent professional services will be used (lawyers, accountants, engineers, marketing experts, etc.)?

4. Raw Materials and Labor

- (a) List raw materials, source and cost. May they be freely imported?
- (b) What are labor requirements: Local and expatriate, skilled and unskilled? What provision for training and advancing local labor?

5. Markets

- (a) State projected demand and sales for next five years. What is the statistical basis of the projections? Where imports or exports are part of the market show quantities and value by country.
- (b) What is the competition, domestic and foreign?
- (c) Are there import restrictions, duties, or other government regulations which may affect sales either in the host country or export markets? Does the company have long-term sales contracts?

6. Operations and Financial Results

(a) Submit:

1. Projections of output, costs, revenues, taxes and profits for at least the first three years of operations or for the period foreign debt will be outstanding. State construction and start-up time. (Cost items should include raw materials, labor, power, administrative expense, sales expense, depreciation and taxes.)
2. Cash flow statement, showing source and disposition of funds during construction and for period corresponding with (a) above.

(b) What provision is made for overruns in construction and start-up costs?

7. Government Environment

- (a) What role will government have in the project?
- (b) What incentives will it offer? What is government policy regarding repatriation of profits, dividends, interest and capital, entrance and residence of foreign technicians and other factors which may effect the project?

8. Taxation

State the effective rate of taxation, giving details of each tax, its rate and any tax preferences.

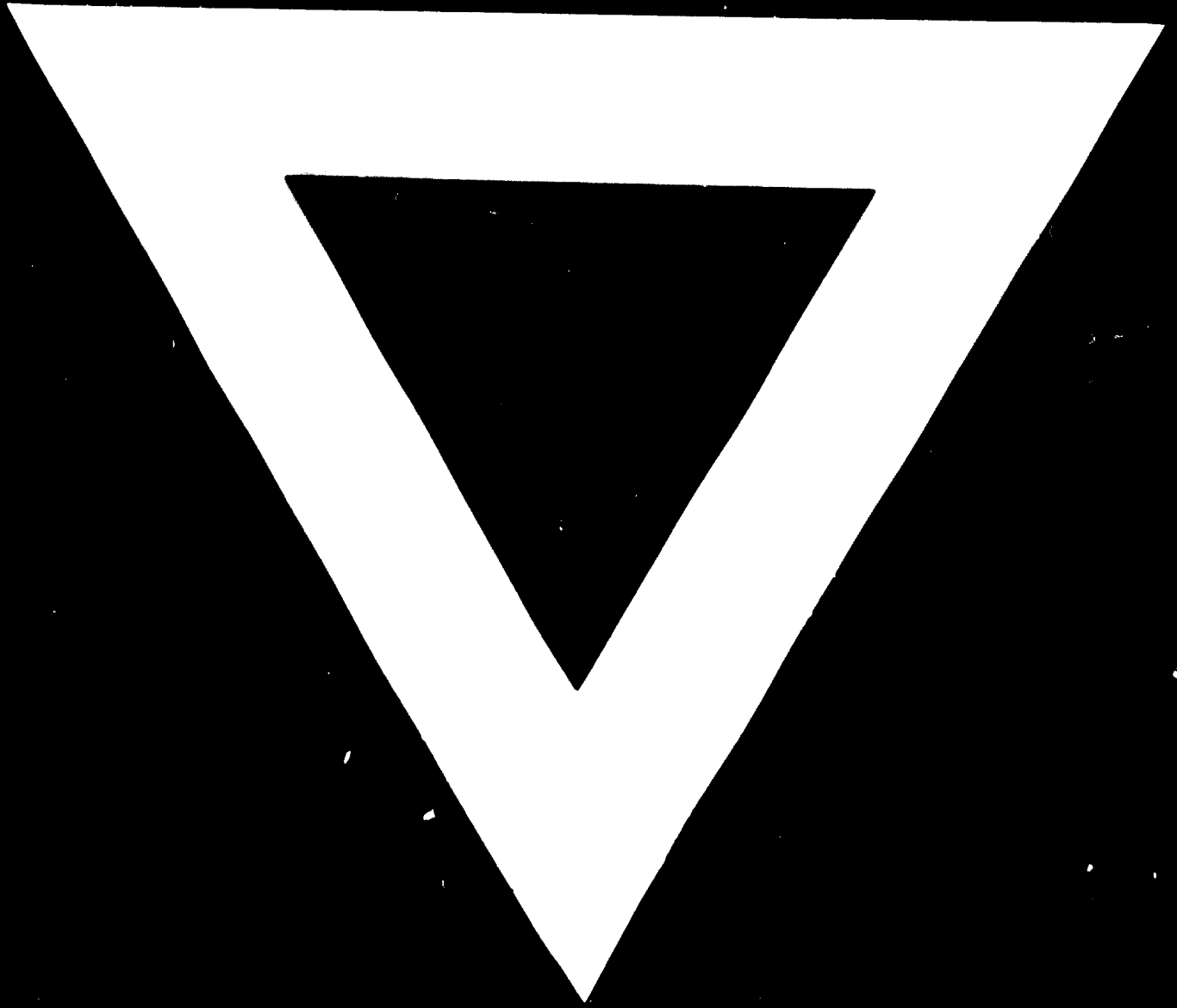
9. Capital Requirements and Financial Plan

Show in detail by source and currency how minimum capital needs will be met; include working capital and interest during construction. State efforts, if any, made to raise the required capital and approaches made to potential lenders or investors.

10. Independent Studies

If independent technical, cost, market or other studies have been made, submit these; if none made state what such arrangements will be made.





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