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MEETING TO PROMOTE INVESTMENT AND INDUSTRIAL CO-OPERATION
IN SELECTED WOOD-PROCESSING INDUSTRIES

Montreal, Canada, 16-21 May 1977

Report and follow-up action

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INTRODUCTION

1. A Meeting to Promote Investment and Industrial Co-operation in Selected Wood-processing Industries was held from 16 to 21 May 1977, in the Queen Elizabeth Hotel, Montreal, Canada. The Meeting was sponsored by the United Nations Industrial Development Organization (UNIDO) in co-operation with the Canadian International Development Agency.
2. The Meeting noted that currently, developing countries with rich forest resources exported their timber largely in the form of log, which was subject to sharp fluctuations in both value and demand on the ever-changing international timber market. The accelerated development of wood-processing industries in those countries would increase the value of, and help to stabilize, their exports. The wood-processing industry was not always a capital-intensive urban industry. It was often located in forest-rich rural areas, mainly to reduce transport costs. Thus, the growth of the wood-processing industry in developing countries was also expected to help bridge the gap between the traditional rural sector and the modern urban sector that was often the source of socio-economic problems.
3. The aim of UNIDO in convening the Meeting was to accelerate the implementation of specific wood-processing projects in developing countries. The Meeting had two major objectives: the first was to encourage the flow of complementary resources, such as capital, plant equipment and the concomitant management and marketing skills, from industrially advanced countries into the wood-processing sector of developing countries; the second was to provide a broader basis for negotiating the cost and form of technological transfer at the specific project level.
4. With these objectives in mind, confidential, person-to-person, one-hour meetings were arranged between individual proponents from the developing countries and prospective collaborators (consultants, equipment suppliers etc.), referred to in this report as investors, from the industrially advanced countries. The confidential meetings were intended to give both parties the possibility of initiating business discussions on the proponent's specific project, including its possible implementation. Project proposals had been submitted to the secretariat and distributed, prior to the Meeting, to the prospective investors in the form of project information sheets. Specific projects related to 10 branches of the wood-processing industries were as follows:

Logging
Sawmills
Wood-based panels
Building components
Furniture
Pulp and paper
Packaging
Waste utilization
Auxiliary materials
Manufacture of woodworking machinery and equipment

The projects entailed building new wood-processing plants or expanding and diversifying existing ones.

5. Most of the person-to-person meetings had been pre-arranged by the secretariat at the request of participants from the industrialized countries. Both the project proponents and prospective investors were notified of their individual schedules of appointments weeks in advance.

6. The Meeting was designed to serve several secondary objectives as well: one was to provide a useful opportunity for parties in industrialized countries, particularly interested in the wood-processing industry, to ascertain the latest trends in overseas investment opportunities in this field; another was to introduce them to participating key personnel from developing countries in order to explore future business possibilities.

7. The body of this report is based on the information received from the participants who responded to the secretariat's inquiries. The following figures indicate the extent of the work of the Meeting:

Specific projects formally accepted for promotion at the Meeting	50
Proponents from developing countries	61 (24 countries)
Participants from industrialized countries	125 (16 countries)
Person-to-person meetings officially recorded	720

The report also reflects the opinions of participants positive and negative regarding the results of the projects presented. Such opinions should assist the secretariat of UNIDO in improving the organization of similar meetings.

I. ORGANIZATION OF THE MEETING

8. The preparation and organization of the Meeting consisted of the following processes:

- (a) Dissemination of project questionnaires together with descriptive notes on the Meeting to developing countries;
- (b) Dissemination of forms requesting additional information, together with descriptive notes on the Meeting to developed countries;
- (c) Dispatch of specialists in selected wood-processing industries to developing countries that had requested assistance from UNIDO for their project preparation;
- (d) Submission by potential investors in developed countries of their completed forms requesting additional information, giving precise information on their businesses, including previous activities in developing countries and selected wood-processing branches for which they requested project information;
- (e) Submission by proponents in developing countries, through their completed project questionnaires, of specific wood-processing projects to UNIDO;
- (f) Dissemination by UNIDO of the projects to potential investors for their examination and possible selection, according to their earlier indication of interests in various wood-processing branches;
- (g) Submission by prospective participants from developed countries of their advance registration forms with particular reference to the specific wood-processing projects for which they requested person-to-person meetings with the proponents;
- (h) Advance notices sent by UNIDO to all participants of particulars, i.e. counterpart, time, date and place of the scheduled person-to-person one-hour meetings;
- (i) Person-to-person meetings in separate rooms at the Queen Elizabeth Hotel, Montreal.

9. Almost all the developing and developed countries that are members of UNIDO were invited by the secretariat to participate, if they wished, in the Meeting.

10. For the developing countries, the following parties were notified of the Meeting:

- Ministries having liaison with UNIDO (108 countries)
- Administrators of forests (106 countries)
- Chambers of commerce, timber-related trade associations and development banks (98 countries - 326 organizations)
- Private timber firms (38 countries - 768 organizations)
- UNDP Resident Representatives (93 countries or regions)
- UNIDO Senior Industrial Development Field Advisers (17 persons)

11. For the developed countries, the following parties were notified:
 - Ministries having liaison with UNIDO (31 countries)
 - Chambers of commerce, timber-related trade associations and state enterprises (29 countries - 215 organizations)
 - Private timber firms (18 countries - 573 organizations)
 - Development aid agencies and banks (25 countries - 101 organizations)
12. Developing countries submitted to the secretariat of UNIDO a total of 62 wood-processing proposals; the proponents for 12 of those projects were not able to attend the Meeting.
13. A few participants from developed countries arrived at the Meeting without having carefully followed the necessary procedures or having indicated in advance the particulars of project proposals for which they wished to meet proponents. They found on arrival that many of the proponents they wished to meet were fully booked with appointments.
14. Most of the proponents and investors supported the idea of holding a future meeting similar to the Montreal Meeting. The majority of the proponents preferred that a future meeting be held in a developed country and the majority of participants preferred a two-year interval.
15. The host organization, the Canadian International Development Agency, generously financed the entire local costs of the Montreal Meeting and visits by the secretariat of UNIDO to Canada for its preparation and organization.

II. RESPONSES TO QUESTIONNAIRES ON THE RESULTS OF THE MEETING

A. Responses from prospective investors

16. In November 1977, the secretariat sent to those who had attended the Meeting two different types of questionnaires, one designed especially for prospective investors from industrialized countries (annex I) and the other for proponents from the developing countries (annex II). Bearing in mind that the secretariat had no power to compel the completion of these forms, care had to be taken lest too stringent a questionnaire should elicit fewer responses. The covering letters were intended to elicit more informal, personal responses. Reminder letters soliciting responses were sent in March 1978 to those who had not returned their completed questionnaires. In spite of such efforts, the response, particularly of proponents from developing countries, was not satisfactory. Owing to the limited means available, the secretariat could not take alternative or supplemental steps, such as personal visits, to increase the response.

17. The questionnaires were sent to 84 organizations (annex III) whose representatives participated in the Meeting. Replies were received, either in the form of completed questionnaires or a letter, from 59 organizations.

The responses were grouped as follows:

<u>Group A</u>	<u>Number of replies</u>
The investor was able to find a promising project at the Meeting and follow-up negotiations were being continued with the proponent	15
<u>Group B</u>	
The investor was able to find a seemingly promising project and began preliminary negotiations with the proponent, but these have been discontinued	10
<u>Group C</u>	
The investor was unable to find any promising project	20
<u>Group D</u>	
The investor did not attend the Meeting with the aim of finding a project for his collaboration	$\frac{16}{61}^1$

^{1/} This figure does not correspond to the number of organizations that responded (59) because two replies encompassed more than one group.

18. Further information was given by the investors but, in order to maintain confidentiality, the secretariat arranged, to a certain extent, the manner of presentation.

Group A

19. The 15 investors falling into this group were able to identify 15 promising projects, listed below, and they were co-operating with the proponents at various stages of project development:

WOOD/76/001/LIR	WOOD/76/022/TUR	WOOD/76/049/IVC
WOOD/76/007/ARG	WOOD/76/025/PAR	WOOD/76/057/SIL
WOOD/76/012/INS	WOOD/76/029/CMR	WOOD/76/053/GHA
WOOD/76/014/GHA	WOOD/76/041/MLW	WOOD/76/060/GHA
WOOD/76/015/THA	WOOD/76/042/PAP	WOOD/76/061/INS

20. Although the numbers of investors and projects were the same, it did not mean that each investor was involved in a single different project. Some of the investors identified more than one promising project and some of the projects involved more than one investor. Further particulars of these projects are given in annex IV.

21. At that early stage, many investors may not have wished that their identification or their progress on particular projects be made known. Therefore, the reports by the 15 participants on the status of the 15 projects are given below at random without giving the project numbers and the names of the investors concerned.

No. 1. Was preparing, together with two other investors, a feasibility study on the project which was scheduled to be ready by 15 April 1978. Depending on its results these investors would further co-operate with the proponent with respect to equity participation, plant supply under credit, turnkey contract, management and marketing.

No. 2. Informed the secretariat that a principal party in a third country whom the investor represented at the Meeting was following-up the project. The secretariat contacted the principal party, but received no reply.

No. 3. Was negotiating on the supply of equipment for the project.

No. 4. Was preparing a feasibility study on the project which was scheduled to be ready by 15 March 1978.

No. 5. Was supplying equipment under credit and processing know-how.

No. 6. Was preparing a feasibility study of the project under subcontract with another party and the study was scheduled to be ready by March 1978.

No. 7. Was supplying equipment for the project.

No. 8. Was negotiating supplies of processing know-how and equipment for four projects.

No. 9. Was preparing a feasibility study on the project which is scheduled to be ready by December 1973. Depending on its result, the investor would undertake equity participation, supply of equipment under credit, management and marketing.

No. 10. Was negotiating agreements related to forest availability, timber rights and land tenure.

No. 11. Was testing suitability of the raw material for the proposed product.

No. 12. Was negotiating, together with another investor, terms for the preparation of a feasibility study on the project. Depending on its result, the investor would supply equipment.

No. 13. Was negotiating on preparation of a feasibility study for the project.

No. 14. Was preparing a feasibility study for the project which is expected to be ready by March 1980.

No. 15. Having completed a feasibility study for the project, the investor, together with the proponent, was exploring financial sources to finance the project.

Group B

22. The 10 investors falling into this group had identified the 13 projects (annex IV) listed below as promising and entered into further contacts with their proponents, but later discontinued their negotiations for a variety of reasons:

WOOD/76/001/LIR ^{2/}	WOOD/76/020/IRA	WOOD/76/036/GHA
WOOD/76/007/ARG ^{2/}	WOOD/76/022/TUR ^{2/}	WOOD/76/039/PAR
WOOD/76/012/INS ^{2/}	WOOD/76/023/TUR	WOOD/76/041/MLW ^{2/}
WOOD/76/015/THA ^{2/}	WOOD/76/028/BZE	WOOD/76/042/PAP ^{2/}
WOOD/76/017/NIR	WOOD/76/029/CMR ^{2/}	WOOD/76/049/IVO ^{2/}
WOOD/76/018/ZAI	WOOD/76/033/ZAM	WOOD/76/054/SIL

23. The reasons given - some of which cover more than one project - for the discontinuation of preliminary negotiations were in most cases of a sensitive nature. The secretariat decided therefore not to disclose them individually for each project, but to give them at random, as follows:

No response from the proponent to the investor's follow-up correspondence
The proponent's inadequate financial backing
Political reasons and lack of expatriate housing

^{2/} Also listed in Group A involving other investors.

The proponent seemed to have lost interest

Financing had not been found for the feasibility study

The time allowed by the proponent for engineering and bid proposals was about six weeks; the investor was unable to meet the deadline as he needed about three months for the project

The investor did not comply with the proponent's request for further data

There was no possibility of obtaining export credit for machinery supplies for the proponent's country

Through the preliminary negotiations with the proponent, the investor found that the conditions on equity participation and marketing obligation were so strict that he ceased detailed negotiation until the project was more advanced

No answer from the proponent to the investor's concrete propositions of joint venture

Group C

24. The reasons given by this group of investors (20) for their unsuccessful attempts to identify promising projects were as follows:

	<u>Number of replies</u>
The investor had selected in advance of the Meeting seemingly promising projects. However, in the course of meeting with the proponent negative factors were revealed on their development such as doubts on the competence of the proponents or an inadequate supply of raw material	9
Most of the proponents met wanted to find investors with capital to invest in their projects. This was outside the investors business policy	3
None of the proponents met provided the additional information on their projects that was vital for the selection of promising projects for development	2
None of the proponents met appeared to be willing to provide the funding required to carry out an adequate techno-economic feasibility study	1
Most projects were too small for the capacity of the equipment available	1
The proponents met all wanted equity partners, whereas a prefeasibility study was needed before they could interest prospective equity partners	2
Despite apparent interest at the Meeting on the part of several proponents and continued attempts since to follow-up by letter, no reply had been received	1
A project interesting to the investor was no longer open due to the proponent's earlier commitments	2

	<u>Number of replies</u>
Severe balance-of-payment difficulties in the proponent's country	1
More definite and attractive investment projects than those at the Meeting were available	1
The investor offered woodworking machinery for sale for projects that indicated the need for them	$\frac{1}{24^3/}$

Group D

25. As stated earlier, 16 investors attended the Meeting who were not looking for projects. Although their participation had no impact on the immediate objective of the Meeting, judging by their stated purposes, given below, they might, in the long run contribute to the Meeting's ultimate objective, which was the development of the wood-processing industry in developing countries.

	<u>Number of replies</u>
To support a client who was participating	4
To ascertain the latest trend in overseas investment in the wood-processing industry	11
To become acquainted with key personnel from developing countries who attended the Meeting	11
To become acquainted with the UNIDO type of investment promotion meeting	14
To promote the services and/or products of the investor's organization in developing countries	10
To develop an understanding of the funding programmes run by the two aid agencies in the investor's country to support projects in developing countries	$\frac{1}{51^4/}$

Investors' comments on the Meeting

The concluding part of the questionnaire was designed to serve two purposes. The first was to attempt to determine the investor's attitude, on the basis of his experience at the Meeting at Montreal, towards a similar meeting being held in the future. The second purpose was to extract from voluntary participants their candid comments on various aspects of the Meeting.

^{3/} This figure does not correspond to the number of investors since some replies encompassed more than one question.

^{4/} This figure does not correspond to the number of participants in this group (16) because some participants referred to more than one item.

27. Out of a total of 59 participants from industrialized countries, 48 responded to the question regarding the holding of a similar meeting and its preferred timing as below.

	<u>Number of replies</u>
Willing to attend	40
Unwilling to attend	<u>8</u>
	48

28. Out of the 40 participants who expressed their willingness to attend future meetings, 38 indicated the timing as follows:

	<u>Number of replies</u>
Every two years	13
Every three years	14
Every four years	<u>6</u>
	38

29. Forty participants commented on various aspects of the Meeting. Such comments, whether positive or negative, would greatly assist the secretariat in improving the organization of future meetings. It was decided, in order not to diminish their significance or give an incorrect impression, to give them in full (with minimal editing) as below. Comments by the secretariat are given in square [] brackets. Each comment was followed by one or a combination of four letters (A, B, C and D) and one of three words (willing, unwilling or undecided), the explanations of which are as follows:

- A The investor found a promising project at the Meeting and follow-up negotiations were being continued with the proponent
 - B The investor had discontinued negotiations on a project he had considered as seemingly promising
 - C The investor was unable to find any promising project
 - D The investor did not attend the meeting with the aim of finding a project for his collaboration
- Willing The investor expressed his willingness to attend a similar future meeting

Unwilling The investor was unwilling to attend such a meeting

Undecided The investor made no decision as to whether he would attend or not

n the following sequence giving individual comments of investors the numbers do not correspond to those in paragraph 1:

No. 1. Too many scheduled person-to-person meetings were cancelled at short notice. (A - willing)

No. 2. The project was often too large, complicated and ambitious. (D - willing)

No. 3. Many proponents and projects were preliminary and did not demonstrate adequate preparation or knowledge of industry. Some did not have even a preliminary or feasibility study. Interested parties from developing countries should have preliminary engineering and feasibility studies of their projects before discussions. (D - unwilling)

No. 4. Poor availability of data for investment decisions due to the lack of assistance in project preparation. Filling in questionnaires at the discretion of the proponent is not enough. Fewer but better prepared projects should be presented. Most of the projects were under-represented relative to their importance. (D - willing)

No. 5. The project data were not in detail, it was sufficient for interested collaborators as a starter study for further consideration and feasibility studies. The negotiation machinery provided at the meeting was highly efficient; perhaps in future meetings two free hours could be provided in the afternoons for negotiations outside the official time-schedule. To sum up, it was an excellent Meeting, heading to a really concrete action. (D - willing)

No. 6. Most projects were premature for investment decisions and required updated or initial feasibility studies. (D - willing)

No. 7. Inadequate homework to define projects to a point where they could be usefully discussed. (D - willing)

No. 8. Too few participating developing countries had carried out feasibility studies in sufficient depth to ensure the attraction of suitable investors. (D - willing)

No. 9. Precise needs and schedules for developing projects were not clear enough, so we were left in an undetermined atmosphere. Not many decision-making people were present at the Meeting. (D - willing)

No. 10. Projects were either too vague or prematurely presented. (D - willing)

No. 11. Prevalent lack of realism in most instances with respect to production programmes, markets and raw materials. Little concept of financing requirements. Several proponents did not show up. Many proponents attending had no real concept of what was involved in putting a project together. Suggest more effective pre-screening of projects to ensure that only viable and sensible projects are presented. (B - willing)

No. 12. Representatives from underdeveloped countries came looking for financial partners. Many projects were very poorly researched. (B - willing)

No. 13. Almost all the projects needed financing which was very difficult to find. (B - willing)

No. 14. Projects all require financing from other countries and this is very slow and time consuming for a small manufacturing company. I found the Meeting very well organized and would suggest next meeting be held in Vancouver or Toronto. (B - willing)

No. 15. Many projects were suggested with very little thought with respect to practicality, feasibility or time frame. With two exceptions, all the people I met appeared to be having a free trip without serious objectives. This is a great pity because the secretariat and others put a great deal of effort into the arrangements. The efforts are never appreciated. Frankly, I was appalled at the waste of time and money. My suggestion is that the people who are not serious should be excluded. Moreover, some sort of performance track record should be kept of the attendants to ensure that they do not waste people's time on frivolous undertakings should they have no intention of implementation. (B - willing) [As far as is known, all the proponents from developing countries attended at their own or their employer's expense without any financial assistance from the organizer.]

No. 16. We will need to make up our minds to take care of everything, including management itself, for the realization of most of the projects. From our stand-point, to sell our plants and equipment in regard to wood-processing industries we would want UNIDO to make a selection of the proponents based on pre-qualifications as to the purpose, concreteness as well as a certain kind of 'independence'. We appreciate however, that through this Meeting, information from unknown countries was able to reach us. (B - willing)

No. 17. The proponents had financial problems. (A - willing)

No. 18. Superficial elaboration of project proposals and lack of knowledge of the timber concession and processing possibilities. (A - willing)

No. 19. An amazing lack of preparation in any respect of the projects presented. (A - willing)

No. 20. Some of the proponents did not come with very specific requirements. A lot of proponents came to this Meeting with the idea of finding partners and money for their projects, which in most cases are still very much in an embryonic stage. (A - willing)

No. 21. The markets which the proponents had in mind did not have any practical basis and appeared in many cases to be wasteful thinking. I believe both UNIDO and CIDA did a good job and any future meeting could well follow the paths it opened up. (A - willing)

No. 22. Interesting projects were often not thought over enough. Their realization will need several years. (A - willing)

No. 23. Lack of detailed information and/or the details of the project bore no relationship to discussions with developed country participants. (C - willing)

No. 24. The projects showed (a) a lack of basic data on raw material forest availability; (b) a tendency to overvalue forest reserves; (c) a lack of world market/product knowledge. UNIDO experts should vet all projects before they are presented to ensure the validity of the data. They should then be presented by suitably experienced representatives. (A - willing)

No. 25. The projects presented were positively interesting. (A - willing)

No. 26. We were interested in about 20 projects. We finally got an appointment for four meetings with proponents. None of these people showed up for their appointments. Two sent notes of regret after the time of the appointments. Our participation was limited to social or casual contacts. [In his advance registration form, the investor did not indicate the project number for which he wished to make appointments with the proponents. When he tried to make appointments upon his arrival at the Meeting, most of the proponents he wished to meet had already been fully booked and the rest were, perhaps, unable to confirm his appointments due to the short notice given by the secretariat.] Our impression was that participants from developed countries came to the Meeting hoping to be presented with a packaged development project, fully financed. We suggest a more practical approach by those countries seeking development. (C - willing)

No. 27. We would like to be able to offer our planer to anyone who requires this type of woodworking machine. But we feel the investment promotion meeting is premature for its sales. (C - willing)

No. 28. The shortcoming was putting the cart before the horse. In discussing projects the possible client was looking for easy finance. A future conference must establish that the proponents - or clients - should be viable financially. Most of the interviews started with a request for finance, which is not within the participant's terms of reference. The conference was run very efficiently, but too many third world countries considered it as a stage for financing their ambitious projects. (C - willing)

No. 29. The projects were poorly prepared, no proper prefeasibility or feasibility study was prepared or planned to be carried out. Suggestions for a future meeting were (a) to use consultants to assist proponents in preparing their projects for the meeting; and (b) to allow consultants, machinery suppliers and financing organizations to explain their services to proponents during the meeting. (C - unwilling)

No. 30. Most proponents did not provide enough information on all aspects of projects, i.e. raw material supply, technical expertise and deficiencies, labour supply, financial feasibility and expected markets. (C - willing)

No. 31. The projects lacked sales potential for the participant's products. The proponents' ability to market their proposed products was questionable. Most of the proponents the investor wished to meet had been fully booked and it was difficult to contact them briefly to determine their possible interests. A suggestion for future meetings was to have table-top exhibits, so that interested parties could display literature of their services or products to offer and to have a means for interested proponents and collaborators to get together to discuss their needs. (C - undecided)

- No. 32. The participants suffered most from the fact that the projects lacked their appropriate feasibility studies and did not fit into an overall country-wide forest industry development plan. The IBRD and FAO could not be approached because they were absent. (Both organizations sent their representatives as shown in the Meeting's List of Participants issued as a separate document.) The idea of the Meeting was good and worth pursuing. There were not enough discussions at the plenary sessions on the state of world climate for forest industry development. (C - willing)
- No. 33. Shortcomings were the proponents' inadequate financial, and often technical, ability. (C - unwilling)
- No. 34. Financial background of the projects was very weak and their proponents' intention was to invite partners for their projects. (C - willing)
- No. 35. One afternoon during the Meeting should be set aside for proponents to visit the rooms of consultants to get free advice on how to go about the establishment of a wood-processing facility. The Meeting was very well organized. (C - willing)
- No. 36. In one sense we could meet the type of proponents we had expected, but we were limited due to the small scope of most projects. Montreal was a pleasant and well-organized meeting. (C - willing)
- No. 37. A shortcoming was the inadequate preparation of most of the projects, regarding production, marketing and financing. (C - willing)
- No. 38. None of the project representatives I talked to were able to provide the information required in order to obtain financing from banks. Yet they were not interested in having an independent consultant or consulting firm to carry out the necessary techno-economic feasibility study. None of the representatives I met were authorized to discuss or allocate the funds required for carrying out essential techno-economic feasibility studies. In my opinion, the UNIDO Montreal meeting was unsuccessful, because the consultants and the project representatives had different interests and objectives, which conflicted. The project representatives were mainly interested in obtaining financing and were not interested in having feasibility studies carried out by impartial consultants, whereas most consultants felt that such studies were essential in order to obtain financing for these projects. I had the impression that most of the projects presented at Montreal were projects which the banks had already rejected in comparison with other projects from the same region. Personally, I was very disappointed in UNIDO's Montreal Meeting. (C - unwilling)
- No. 39. Most of the projects were vague and were not based on the real financial possibilities of their countries. Most of the proponents could not answer detailed questions about technical basic data etc. or the technology which should be taken as basic. The same applied to commercial questions. Some of the proponents had promised to send additional material to the participant, which he never received. (C - willing)
- No. 40. Hardly any of the projects were of real substance. None fitted the scope and long-term opportunity required for lasting co-operation and partnership. One or two proponents did not show up for the appointments. The participants' aim is participation, on a continuing basis, in development of existing or potential timber resources to broaden his resource base internationally. There must be equitable, long-term benefits to the host country as well as the foreign partner. This was not fully accepted by most developing countries. They seemed to feel that the foreign partner owed them a favour. (C - willing)

B. Responses from proponents in developing countries

30. The questionnaires were sent to 43 proponents sponsoring 50 projects; 20 proponents sponsoring 25 projects responded. The responses, based on individual projects, were grouped as follows:

<u>Group A</u>	<u>Number of projects</u>
The proponent found a suitable foreign collaborator at the Montreal Meeting or outside the Meeting by using the information supplied by UNIDO; the project was being promoted with the collaborator	5
<u>Group B</u>	
The proponent found a suitable foreign collaborator through his own business channels, independent of the Meeting; the project was being promoted with the collaborator	2
<u>Group C</u>	
The proponent found a foreign collaborator at the Meeting with whom he entered negotiations; however, these negotiations had been discontinued	2
<u>Group D</u>	
The proponent was unable to find any foreign collaborator	10
<u>Group E</u>	
The proponent's reply was incomplete	$\frac{6}{25}$

Group A

31. The developing country proponents included in this group were able to find suitable foreign collaborators for the promotion of five projects (annex IV) indicated below, through the Meeting and its broad-based advance contacts.

WOOD/76/003/ZAI^{5/} WOOD/76/036/GHA^{5/} WOOD/76/058/GHA
WOOD/76/033/ZAM^{5/} WOOD/76/047/HON^{5/}

^{5/} These do not appear among the projects of Group A in chapter I which were identified by the participants from industrialized countries.

Group B

32. The proponents of this group were able to identify suitable investors for the following two projects (annex IV) independently through their own business channels. These projects could be regarded as successful in terms of the progress made:

WOOD/76/023/TUR

WOOD/76/028/BZE

Group C

33. The proponents sponsoring the following two projects (annex IV) were able to identify, at the Meeting, suitable foreign collaborators with whom they began, but then discontinued, negotiations:

WOOD/76/027/ARG

WOOD/76/055/INS

The reason for the discontinuation of negotiations was that the proponents had not heard from the collaborators they met at the Meeting up to the time they completed the questionnaire.

Group D

34. The proponents of the 10 projects (annex IV) given below were unable to find suitable foreign collaborators.

WOOD/76/012/INS^{6/}

WOOD/76/044/HON

WOOD/76/051/MAL

WOOD/76/021/MAL

WOOD/76/045/HON

WOOD/76/052/MAL

WOOD/76/022/TUR^{6/}

WOOD/76/046/HON

WOOD/76/056/MAL

WOOD/76/041/MLW^{6/}

Proponents' comments on the Meeting

35. As was done for the participants from the industrialized countries (chapter II), an attempt was made to determine the basic attitude of proponents towards this type of sectoral investment promotion meeting in order to assess the potential benefits of such meetings. Proponents were asked if they would be willing to participate in another meeting similar to the Montreal Meeting; they replied as follows:

^{6/} The secretariat had been informed by the collaborators concerned that negotiations were being continued; therefore, these projects are included in the projects of Group A in chapter II. However, as the proponents' responses are of a later date than those of the collaborators, it has been decided that the negotiations have been discontinued.

	<u>Number of proponents</u>
Willing to attend a similar meeting	17
Unwilling to attend a similar meeting	0
No reply	<u>3</u>
	20

36. The proponents were also asked whether such a meeting should be held in a developing or industrialized country. They replied as follows:

	<u>Number of proponents</u>
Such a meeting would be more useful if it were held in one of the industrialized countries well advanced in the wood-processing industry	11
Such a meeting would be more useful if it were held in one of the developing countries	4
No reply	<u>5</u>
	20

III. ASSESSMENT AND COMMENTS BY THE SECRETARIAT

A. Assessment

Final grouping of the projects

37. The final grouping of all the projects was as follows:

Group A (16 projects for which suitable potential investors were identified through the Montreal Meeting)

WOOD/76/001/LIR	WOOD/76/029/CMR	WOOD/76/049/IVC
WOOD/76/003/ZAI	WOOD/76/033/ZAM	WOOD/76/057/SIL
WOOD/76/007/ARG	WOOD/76/036/GHA	WOOD/76/057/GHA
WOOD/76/014/GHA	WOOD/76/042/PAP	WOOD/76/060/GHA
WOOD/76/015/THA	WOOD/76/047/HON	WOOD/76/061/INS
WOOD/76/025/PAR		

(a) Breakdown by developing country:^{7/} Argentina (1); Ghana (4); Honduras (1); Indonesia (1); Ivory Coast (1); Liberia (1); Papua New Guinea (1); Paraguay (1); Sierra Leone (1); Thailand (1); United Republic of Cameroon (1); Zaire (1); Zambia (1). Total: 13 countries.

(b) Aggregate figures of proposed annual productive capacities to be installed and capital investment to be made: ^{7/}

Logs: 518,500 m³ (6)
Sawnwood and sleepers: 455,000 m³ (7)
Plywood and veneers: 173,000 m³ (8)
Particle boards: 150,000 m³ (5)
Furniture: 200,000 units and 600 m³ (2)
Building components: 2,940,000 units including doors and window frames (2)
Paper: 30,000 tons (1)
Capital investment: ^{8/} \$167,000,000 (11)

These figures were according to the proponent's original estimates and should not, therefore, be considered as definite figures resulting from the Montreal Meeting. They would change considerably before the projects reach their final stage of planning.

(c) Participating industrialized countries. In order that none of the investors currently involved in the development of the projects should be identified, the names of their countries are also withheld. They are, however, from countries both centrally planned and with free market economies.

^{7/} Number of projects given in brackets.

^{8/} References to "dollars" (\$) are to United States dollars, except where stated otherwise.

Group B (2 projects for which investors were identified independently of the Meeting)

WOOD/76/003/TUR WOOD/76/025/BZE

Group C (10 projects for which preliminary negotiations were discontinued)

WOOD/76/012/INS WOOD/76/022/TUR WOOD/76/041/MLW
WOOD/76/017/NIR WOOD/76/027/ARG WOOD/76/054/SIL
WOOD/76/013/ZAI WOOD/76/039/PAR WOOD/76/055/INS
WOOD/76/020/IRA

Group D (7 projects for which collaborators were not identified)

WOOD/76/021/MAL WOOD/76/046/HON WOOD/76/052/MAL
WOOD/76/044/HON WOOD/76/051/MAL WOOD/76/056/MAL
WOOD/76/045/HON

Group E (15 projects for which neither proponents nor investors responded to the inquiry)

WOOD/76/002/SWA WOOD/76/026/ARG WOOD/76/047/IVC
WOOD/76/004/ZAI WOOD/76/030/PRC WOOD/76/050/IVC
WOOD/76/006/ARG WOOD/76/031/PRC WOOD/76/053/PER
WOOD/76/010/ARG WOOD/76/037/PAR WOOD/76/059/CAE
WOOD/76/024/PAR WOOD/76/043/PAP WOOD/76/062/MEX

Potential benefits of the Meeting

38. With reference to group A, according to the completed industrial project information forms submitted to UNIDO before the Meeting, 5 proponents indicated that they had previously contacted potential foreign collaborators, and 11 proponents indicated that they had not.

39. The 5 proponents appeared to be capable of locating, to a limited extent, potential investors by themselves. Nevertheless, instead of settling for these investors they identified suitable ones through the Meeting. It could thus be assumed that the broad-based advance contacts made by UNIDO for the Meeting were more extensive than the proponents' individual attempts and provided them with a better bargaining position through the wider selection of potential investors.

40. As regards the 11 proponents, the benefit of the Meeting was also apparent since they submitted their projects for the first time to the Meeting and were able to quickly identify suitable potential investors. This meant that the projects sponsored by those 11 proponents were also introduced for the first

time by UNIDO to potential investors many of whom appeared to have their own international networks for collecting business information. Thus, the Meeting itself and the advance contacts made by UNIDO among developing and industrialized countries proved useful regardless of the extent of international business contacts of both the proponents and potential investors.

41. In addition to an assessment of its value as an information service, the Montreal Meeting may be evaluated on the basis of the attitudes expressed in the responses of both the participants and proponents. The information given in paragraphs 27 and 35 are examined below.

42. Of the 59 participants and 20 proponents who responded to the questionnaire, a breakdown of their replies to the question regarding the holding of a future meeting similar to the one at Montreal is given below.

	<u>Number of replies</u>	<u>Percentage</u>
Willing to attend	57	72
Unwilling to attend (no proponent expressed unwillingness)	8	10
No reply	<u>14</u>	<u>18</u>
	79	100

43. Thus a majority from both the industrialized and developing countries recognized the benefits of the Montreal Meeting. It is significant that no developing country proponent gave a negative response.

44. However, a more critical evaluation would exclude those who were successful in project promotion and those who were initially uninterested in project identification (39 replies), because it could be expected that they would support the repetition of a similar meeting as they would have nothing to lose. The remaining 40 replies include those who did not find a suitable collaborator or project or those who failed to continue preliminary negotiation on projects. Thus these parties had a negative reaction to the Meeting's main objective, which was to promote specific projects. A breakdown of these critical parties is given below:

	<u>Number of replies</u>	<u>Percentage</u>
Willing to attend a similar meeting	27	67.5
Unwilling to attend a similar meeting	3	7.5
No reply	<u>10</u>	<u>25.0</u>
	40	100

45. No clear explanation for these figures could be obtained from the questionnaires. These participants, from both developing and industrialized countries, attended the Montreal Meeting at their own expense and failed to satisfy their chief motivation. Nevertheless, the great majority of them acknowledged the usefulness of the Meeting. It was apparent that there were supplemental benefits from their attendance that compensated for the non-realization of their chief goal. One reason might be that a sectoral investment-promotion meeting attended by people on a world-wide basis, specifically concerned with one sector, provided an outstanding opportunity to develop a dialogue with counterparts in a common profession. This could ultimately lead to project promotion or to new collaboration in business. This might be considered an integral part of industrial co-operation between developing and industrialized countries which was also a goal of the Meeting.

B. Comments by the secretariat of UNIDO

46. The Meeting provided the opportunity for the identification and possible implementation of at least 16 specific wood-processing projects submitted by 13 developing countries. There was no universal measure for evaluating the success of this type of meeting. Moreover, since the gestation period of a specific wood-processing project up to its implementation usually lasts for years, a thorough progress report of the projects at this early stage would not be warranted. This would be left to a second or even a third follow-up action report.

47. Although the great majority of participants and proponents expressed their support of the usefulness of the Meeting, they also pointed out a number of shortcomings. Since the Meeting was the first of this kind organized by UNIDO in the field of the wood-processing industry, some of the shortcomings resulted from their own inexperience in following procedures necessary to the smooth running of a meeting considerably more complicated than a plenary type meeting.

48. Also, the Meeting was a business-oriented meeting of competitive nature in which the winners were competitive for the demand won and the rest lost. Despite the criticism of project proposals and of the proponents, the 16 ongoing projects prove this business principle.

49. Nevertheless, many of the comments of the participants from both developing and industrialized countries would be valuable to all concerned in improving future similar events.

Inadequate preparation of project proposals

50. Since its inception, the UNIDO investment promotion programme has been handling industrial projects mainly at an early stage of planning, usually without feasibility studies. Although it was not the policy of UNIDO to question the usefulness of feasibility studies prepared by proponents and attached to their projects, organizers of the investment promotion meetings were preoccupied with the following:

(a) The personnel resources currently available in many developing countries might not enable proponents to prepare adequate feasibility studies by themselves;

(b) A serious investor was not likely to risk a commitment on the basis of a feasibility study conducted however complete it appeared to be;

(c) A specific industrial project that was formulated solely by its proponent was most likely to be subject to a drastic, if not complete, modification according to the advice given by a serious foreign collaborator;

(d) In its role as an honest promoter between individual proponents and potential foreign collaborators, UNIDO could not turn down a project because it was inadequately presented, since such arbitrary rejection might deprive the parties of potential business;

(e) It should be an integral part of prospective collaboration that a potential foreign collaborator assist a proponent in planning a realistic project, instead of simply expecting profit through an existing project.

51. In such circumstances, the secretariat had no other alternative than to try to obtain the maximum information on projects from proponents while accepting almost indiscriminately all projects that fell within the wood-processing branches concerned.

52. To obtain the maximum information on projects, UNIDO hired and sent, at the request of their Governments, five woodworking experts to eight developing countries - Central African Empire, El Salvador, Grenada, Malawi, Paraguay, Turkey, United Republic of Cameroon and Zambia - for a total duration of

six man/months. As remarked earlier by some participants, the secretariat recognized the strong need for strengthening this pre-meeting assistance to developing countries not only to increase the extent of project information but also to improve the validity of such information, thus sharpening the interest of prospective foreign collaborators.

Technical competence of proponents

53. In their project questionnaire, proponents for 45 of the 50 projects discussed at the Meeting replied to the question on the type of foreign collaboration desired, as follows:

	<u>Number of projects</u>	<u>Percentage of 45 projects</u>
Equity participation	33	73
Loan capital including supplier's credit	34	76
Supply of machinery and equipment	39	87
Turnkey contract	19	42
Processing technology	26	58
Management (mostly technical)	29	64
Market (mostly export)	23	51

54. From the initial planning of a wool-processing project through the successful operation of an implemented plant, a specific industrial project required, among other things, a great deal of skilful co-ordination to effectively harmonize various inputs. Because of the current situation in many developing countries, proponents often lacked the ability to be a good project co-ordinator. In other words, even if potential investors approached a proponent in accordance with his particular function, such as consultant, specific equipment supplier, contractor, licensor, management and marketing agent or money lender, the proponent had no way of dealing separately with them to establish a well-harmonized development plan for his project. The insufficient recognition of that situation at the Montreal Meeting left a number of participants and proponents with a sense of dissatisfaction.

55. As stated by a proponent at the Meeting's closing session, he had met people interested only in consulting services or the supply of specific equipment.

(As far as his own project was concerned, his statement was not absolutely correct. His project was selected by a consultant at the Meeting who assisted the proponent in receiving a package of necessary external inputs including equipment supply and finance. Currently the project was the most advanced among the 16 ongoing projects). In turn, in their responses to the secretariat's inquiry, some equipment suppliers complained that many projects were premature for their negotiations on equipment sales, and finance was not secured by proponents, while consultants complained that they were discriminately treated by proponents though their projects required feasibility studies and so forth.

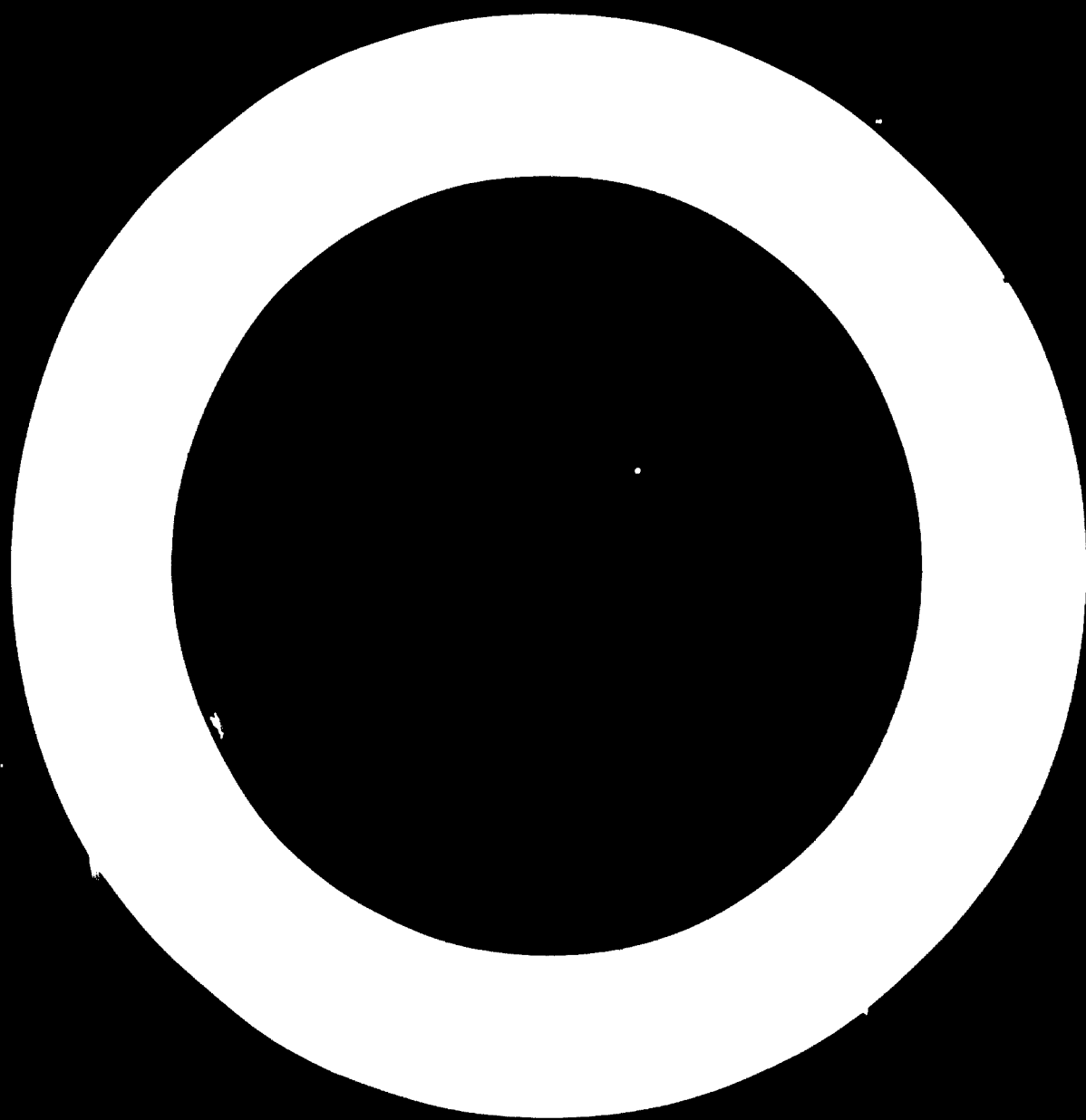
56. Apart from those arguments, it was clear from the figures given in paragraph 54 that the great majority of the projects called for equity participation, credit arrangements, equipment supply, know-how and management, and marketing assistance. There were 19 projects that required turnkey agreements. Moreover, most of the projects required feasibility studies. However, proponents were often not prepared to adequately co-ordinate these necessary inputs or to allocate seed money for feasibility studies. That problem might be solved by potential investors or through UNIDO technical assistance.

57. A prospective investor or a group of investors in future similar meetings might be required to provide collaboration by a package arrangement from initial consulting services to marketing and management. To this end, efforts would have to be made by them to alleviate the proponent's burden to act as the project co-ordinator. However, the impartiality of a consultant to any other project input suppliers, particularly to specific equipment suppliers, was his essential qualification in many instances. The package type of approach suggested might be in conflict with this. The question as to whether the investor should act as one of the package members or impartially would have to be left to his discretion and to the wish of the proponent with whom he deals.

58. Within its framework of technical assistance programmes, UNIDO could assign an expert to assist the proponent's project co-ordination. However, as an established procedure, it was necessary for the proponent to direct such a request to UNIDO through his Government and the Resident Representative of the United Nations Development Programme (UNDP) in his country. Alternatively, such assistance could be financed through a fund trust arrangement.

Financial assistance to cover the cost of
feasibility studies

59. As happened at the Montreal Meeting, a case might arise in which the proponent and a potential investor agreed that both parties should first ascertain the viability of the proponent's project through a feasibility study to be undertaken by the investor. Together they could seek UNIDO financial assistance. In this case, the proponent should direct his formal request to UNIDO through his Government and the Resident Representative of the UNDP stationed in his country and he could indicate, with the Government's consent, the investor as his preferred candidate for the required study. This preference might be respected by UNIDO unless there were reservations on the side of UNIDO, particularly concerning the candidate's bidding competitiveness, technical qualifications and impartiality to the sources of equipment.



UNITED NATIONS  NATIONS UNIES

MEETING TO PROMOTE INVESTMENT AND INDUSTRIAL CO-OPERATION
IN SELECTED WOOD-PROCESSING INDUSTRIES
Montreal, 2-6 May 1977

QUESTIONNAIRE

Name of your organization: _____

Your name: _____ Date: _____

Title or position: _____

Postal address: _____

Please check and complete whichever is applicable and also answer the concluding questions.

At the Montreal Meeting,

- (A) You were able to find a promising project on which you are continuing follow-up negotiation with the proponent. If so, please answer the questions in Group A.
- (B) You were able to find a seemingly promising project and began preliminary negotiation with the proponent, but it has been discontinued. If so, please answer the questions in Group B.
- (C) You were unable to find any promising project. If so, please answer the questions in Group C.
- (D) You did not attend the Meeting with the essential aim of finding a project on which you could collaborate. If so, please answer the questions in Group D.

Please return to: Mr. Sadao Shirakawa
Senior Industrial Development Officer
Investment Co-operative Programme Office
United Nations Industrial Development Organization
P.O.Box 707
A-1011 Vienna
Austria

Group A

Please check and complete whichever is applicable among the following statements (if you are negotiating more than one project, please provide an extra form for the answers concerning other projects):

- (a) If the project under negotiation was among those included in the Meeting's "Final list of projects", please indicate the project number: _____
- (b) If the project under negotiation was not included in the "Final list of projects", please give:

Brief project title: _____

Name/address of proponent: _____

You are currently negotiating with the proponent concerning:

Preparation of a feasibility study. If so, please indicate when is the study expected to be ready: _____

Subject(s) other than the feasibility study which has already been prepared. If so, please give the following information:

(a) Subject(s) under current negotiation (please check whichever is applicable):

- Equity participation Loan/supplier's credit
- Supply of equipment Turnkey contract
- Processing know-how Management Marketing
- Others, please specify: _____

(b) Name of the party who prepared the feasibility study: _____

(c) Annual production capacity, total project costs and location proposed by the feasibility study:

<u>Product</u>	<u>Annual capacity</u>	<u>Unit</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total project costs: _____

Location: _____

Group C

Please check whichever reason applies to why you did not find a promising project:

- All the proponents you met did not provide any additional information on their projects which was vital for you to select a promising project for further follow-up action.
- You had selected, in advance of the Meeting, seemingly promising projects. However, in the course of your meeting with their proponents you found negative factors such as doubt of technical competence of the proponent or inadequate supply of raw materials.
- A project interesting to you was no longer open due to the proponent's earlier commitment. If so, please indicate the project No. _____
- Others, please briefly specify: _____

Group D

Please check your purpose in attending the Meeting:

- To support your client participant;
- To ascertain the latest trend in overseas investment in the field of wood-processing industry;
- To become acquainted with key personnel from developing countries who attended the Meeting;
- To acquaint yourself with the UNIDO type of investment promotion meeting;
- To promote your company's services and/or products in developing countries;
- Others, please briefly specify: _____

Concluding questions
(to be answered by all parties)

- (1) What is your basic opinion regarding the shortcomings of the projects submitted by developing countries at the Meeting?

- (2) Did you meet the type of proponents you had expected to meet?

Yes No

If no, please briefly explain why not:

- (3) If UNIDO were to organize in the future another wood-processing investment promotion meeting similar to the Montreal Meeting, would you be willing to attend the meeting?

Yes No

If yes, how often should such meeting be held?

every 2 years every 3 years every 4 years

- (4) To achieve maximum publicity of future wood-processing investment promotion meeting, kindly suggest whom UNIDO should contact in your country.

Name: _____

Official title or post: _____

Name of organization: _____

Postal address: _____

- (5) Please make any other comments you wish on the Montreal Meeting and suggestions for future similar meetings.

UNITED NATIONS  NATIONS UNIES

MEETING TO PROMOTE INVESTMENT AND INDUSTRIAL CO-OPERATION
IN SELECTED WOOD-PROCESSING INDUSTRIES
Montreal, 2-6 May 1977

QUESTIONNAIRE

Your project No. _____ Title: _____

Name of your organization: _____

Your name: _____ Date: _____

Postal address: _____

Please check and complete whichever is applicable and also answer the concluding questions.

At the Montreal Meeting,

- (A) You were able to identify a suitable foreign collaborator with whom you are now promoting your project. If so, please answer the questions in Group A.
- (A') You were able to identify a suitable foreign collaborator for your project but not at the Meeting and
- the collaborator first approached you with reference to the circulation by UNIDO of your project for the Montreal Meeting. If so, please answer the questions in Group A.
- you identified the collaborator through your own business channels, absolutely independently from the Montreal Meeting. If so, please answer only the concluding questions.
- (B) You met a suitable foreign collaborator who agreed to participate in promoting your project but later failed to do so. If so, please answer the questions in Group B.
- (C) You did not identify any foreign collaborator for your project. If so, please answer the questions in Group C.

Please return to: Mr. Sadao Shirakawa
Senior Industrial Development Officer
Investment Co-operative Programme Office
United Nations Industrial Development Organization
P.O.Box 707, A-1011 Vienna
Austria

not later than 31 January 1978.

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Group A

Please give the company name of your collaborator: _____

You are currently negotiating with the collaborator concerning:

Preparation of a feasibility study. If so, is the collaborator willing to undertake the feasibility study?

Yes. Then, who is going to bear the study's costs?

Yourself The Collaborator

No. Then, have you entrusted some other specialized firm to prepare the feasibility study?

Yes No

If yes, please indicate the company name which prepared the feasibility study: _____

Please indicate when is the feasibility study expected to be ready:

_____ (month) _____ (year)

Subject(s) other than the feasibility study which has already been prepared. If so, please give the following information.

(a) Subject(s) under current negotiation (please check whichever is applicable):

- | | |
|--|--|
| <input type="checkbox"/> Equity participation | <input type="checkbox"/> Loan/supplier's credit |
| <input type="checkbox"/> Supply of equipment | <input type="checkbox"/> Turnkey contract |
| <input type="checkbox"/> Processing know-how | <input type="checkbox"/> Management <input type="checkbox"/> Marketing |
| <input type="checkbox"/> Others, please specify: _____ | |

(b) Name of the party who prepared the feasibility study: _____

(c) Annual production capacity, total project costs and location proposed by the feasibility study:

<u>Product</u>	<u>Annual capacity</u>	<u>Unit</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Total Project costs: _____

. Location: _____

Group B

Please give the company name of the potential foreign collaborator:

Have you established any follow-up contacts with the collaborator since the Montreal Meeting?

Yes

No

If yes, what actions have been taken by the collaborator?

Exchange of correspondence

Visit to your country

Preparation of a preliminary or a feasibility study

Others, please specify: _____

Please explain the reason why the follow-up contacts were discontinued:

Group C

Do you request further assistance from UNIDO in identifying new collaborators?

Yes

No

Do you have additional technical information in support of your project?

Yes

No

If yes, please send the information to UNIDO.

- 7 -

Concluding questions
(to be answered by all parties)

- (1) Did you receive any outside assistance in preparing your project and in filling out the Industrial Project Information Form before the Montreal Meeting?

Yes No

If yes, from whom you received the assistance?

- Staff of National Development Corporation
- Local engineering consulting firm
- UNIDO, UNDP or FAO expert. If so, please indicate his name: _____
- Others, please specify: _____

- (2) Assuming that you have another wood-processing project in future, would you be willing to participate in an investment promotion meeting similar to the Montreal Meeting?

Yes No

If yes, please check whichever is applicable:

- You consider that such a meeting be more useful if it is held in one of the industrialized countries which is well advanced in the field of wood-processing industry.
- You consider that such a meeting be more useful if it is held in one of the developing countries.

- (3) To achieve maximum publicity of future wood-processing investor promotion meetings, kindly suggest whom UNIDO should contact in your country.

Name: _____

Official title: _____

Name of organization: _____

Postal address: _____

- (4) Please make any other comments you wish on the Montreal Meeting or suggestions for future similar meetings.

Annex III

ORGANIZATIONS IN DEVELOPED COUNTRIES TO
WHICH QUESTIONNAIRES WERE SENT

Austria

Steyr-Daimler-Puch
Voest-Alpine AG
Zuckermann Industrieanlagen

Belgium

S.A. Verkor

Canada

Hawker Siddeley Canada Ltd.
Multiply Development Corporation Ltd.
Frederick E. Palmer and Associates
Norman Springate and Associates
International Ltd.
Paul H. Jones and Associates Ltd.
Consolidated Bathurst Ltd.
Hawes and Wight
Strapp Consultants Ltd.
MacMillan Bloedel Ltd.
Ministry of Economic Development
Government of British Columbia
Canadian Pacific Investments Ltd.
Simpson, Ross Ltd.
H.A. Simons (International) Ltd.
Alan Moss and Associates Ltd.
Dominion Bridge Company Ltd.
Gauthier, Poulin, Thériault Ltd.
Sandwell and Company Ltd.
SNC-RUST Ltd.
Reed Ltd.
Hallmark Engineering Ltd.
Foreno Ltd.
Indfor Equipment Ltd.
Stadler Hurter Ltd.
Bombardier Ltd.
Brunette Machine Works Ltd.
Canadian Morbark Ltd.
BC-Mill-Mach.-Mfg. Ltd.
TECSULT International
Caribbean Investments Ltd.
Export Development Corporation

Czechoslovakia

FINCOM Ltd.
LIGNA Foreign Trade Corporation

Finland

Ministry of Foreign Affairs
Lahden Rautateollisuus Oy
Thomesto Oy
METEX Corporation
Jaakko Poyry and Associates Ltd.

France

Woodbridge Timber Techniques S.A.R.L.
Chambon Engineering

Federal Republic of Germany

Heilborn GmbH
Gesellschaft für Industrie-
Projektplanung mbH
Gebr. Canali KG
Bison Werke - Bahre and Greten GmbH
Karl H. Fehr
Robert Hildebrand Maschinen-Anlagen
G. Siempelkamp and Co. Maschinenfabrik

India

The National Industrial Development
Corporation Ltd. of India

Italy

ACEMALL
Banca Nazionale del Lavoro

Japan

Ishikawajima-Harima Heavy Industries
Co., Ltd.
C. Itoh and Co., Ltd.
Daishowa Engineering

Norway

FORINDECO

Poland

POLIMEX C&KOP
PAGED

Spain

Vilarrasa S.A.

Sweden

Kaehrs Maskiner AB
Jonsereds AB
AB Karlstads Mekaniska Werkstad
Maskin AB Broederna Lindqvist
Kockums Industries AB
Swedforest Consulting AB

United Kingdom of Great Britain and
Northern Ireland

Stockwell Timber Drying Consultants
Ltd.
Sidney Cabbage (Kilns) Ltd.
Integrated Forest Products Consultants
UAC International Ltd.
P.R. Sandwell and Co. (UK) Ltd.

United States of America

Ex-Cell-O Corporation
Forest Industry Associates Inc.
Carthage Machine International
Corporation
International Finance Corporation
Gunter Geizer Systems Ltd.
Washington Iron Works
Eaton International
Morrison-Knudsen
J.E. Sirrine Co.
The East Asiatic Co., Inc.
Borden International
Brown and Root Inc.
Dravo Corporation

Annex IV

DETAILS OF PROJECTS PRESENTED AT THE MEETING

Project number	Project	Annual capacity	Total investment (million of dollars)	Proponent	Foreign Contribution required (see footnotes)
WOOD/76/001/LIR	Integrated wood-processing complex	Logs - 75,000 m ³ Sawwood - 25,000 m ³ Chipboard - 6,000 m ³ Decorative veneer - 2.2 million m ² Doors - 15,000 pieces Mouldings - 4,000 m ³	6.0	Liberian Development Corporation, Liberia	*
WOOD/76/002/SWA	Sawmill and chip production	Sawwood - 19,500 m ³ Chips - 10,400 tons	1.6	National Industrial Development Corporation, Swaziland	1,2,3
WOOD/76/003/ZAI	Logs, sawwood - sleepers and plywood (modernization)	Logs - 72,000 m ³ Sawwood - 20,000 m ³ Sleepers - 9,600 m ³ Plywood - 3,600 m ³	23.0	EXFORKA, Zaire	*
WOOD/76/004/ZAI	Logs, sawwood - plywood and veneers	Logs - 70,000 m ³ Sawwood - 25,000 m ³ Plywood - 7,000 m ³ Veneers - 3,000 m ³	To be determined	Plan Office, Office of the President, Zaire	negotiable
WOOD/76/006/ARG	Wood pulp	165,000 tons	To be determined	Institute Forestal Nacional, Argentina	1,2,3,5,6,7
WOOD/76/007/ARG	Wood pulp	To be determined	To be determined	Compania Naviera Perez Companc, Argentina	*

Project number	Title	Annual capacity	Total investment (millions of dollars)	Proponent	Foreign contribution required (see footnotes)
WOOD/76/010/ARG	Wood pulp	100,000 tons	To be determined	See project number WOOD/76/006/ARG	1,2,3,5,6
WOOD/76/012/INS	Bleached kraft pulp	165,000 tons	To be determined	P.T. Atlas Helau, Indonesia	2,5,6,7
WOOD/76/014/CHA	Building components, furniture and glue	Flush doors - 720,000 units Doors and window frames - 1,500,000 units Furniture - 200,000 units Glue - 50,000 tons	To be determined	Chana Timber Marketing Board, Ghana	*
WOOD/76/015/THA	Logging and six sawmills (expansion)	Sawwood - 6,550 m ³	0.165	Piphat Forestry Co. Ltd., Thailand	*
WOOD/76/017/NIR	Veneer and plywood	To be determined	To be determined	Tes Flush Door Factory, Nigeria	1
WOOD/76/018/ZAI	Logging, sawmill, plywood and veneer	Logs - 180,000 m ³ Sawwood - 50,000 m ³ Plywood - 25,000 m ³ Veneer - 5.6 mill. m ²	To be determined	FORESCOM, Zaire	3
WOOD/76/020/TAN	Building components	To be determined	To be determined	Ministry of Industry and Mines, Iran	1, 3
WOOD/76/021/MAL	Sawmill, furniture and building components	Sawwood - 10,000 tons Furniture - flexible Building component 3 - flexible	To be determined	Sabah Economic Development Corporation, Malaysia	6,7
WOOD/76/022/TUR	Logging and particle boards	Particle boards - 67,500 m ³	To be determined	Ministry of Forests, Turkey	2,3,4,5,6
WOOD/76/023/TUR	Two furniture plants	Housing furniture - 92,000 units School furniture - 102,000 units	7.0	same as for WOOD/76/022/TUR	2,3,4,5,6
WOOD/76/024/PAR	Logging, newsprint and sawmill	Newsprint - 100,000 tons Sawn wood - 10,000 m ³	161.0	Industriale Paraguaya S.A., Paraguay	1,2,3,5,7

Project number	Title	Annual capacity	Total investment (millions of dollars)	Proponent	Foreign contribution required (see footnotes)
WOOD/76/025/PAR	Paper from bamboo	Paper - 30,000 tons	47.0	Celulosa Nipo Paraguaya S.A., Paraguay	*
WOOD/76/026/ARG	Logging and cellulose production	Long fibred cellulose - 200,000 tons	To be determined	Coniferas Misionera, Argentina	1,3,5
WOOD/76/027/CHI	Logging, sawwood, sleepers, chipboards and mouldings	Sawwood - 5 million board ft Sleepers - 15 million board ft Chipboards - 4,500 tons Mouldings - 0.5 million board ft	2.3	Forestal y Madera Alonso S.A., Chile	1,2,3,5,6
WOOD/76/028/BZE	Logging, sawmill, panels and building components	To be determined	To be determined	Development Finance Corporation, Belize	1,2,3,4,5,6,7
WOOD/76/029/CMR	Logging, sawmill and veneers	Logs - 60,000 m ³ Sawwood - 14,000 m ³ Veneers - 25,000 m ³	20.3	Ministry of Industrial and Commercial Development, United Republic Cameroon	*
WOOD/76/030/PRC	Logging and woodworking complex	Logs - 120,000 m ³ Sawwood - 21,000 m ³ Peeled veneer - 22,500 m ³ Sliced veneer - 2,500 m ³	9.8	Ministry of Rural Economy, People's Republic of Congo	1 42 1
WOOD/76/031/MAG	Logging and chemical pulp	Chemical pulp - 100,000	To be determined	Ministry of Rural Development and Agrarian Reform, Madagascar	1,3,7
WOOD/76/033/ZAM	Sawmill, panels and building components	Sawwood - 327,042 m ³ Wafer-board - 44,250 m ³ Door jambs - 144,000 sets Window frames - 576,000 units	21.3	Forest Department, Government of Zambia, Zambia	*
WOOD/76/036/GHA	Decorative veneer	Decorative veneer - 3,560 m ³		National Investment Bank, Ghana	*
WOOD/76/037/PAR	Furniture components and flooring	Furniture components - 3,000 m ³ Parquet flooring - 240,000 m ²	1.9	Tacurupyta S.A., Paraguay	1,2,3,5,6,7

Project number	Title	Annual capacity	Total investment (millions of dollars)	Proponent	Foreign contribution required (see footnotes)
WOOD/75/039/PAR	Wood utilization centre	Sawwood - 5,000 m ³ Building components - 2,500 m ³ Other items - 2,500 m ³	2.7	National Forest Service, Paraguay	2,3,5,6,7
WOOD/75/041/MLM	Sawn wood, building components, panels and packaging boxes	Kiln-dried lumber - 720,00 ft ³ Flush doors - 12,000 units Door jams - 12,000 sets Packaging boxes - 160,000 units Fibreboard - 241,500 pieces	9.4	Zomba Wood Processing Plant, Malawi	2,3,4,5,6
WOOD/76/042/PAP	Mamus Island forest development	Logs - 200,000 m ³	0.6	National Investment and Development Authority, Papua New Guinea	*
WOOD/76/043/PAP	Exploitation and processing of sawlogs and pulpwood	To be determined	To be determined	Office of Forests, Dept. of Primary Industry, Papua New Guinea	1,2,3,5,6,7 4 1
WOOD/76/044/HON	Resin extraction from stumps	Castile resin - 17,000 tons By-products - 3,500 tons	6.2	Forestry Development Corp. of Honduras (COHDEFOR), Honduras	1,2,3,4,5,6,7
WOOD/76/045/HON	Pitch-pine chips	Chips - 75,000 bone-dry tons	5.6	See WOOD/76/044/HON	1,2,3,4,5,6,7
WOOD/76/046/HON	Newsprint	Newsprint - 20,000 tons	To be determined	See WOOD/76/044/HON	1,2,3,4,5,6,7
WOOD/76/047/HON	Hardboards	Hardboards - 25,000 tons	18.5	See WOOD/76/044/HON	1,2,3,4,5,6,7
WOOD/76/048/IVC	Sleepers	Sleepers - 50,000 m ³		Ministry of Water and Forests, Ivory Coast	1,2,3,6,7
WOOD/76/049/IVC	Sawwood, veneers and plywood	Sawwood - 25,000 m ³ of logs Peel veneer - 40,000 m ³ of logs Sliced veneer - 10,000 m ³ of logs Plywood - 18,000 m ³ of logs		See WOOD/76/048/IVC	*

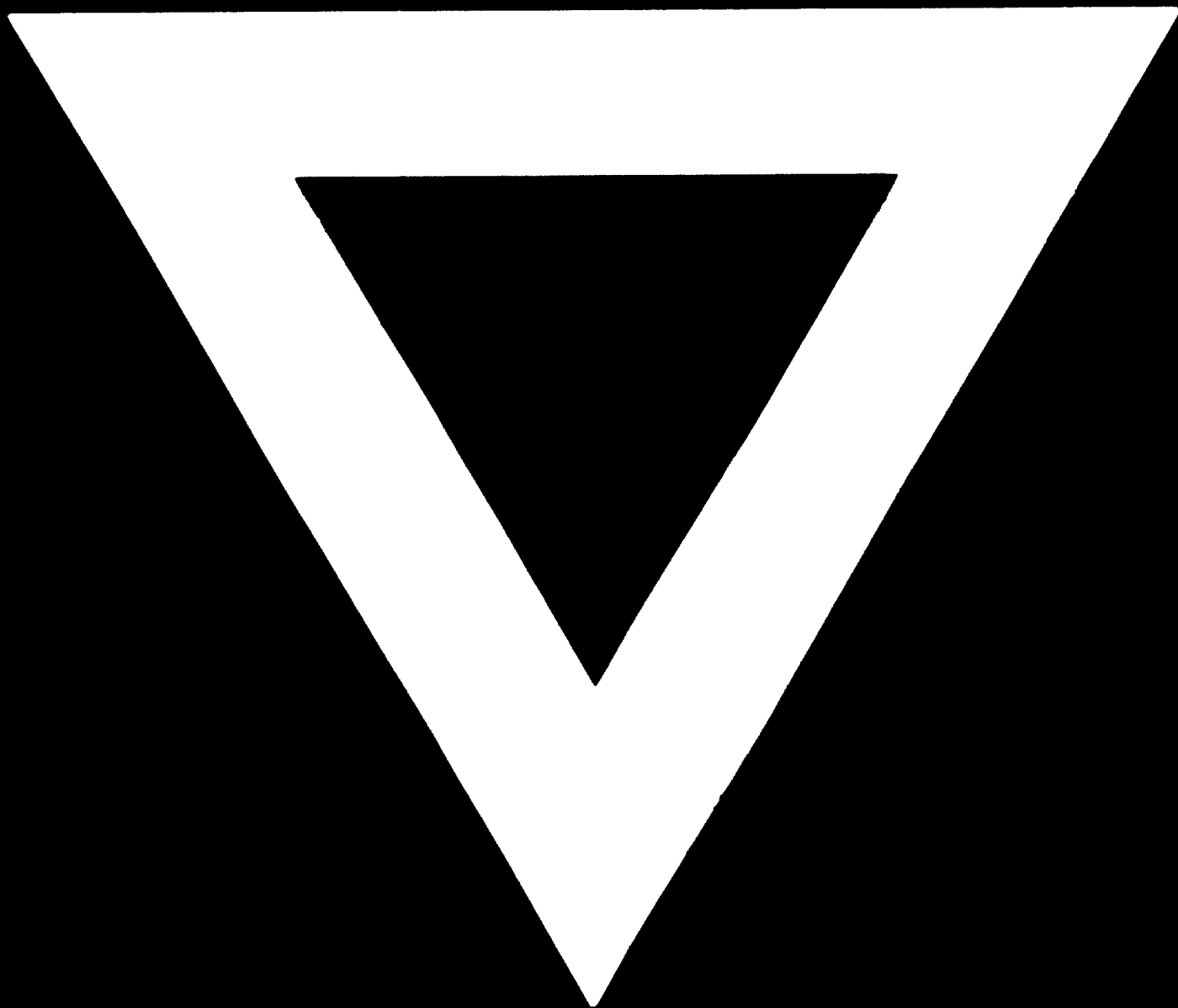
Project number	Title	Annual capacity	Total Investment (millions of dollars)	Proponent	Foreign contribution required (see footnotes)
WOOD/76/050/IVC	Joinery plant	Windows - 130,000 pieces	To be determined	Industrial Development Office, Ivory Coast	1,2,3,4,6,7
WOOD/76/051/MAL	Exploitation of residual timber	To be determined	To be determined	Pahang Tenggara Development Authority, Malaysia	1
WOOD/76/052/MAL	Integrated timber complex	To be determined	To be determined	Federal Industrial Development Authority, Malaysia	1
WOOD/76/053/PER	Thermo-mechanical pulp	Pulp - 22,000 tons (1st phase) 45,000 tons (2nd phase)	14.0	Industrias del Peru, Peru	2,3,6
WOOD/76/054/SIL	Integrated timber complex	Logs - 2.1 mill. ft ³ Sawwood - 1.5 mill. ft ³ Mouldings - 35,000 ft ³ Solid furniture - worth US\$ 791,000 Knock-down furniture - worth US\$ 446,000 Sliced veneer - 2,375 mill. ft ² Plywood - 600,000 sheets Boards - 40,000 units Transmission poles - 10,000 pieces	1.6	Sierra Leone Forest Industries Corporation, Sierra Leone	1,2,3,4,5,6
WOOD/76/055/IND	Sawmill and plywood	Sawwood - 36,000 m ³ Plywood - 3 million sheets		P.T. Tunggal Yudi Sawmill Plywood, Indonesia	2,3,5
WOOD/76/056/PAR	Moulding plant	240,000 linear metres	0.4	Tropical Lumber S.R.L., Paraguay	2
WOOD/76/057/SIL	Sawmill, veneer, plywood, particle board	Sawwood - 23,520 m ³ Veneer - 5,380 m ³ Plywood - 4,998 m ³ Particle board - 5,880 m ³	To be determined	Ministry of Finance, Development and Economic Planning, Sierra Leone	*
WOOD/76/053/GHA	Veneer, plywood and furniture	Decorative veneer - 800 m ³ Plywood - 2,400 m ³ Furniture - 600 m ³	To be determined	National Investment Bank Ghana	*

Project number	Title	Actual capacity	Total Investment (millions of dollars)	Proponent	Foreign contribution required (see footnotes)
WOOD/76/059/GAE	Particle board plant	To be determined	3.5	Société Lorombois, Central African Empire	2,155,577
WOOD/76/060/GHA	Integrated timber complex	Logs - 25,000 m ³ Sawn wood - 25,000 m ³ Profiled wood - 20,000 m ³ Veneer - 10,000 m ³ Plywood - 30,000 m ³	11.0	Ghana Social Security Bank, Ghana	*
WOOD/76/061/INS	Integrated timber complex	To be determined	To be determined	Sabang Free Port and Free Trade Zone, Indonesia	*

Note:

- 1 = Equity participation
- 2 = Loan/supplier's credit
- 3 = Supply of machinery/equipment
- 4 = Turnkey contract
- 5 = Processing technology
- 6 = Management
- 7 = Marketing
- * = Group A project

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