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United Nations Industrial Development Organization

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*Progress Report
on Activities
and Achievements
1995*

IPO

Industrial Promotion Office

44 p.
tables
graphs
diagrams
maps
illus.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

**PROGRESS REPORT ON
ACTIVITIES AND ACHIEVEMENTS**

January - December 1995

INDUSTRIAL PROMOTION OFFICE

MILAN

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1. INSTITUTIONAL FRAMEWORK

On 12th August 1985, through an exchange of notes, an agreement was concluded between the Italian Government and UNIDO to establish an Industrial Promotion Office (IPO) in Italy for the promotion of industrial co-operation between Italian firms and those of developing countries. The Office started operating in October 1987.

After an initial two-year phase, in 1989 the Italian Government and UNIDO agreed to a five-year extension of the Office's operations from October 1989 to December 1994, which have been subsequently extended until July 1996.

The UNIDO Office in Milan has the mandate to contribute to the identification and promotion of industrial investment projects in developing countries with the aim of transferring Italian know-how, technology and capital to enterprises in all industrial sectors of developing countries.

The Office is an integral part of a network of industrial promotion offices (IPSOs) operating in 1995 in Athens, Istanbul, Paris, Seoul, Tokyo, Vienna, Warsaw, Washington and Zurich. UNIDO is also operating two international industrial co-operation centres in Beijing and Moscow. IPSOs in Bahrain and Lisbon are being planned. National investment promotion programmes, operating in close relationship with UNIDO, have been active for Australia, Belgium (Walloon region), the Czech Republic, Hong Kong and the UK.

The present report covers a period of twelve months from January to December 1995.

SERVICES OFFERED

- ◆ PROVISION OF INFORMATION ON LAWS AND REGULATIONS CONCERNING FOREIGN INVESTMENT IN DEVELOPING COUNTRIES
- ◆ PRESENTATION OF INVESTMENT OPPORTUNITIES
- ◆ RESEARCH OF PARTNERS
- ◆ UNDERTAKING MISSIONS TO PROJECT SITES
- ◆ DEVELOPMENT OF BUSINESS PLANS
- ◆ PRE-APPRAISAL OF INVESTMENT OPPORTUNITIES
- ◆ FINANCIAL EVALUATIONS
- ◆ DRAFTING OF CONTRACTS
- ◆ DEFINITION OF FINANCIAL PACKAGES

2. HIGHLIGHTS OF OPERATIONS

(1990-1995)

PROMOTIONAL ACTIVITIES

INVESTMENT OPPORTUNITIES

| | |
|--|-------|
| ◆ Investment opportunities promoted | 5.360 |
| ◆ Investment opportunities identified by the IPO | 1.234 |
| ◆ Investment profiles requested by Italian companies | 4.709 |

SEMINARS AND INVESTMENT MEETINGS

| | |
|---|-----|
| ◆ Country seminars held in Italy | 116 |
| ◆ Other seminars held in Italy | 36 |
| ◆ Investment meetings held in developing countries and Eastern Europe | 35 |

DATABANK OF POTENTIAL INVESTORS

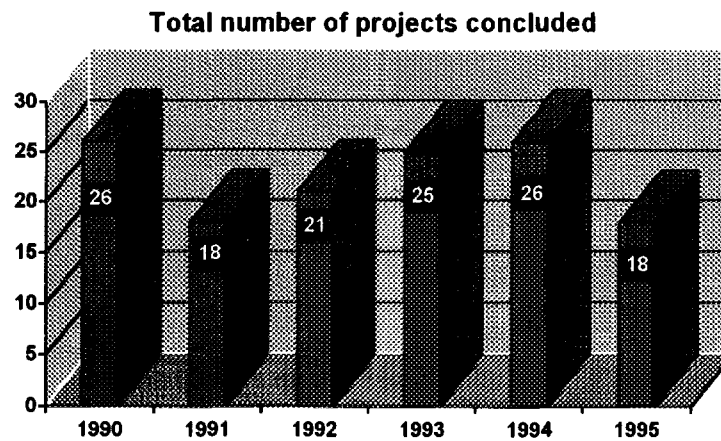
| | |
|---|-------|
| ◆ Italian companies included in the Office's databank | 3.353 |
| ◆ Italian companies attending seminars | 2.704 |
| ◆ Italian companies participating in UNIDO investment meetings (INVESMARTS) | 345 |
| ◆ Italian enterprises receiving assistance | 5.300 |
| ◆ Enterprises from developing countries receiving assistance | 1.148 |

TABLE I

STATISTICS ON PROJECTS CONCLUDED (1990-1995)

| | |
|--------------------------------|-----------------------|
| NEGOTIATIONS FOLLOWED | 501 |
| PROJECTS CONCLUDED | 134 |
| TOTAL INVESTMENT AMOUNT | 992.62 M US \$ |
| OPERATIONAL PROJECTS | 30 |
| TOTAL INVESTMENT AMOUNT | 95.72 M US \$ |

DISTRIBUTION OF PROJECTS CONCLUDED BY YEAR



GEOGRAPHICAL DISTRIBUTION OF OPERATIONAL PROJECTS

| | |
|-----------------------|-----------|
| ASIA | 15 |
| EASTERN EUROPE | 9 |
| LATIN AMERICA | 6 |

TABLE II

INVESTMENT GENERATION RATIO

PROJECTS CONCLUDED (1990-1995)

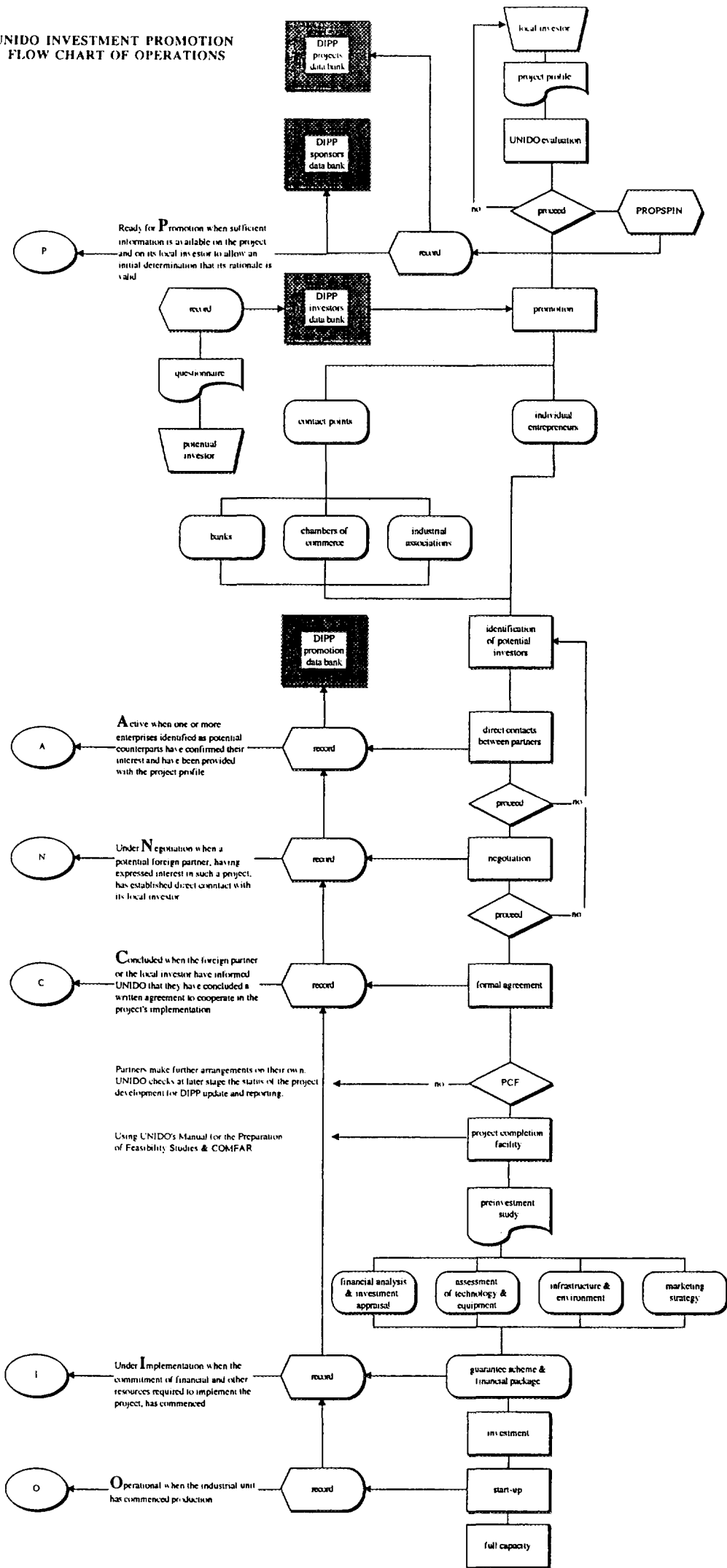
| | | TOTAL | Under Implementation | Operational | Under Implementation and Operational |
|------------------------------|----------------|---------------|---------------------------------|--------------------|---|
| Projects Concluded | Units | 134 | 35 | 30 | 65 |
| Investment Generated | M US \$ | 992.62 | 317.34 | 95.72 | 413.06 |
| Average Project Value | M US \$ | 7.41 | 9.07 | 3.19 | 6.36 |
| IGR | US \$ | 165.44 | 52.89 | 15.95 | 68.84 |

The IGR, the investment generation ratio, expresses the number of dollars of actual investment generated for each dollar spent from the IPO's budget.

The ratio can be used to indicate the effectiveness of the IPO programme, considered as an instrument to promote co-operation between developed and developing countries. In fact, the IGR provides a measure of the multiplying effect of the programme.

TABLE III

UNIDO INVESTMENT PROMOTION FLOW CHART OF OPERATIONS



3. OPERATIONAL CONSIDERATIONS

3.1 PERSPECTIVES ON INDUSTRIAL DEVELOPMENT THE ROLE OF FOREIGN INVESTMENT

The past thirty years have seen a steady slowing down of global industrial growth, from an average 6.2 per cent per year in the sixties to 3.7 per cent during the following decade, slipping to 2.8 per cent in the 1980s before arriving at just 1.4 per cent between 1990 and 1994.

On the whole, such a slow-down affected industrialised countries more than developing countries. In the developed market economies of North America, Western Europe and Japan, growth dropped from 5.8 per cent per year in the 1960s to 0.9 per cent at the beginning of the 1990s while, over the same period, the contribution of manufacturing value added (MVA) to GDP fell sharply to 17.8 per cent in North America, 23.8 per cent in Europe and 29 per cent in Japan.

While the most industrialised countries struggled against recession and stagnation, developing countries witnessed a substantial growth of MVA, even if such a growth was not evenly distributed. However, the share of global MVA accounted for by developing countries more than doubled from 1960 to 1995, soaring from 8.6 per cent to 21.3 per cent. The figures hide great disparities: Asia, and particularly South East Asia and China, where two digit growth was registered between the 1960s and 1980s and where MVA growth averaged 7.7 per cent in the last fifteen years, accounted for most of the gains.

In Latin America, after the boom period of the 1960s and 1970s, industrial output fell during the following decade to recover to a modest 3 per cent annual growth only at the beginning of the 1990s. On the other hand, the contribution of African countries to the global industrial output, with some exception, remained well below average and in some countries the expansion of population is seriously jeopardising the prospects of the economy. The sub-Saharan region in particular recorded a negative growth and its share of global MVA decreased from 0.4 per cent to 0.3 per cent. Statistical data available indicate that many sub-Saharan countries experienced deindustrialisation since the late 1970s with a decreasing share of manufacturing in GDP.

The figures speak of a global restructuring of the industrial sector with a greater involvement of developing countries, but also of a gap in terms of industrial output between more advanced countries and less developed ones. At a time of increasing economic interdependence, such a gap is cause for serious concern. In fact, industrialisation is the driving force of the development process and it is strictly related to economic growth and social development. In this sense, it has profound social implications, in terms of improvement of living standards, cultural changes, and, ultimately, democracy.

Countries falling out of step with the industrialisation process risk being left behind economically and socially, but their reduced or negative rate of development cannot be disregarded as it might affect the global economical and political scene. Recent years show clearly enough that unemployment, political instability, civil unrest, droughts and natural disasters in Asia, Latin America, Africa and countries in transition can quickly translate into social and eventually financial problems in Europe or North America. A new international commitment on industrial co-operation is therefore required to respond to the changes of the global business order.

Trade liberalisation, deregulation and privatisation processes have drastically reduced the role of the State whereas a greater emphasis has been placed on market forces to which the responsibility of shaping the economy is left. In this context, a number of factors appear to be characterising industrial development in the world, in particular the accelerating pace of technological advances, the increased downsizing of large enterprises which pay intensive recourse to outsourcing and subcontracting, the fast growth of the service sector and the expansion of financial markets with the emergence of new markets in many developing countries.

All these elements must be seen in the framework of the globalisation process. In fact, globalisation has been the response of corporate business to changes in the international business environment even though the general emphasis on globalisation is tempered by the resurgence of regionalism in many areas of the world where progressive coalitions, aiming at a further opening up of the economies, are at war with regressive coalitions which on the contrary interpret regionalism as a way of closing the market to external and more effective competitors. Nevertheless, new industrial policies are, in general, shifting from import substitution to export driven growth which entails the need for the development of technological capabilities and upgrading and improving competitiveness in manufacturing at a global level.

This has important consequences for developing countries. While global competition intensifies world-wide, decision making is consequently more and more influenced by cross border considerations. As national markets are opened, even if only at a regional level, the concept of a domestic market which was at the heart of industrialisation in the past has to be reviewed. The opening up of new market opportunities, the increase in effective competition and a growing multiplicity of economic actors will reinforce the importance of foreign investment as a key element in the growth process. Foreign investment is expected to have a catalysing effect on local economies through the introduction of new technologies, the upgrading of production techniques, the shortening of product life-cycles, the improvement of quality, design and human skills, and the introduction of a flexible production system and aggressive marketing.

Cost reductions, efficiency gains and market access will be the basic considerations behind an investment decision by a foreign investor. Countries which are part of a strong regional cluster or have a large domestic market, or are characterised by a rich resource basis and an enabling policy framework, will attract the bulk of foreign investment as well as non-equity co-operation. It must be stressed though that, in the long run, more than the availability of cheap labour or natural resources, it will be crucial the availability of skilled labour and the existence of a number of externalities such as telecommunications, transportation, efficient subcontracting networks and investment in education and Research and Development. Moreover, from the point of view of developing countries, it provides the opportunity of activating an endogenous mechanism of growth based on the reinforcement of national entrepreneurial capabilities and the development of innovative skills and technology which will give them a leading edge over competitors and guarantee a sustainable growth.

In this perspective, there is strong evidence that small and medium-sized enterprises (SMEs) will play an increasingly important role as their contribution to the growth of the economy in terms of output, exports and employment is now widely recognised. The rapid growth of SMEs is seen as a critical element of the development process of developing countries. In fact, the emergence of locally owned industrial entities will bring about the expansion of industrial production over a greatly diversified base and will contribute to the generation of employment and to a wider distribution of income. SMEs, through the establishment of subcontracting links with foreign companies or large domestic manufacturers, can be a first vehicle to import capitals and technologies. Moreover, great potential exists for industrial districts and clusters which enable groups of small firms to exploit economies of scale and enhance collective efficiency. The agglomeration of firms in a specific area has proven to favour the development of skills and specialisation necessary to develop export and production capabilities. A particular aspect of the development of SMEs and clusters of SMEs is their linkage to rural development as in the case of the system of Township and Village Enterprises in China. In fact, by maintaining a vital link with the

territory, the development of a network of SMEs contributes, on the one hand to the optimal utilisation of raw materials and labour, and on the other to stabilising the population.

In a scenario where the role of governments is expected to be oriented towards the creation of an enabling environment for business and investment and in which industrial development in developing countries will be more and more determined by competition at enterprise level, SMEs might be the element providing the productive system with the entrepreneurial skills, the flexibility and dynamism to respond to market demand and, ultimately, to generate a self sustaining mechanism of global growth.

3.2 THE IPO'S METHODOLOGY

Since its inception, UNIDO has been involved in the promotion of foreign investment for industrial projects of developing countries, in response to various mandates and directives from General Conference resolutions. UNIDO operates in this field both as catalyst and promoter of co-operation agreements and joint-ventures, stimulating and guiding the sponsors and promoters of investment projects in formulating and negotiating them with potential partners. The international business community increasingly recognises UNIDO's comparative advantages as investment catalyst since the Organization provides:

- access to investment information, governments and private businesses through its world-wide contact network;
- direct access to enterprises of developed countries by means of the UNIDO offices' network;
- access to entrepreneurs of developing and Eastern European countries and information on conditions in these countries and their industries;
- the neutrality of a United Nations organization operating as an impartial intermediary and honest broker;
- the capacity of carrying out pre-investment studies through the services of the Feasibility Studies Branch;
- experience in establishing and strengthening investment promotion agencies in developing countries through institution-building projects;
- the capability of mobilising financial resources from institutional or commercial banks for direct investments.

The IPO Milan operates according to the promotion procedures illustrated here below:

| | |
|--|---|
| <p>IDENTIFICATION</p> <p>FORMULATION</p> <p><i>Propspin</i></p> <p><i>Investment Profile</i></p> <p>PROMOTION</p> | <p>a. The local promoter in a developing country, assisted by UNIDO Headquarters or by the IPO, prepares an investment project profile. The proposal, after a UNIDO evaluation, is declared ready for promotion when sufficient information is available on the project and on its sponsor, to determine that its rationale is valid. A computer financial test, PROPSPIN (*), is run to further assess the proposal's bankability. The investment profile form contains basic information, such as the product's description, manufacturing process, market potential, the type and volume of investment, production costs and infrastructure. The fact that UNIDO has identified the local investor is a very essential feature, allowing direct contact between potential counterparts to be established and reassuring the prospective Italian investor that the proposal has the managerial and financial support of a local entrepreneur.</p> <p>b. Summary lists of project profiles are dispatched to the IPO's 246 contact points which include local banks, industrial associations, regional offices of the Istituto per il Commercio Estero (ICE) and chambers of commerce, as well as to about 3.353</p> |
|--|---|

(*) PROPSPIN (PROject Profile Screening and Pre-appraisal INFORMATION system) is a simple software tool for fast project screening. The package requires simple data inputs to produce financial feasibility indicators and cash flow projections. A new version, PROPSPIN III, was released in December 1995.

| | |
|------------------------------------|--|
| NEGOTIATION | <p>Italian firms with which the IPO Milan has established direct operational contacts. Subsequently, enterprises interested in obtaining supplementary information on any investment proposal receive detailed project profiles.</p> |
| <i>Propspin</i> | <p>c. An investment proposal is considered under negotiation when a potential Italian partner, having expressed interest in implementing an investment, has established direct contact with the local investor. During this phase, UNIDO, when requested, may provide assistance aimed at facilitating these negotiations, finalise financial pre-appraisals utilising PROPSPIN and offer advisory services to both parties. The project is considered concluded when the foreign partner or local investor informs UNIDO that they have signed a detailed written agreement or joint-venture contract to co-operate in the implementation of the project.</p> |
| PROJECT CONCLUDED | <p>d. Once a formal and detailed agreement exists between two partners to create a joint-venture, they might request UNIDO to assist them in formulating and co-financing a pre-investment study, using the Project Completion Facility (PCF). The feasibility study will be formulated, applying criteria established by UNIDO in the 'Manual for the Preparation of Industrial Feasibility Studies' and using COMFAR (*) software. In order to avail themselves of the PCF, the prospective investors have to provide the following:</p> <ul style="list-style-type: none"> - a detailed letter of intent, signed by both investment partners, describing the project and the prospective counterparts; - a written confirmation of the intention to proceed with the implementation of the joint-venture, providing that the results of the study confirm its feasibility; - a written confirmation of a contribution equal to at least one half of the cost of the study, considering that UNIDO's contribution will not exceed 80,000 US \$. |
| <i>Project Completion Facility</i> | <p>The terms of reference of the study will include the evaluation of the proposed technology and equipment, market potential, production costs, infrastructure, etc. The aim of the study is to proceed with a thorough appraisal of the economic, financial and technical aspects of the joint-venture proposal.</p> |
| <i>Comfar</i> | <p>e. In order to promote the implementation of the project, the IPO Milan will endeavour to present the feasibility study to the Sezione Speciale per l'Assicurazione del Credito all'Esportazione (SACE), should an insurance guarantee be required by the project, and/or to financial institutions for the completion of the financial package.</p> |
| UNDER IMPLEMENTATION | <p>All information on projects to be promoted, on promotion and follow up activities undertaken, as well as on potential Italian investors are stored in DIPP (**).</p> |
| <i>Dipp</i> | |

(*) UNIDO has published a 'Manual for the Preparation of Industrial Feasibility Studies' (ID/372). Based on the methodology therein, a computer software programme package called COMFAR (Computer Model for Feasibility Analysis Reporting) was developed in 1983; COMFAR III Expert was released in 1994. The programme, which is protected by a licence, and UNIDO's methodology on project feasibility analysis are internationally recognised and accepted by numerous financial institutions. COMFAR allows a financial and economic cost-benefit analysis to be carried out on an investment project. COMFAR has been translated into Arabic, Chinese, English, French, German, Hungarian, Polish, Russian and Spanish.

(**) DIPP (Databank for Investment Promotion Programme) is a software package developed by the IPO in 1988, integrating project and Italian investor data, which ensures that all promotional activities undertaken by the Office are recorded. It allows effective use of information available, combines different sets of data and makes it possible to monitor activities, thereby securing a prompt follow up.

3.3 THE ROLE OF THE IPO

Since its opening, the IPO witnessed a progressive change of attitude on the part of an increasing number of Italian companies with respect to investing abroad, particularly in developing countries. In fact, when the IPO started operating at the end of 1987, the majority of Italian companies were reluctant to embark on industrialisation programmes abroad. This was apparently due to the lack of a consolidated tradition with respect to the internationalisation process and to the fact that many companies, being family owned, did not have spare human resources to operate abroad. At the same time, the institutional framework was also fragmented and not sufficiently supportive, particularly with respect to banks and financial institutions which were ill-equipped to fully assist investment operations in developing countries.

The IPO, which had been instituted as a promotional office, played a pioneering role in many respects, presenting investment opportunities to the Italian private sector and illustrating laws and regulations governing foreign investment in developing countries in an effort to bridge the existing information gap. Many of the companies approached, however, were mainly interested in the sale of machinery or in purely commercial agreements which would improve their cash flows. This prompted the IPO to enlarge its activities to encompass the identification of investment proposals so as to better target the needs of Italian companies.

Emphasis was put on project appraisal through the collection of detailed investment data and PROSPIN evaluation, which frequently constituted a valuable tool for negotiating partners in introducing rectifications and refinements to the original proposal and in defining an agreement based on the indicators of the software programme. This resulted in the IPO promoting an increasing number of bilateral investment project identification programmes, where the specific requirements of the Italian manufacturing sector could be better represented and directly promoted in the countries visited. The IPO was also requested by other organizations such as the European Union (EU), the Milan Fair Authority and ICE to provide technical and expert support in the selection and formulation of investment proposals, as well as in their promotion in Italy.

At the same time, an increasing number of Italian firms approached the IPO in search of markets and partners with the aim of transferring a substantial part of their production to third world countries, taking advantage of cheap labour and available raw materials, thus enabling them to keep their market position with a more competitive production. This kind of demand consolidated itself in the early nineties and led the IPO to expand the range of its services available to SMEs to support their investment plans in developing countries.

The adoption of such an approach meant dedicating increased ad-hoc attention to the demand originating from SMEs for continued support and customised assistance. This encompassed the specific identification of a local partner in a third world country, whenever the portfolio of investment proposals on hand did not meet the specific needs of the prospective Italian investor, and continued with the involvement of the Office in all phases of project development. The IPO was sought out more and more by potential Italian investors as a source of trusted and professional advice to management. In such a framework, the IPO was increasingly requested to continue assisting partners until well after the conclusion of the agreement in order to solve numerous problems connected with the implementation of the project, particularly with respect to securing the project's financing.

In this connection, the Office completed its range of services, linking up promotional operations to the identification of a financial package and the negotiation of funds necessary to implement individual projects. The recognition of the validity of UNIDO's approach and methodology for the evaluation of investment proposals was further substantiated by the increasing number of organizations and firms adopting the UNIDO feasibility study approach for industrial projects.

This further developed into numerous requests for specialised courses on the preparation of feasibility studies put forward by banks and financing institutions which recognised UNIDO's feasibility studies as a basis for their participation in the financial package of joint-ventures handled by the IPO.

This further developed into numerous requests for specialised courses on the preparation of feasibility studies put forward by banks and financing institutions which recognised UNIDO's feasibility studies as a basis for their participation in the financial package of joint-ventures handled by the IPO.

In this respect, the availability of the PCF was a key asset for the IPO which continued to offer technical support to a number of firms for the pre-investment appraisal of a project, as well as financing ½ of the study's cost. Of definite appeal to these firms is the official acceptance by SACE of UNIDO studies when granting insurance coverage for joint-ventures. This coverage is of key relevance for investment projects as it usually triggers the financial involvement of credit institutions. At the same time, the dynamics of the economies in selected developing countries have by now caught the attention of Italian potential investors. An increasing number of Italian companies are now considering the potential of emerging markets as a source of alternative profit. This has fostered the development of co-operation agreements through which Italian companies are attempting to transfer their technologies and skills to developing countries, so as to be able to take advantage of the higher growth rates prevailing in those countries. In this framework, investment geographical distribution shows an increasing tendency towards a few selected countries which present distinctive comparative advantages to investors.

In fact, investment flows were sustained towards the newly industrialised and large nations of Asia, which represent a major attraction on account of their advanced infrastructure and highly competitive banking systems, still relatively cheap yet skilled labour, growing market sizes and, by and large, stable political situation. Similarly in Latin America, recent trends towards privatisation, the opening up of economies and the stabilisation of the democratic process, together with the creation and strengthening of regional links among these countries, setting the basis for larger and more interesting local markets (NAFTA - North American Free Trade Agreement; MERCOSUR - MERCado COMun del SUR; Andean Pact), constituted a definite appeal for Italian firms. Interest for Eastern Europe picked up again, although on a very selective basis, after the cooling down of much of the initial enthusiasm for the opening up of these markets on account of political difficulties and uncertainties. On the contrary, persisting reluctance was witnessed for the African continent where specific infrastructural drawbacks and feeble markets appear to have a discouraging effect. On all continents though, a critical issue which appears to limit the number of concluded projects reaching the operational stage is the difficulty experienced by local sponsors in securing their part of the financing package. While provisions and facilities exist to support foreign investors, local sponsors are often confronted with limited availability of local financing and costly or excessively demanding guarantee schemes.

In such a framework, the experience of the IPO indicated that the specific approach based on the selectivity of the project is instrumental in stimulating the flow of private investment towards developing countries, as far as Italy is concerned, and in facilitating the internationalisation process of Italian enterprises, and the transfer of technology and know-how to the benefit of recipient countries. In this connection, the IPO has firmly established itself as a methodological reference point for the formulation and evaluation of investment opportunities, and at operational level has consolidated its role in supporting both the private sector and Italian institutions dealing with investment abroad.

With regard to the private sector, the IPO makes available specialised and impartial professional advice to SMEs, providing them with a complete and customised range of support services, whereas, at institutional level, the IPO acts as a catalyst for bilateral investment promotion initiatives involving numerous national and regional institutions and chambers of commerce.

The IPO is now engaged in strengthening its links with the territory and expanding its contacts with potential investors by developing strategic relationships with selected counterpart organizations through which it can channel its promotional campaign and identify and elicit latent potential for foreign investment.

SMEs AND CLUSTER TO CLUSTER CO-OPERATION

During the last few years, interest in the development of competitive small-sized enterprises has increased significantly world-wide. This has been mirrored by the economic policies adopted by governments of countries at different stages of industrial development because of their new economic situations. In fact, in recent years there has been an acceleration in the internationalisation process and a birth of new areas of regional integration.

Within such a framework of the opening up of previously protected domestic markets, the parameters of competitiveness as well as the factors fostering economic growth have changed considerably. In fact in a country with an open economy, the State cannot take concrete action to balance the disproportionate effects of development and further strengthen the "strongest players". Moreover, with this new situation of competitiveness, the areas which were once protected and supported by the government's economy are now, more than ever, open to all possible attacks and the "strongest players" cannot play their previous important roles. They are no longer able to ensure the competitiveness of their country or maintain the same level of employment. The small-sized enterprises, on the other hand, unable to survive on the borderline of the economy (often resorting to operating in the "informal" economy) also have to become competitive in the international market.

The development of small-sized enterprises is not necessarily a spontaneous phenomenon. Without the infrastructures and legal conditions needed to operate in a larger market, or the environmental conditions favourable to the establishment of new companies and to their mutual co-operation, a spontaneous process (as has happened in various regions in Italy) leading to the creation of numerous clusters of small-sized enterprises is very unlikely. Intervention by the Government is not, therefore, to be excluded but redefined: the State no longer intervenes directly in the economy or enterprises but undertakes measures to change the environment, the rules in operation, and those factors enabling the country to cope with foreign markets and grow economically.

This is the real transformation: small companies with poor efficiency rates are not simply a source of

employment. They now have to be considered the basis of a new competitive strategy. But how can small-sized enterprises, with their limited resources, become competitive? Italy and Europe as well as some developing countries have shown that this transition can take place if small-sized enterprises are allowed to work in close co-operation and in a favourable social and institutional framework. The territory therefore becomes the operational environment in which small enterprises easily thrive, co-operate and compete.

As seen in numerous previous experiences, the development of clusters of SMEs is the best way to lead small companies to be present and become competitive on an international level. This points out to what degree development can be promoted by bottom-up interventions, micro measures taken on local forces and in particular on the country's human resources. In the light of this evolving situation, international co-operation must also be considered differently and greater importance must be placed on the role played by SMEs in the evolution of developing countries. As a matter of fact, accelerating the opening process of small-sized enterprises in non-industrialised countries to the international market may trigger an expansion of the local system in which they operate.

However, if co-operative relations are established among individual companies and are not spread all over the country they have a positive but limited value. It is therefore necessary to establish a link between different clusters of SMEs in which business to business operations are only pilot cases within cluster to cluster operations, and examples to be considered within a wider programme of know-how transfer, entrepreneurial expertise and local measures supporting small-sized enterprises.

If, on the one hand, the role played by local governments and non-governmental co-operation organisations is subject to evaluation, on the other, it is necessary to review the nature and the objectives of the programmes they implement as well as the tools they adopt in order to keep sustaining the promotion of development.

Prof. Patrizio Bianchi
President of the Scientific Committee of Nomisma

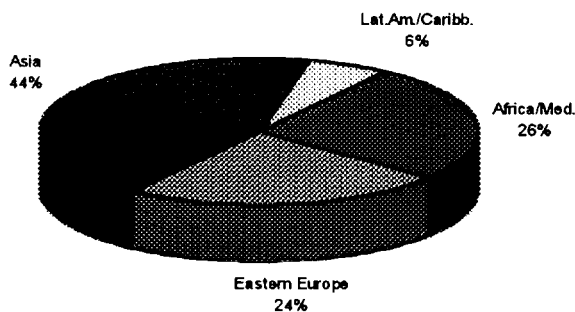
4. 1995 INVESTMENT PROMOTION ACTIVITIES

4.1 SUMMARY OF RESULTS

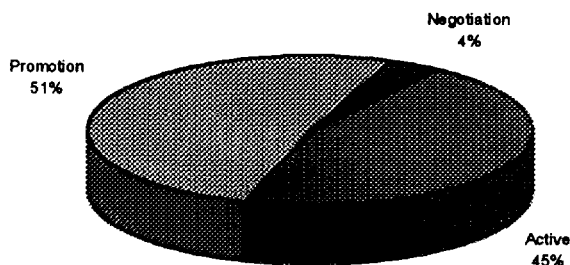
During the twelve-month reporting period, the IPO circulated country and sectorial project lists covering a total of 1,140 investment proposals. Following such a promotion, interested Italian firms requested and obtained 557 project profile forms from the IPO, each providing details on the investment proposal and the project sponsor to be contacted.

The IPO was involved in direct negotiations between potential Italian partners and local investors for 67 projects for which, in some cases, a preliminary letter of intent was signed.

PROJECTS CIRCULATED



DISTRIBUTION BY PROMOTIONAL STAGE

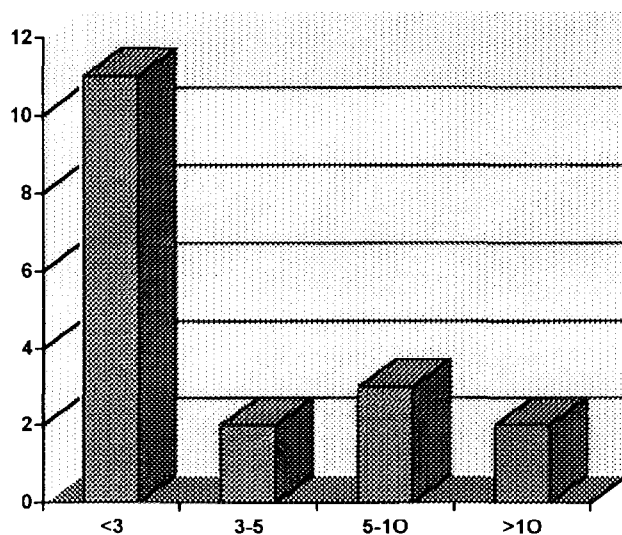


For 18 projects, negotiations were positively concluded with the signature of a contract. Three of these projects are already operational, for a total investment of 3.20 MUS \$. One project concluded in 1994 is now under implementation (4.20 M US\$) while two others concluded last year have since become operational for a total investment of 2.05 M US \$.

Italian companies, especially SMEs, continued to rely on UNIDO's promotional efforts towards co-operation agreements and also on its support towards the completion of negotiations between partners and the finalisation of the financial package for the investment. For Italy's largest component of the industrial sector, the SMEs which account for more than 90% of the total, UNIDO's intelligence reports remain essential.

TABLE IV

**PROJECTS CONCLUDED IN 1995
(By size of investment)**



Of special importance, as in the past, appeared to be UNIDO's project profiles which constitute a reliable source of information on the local sponsor, investment requirements and the cost of the envisaged production process. In addition, demand for detailed and prolonged assistance during the negotiation process consolidated itself. The IPO's involvement covered all the steps, from the identification of the investment proposal to the implementation of the joint-venture, passing through the various phases of the proposal's formulation: the search for partners, support in negotiations entailing visits to the manufacturing facilities of both the prospective investor and the local promoter, fulfilling documentation requirements for approval by the local authorities of the joint-venture proposal, the in-depth evaluation of the project through a detailed feasibility study and the finalisation of the financial package, including negotiations with credit and insurance institutions. Such an approach requires a full immersion into the proposal and is time- as well as resource-consuming.

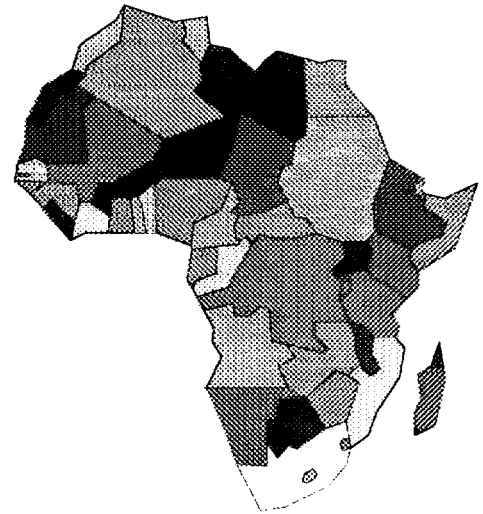
For instance, among other projects, the IPO staff was required during 1995 to closely follow negotiations for: the production of chemical products in Venezuela and taps in Lebanon, the manufacture of metal cans and sweets in Vietnam, and the setting up of a tourist resort in Mexico, a granite quarry in Uganda, and a business activity in Poland.

| | | | |
|--------------------------------------|-----------|-------------------------|--------------|
| PROJECTS CONCLUDED | 18 | TOT. INV. M US\$ | 73.27 |
| PROJECTS UNDER IMPLEMENTATION | 1 | TOT. INV. M US\$ | 4.20 |
| OPERATIONAL PROJECTS | 5 | TOT. INV. M US\$ | 5.25 |

TABLE V

4.2 AFRICA AND THE MEDITERRANEAN REGION

The results the IPO obtained in Africa were not satisfactory, although initial signs of interest were registered on the part of potential Italian investors, particularly when taking into consideration raw materials and low production costs. The IPO's activity in the region consisted of assisting Italian entrepreneurs with their contacts and providing information on investment laws. However, project promotion led to only one project concluded in Uganda, for the exploitation of marble and granite.



On the contrary, a more positive attitude has been registered towards the Mediterranean region. A new emphasis is being placed on co-operation between Europe and countries of the Southern basin of the Mediterranean. The prospects of a larger economic integration are prompting Italian investors to pay more attention to opportunities existing in developing countries of the region, particularly for the exploitation of agricultural products, or the utilisation of cheaper labour, as in the case of the project concluded in Tunisia for the manufacturing of working uniforms.

4.2.1 SPECIAL COUNTRY PROGRAMMES

NORTHERN AFRICAN COUNTRIES AND MOROCCO

During 1995, the IPO established a basis for further co-operation with Northern African countries. Over 48 projects were selected from Morocco, Tunisia and Egypt for the Amman Forum (November 1995) and promoted in Italy. These projects aroused the interest of Italian companies particularly for the agroindustry, food processing and marble and granite sectors. The follow-up of contacts will continue during 1996 with the objective to identify the most interesting economic sectors for Italian entrepreneurs and pursue co-operation between Italian firms and those of Morocco, Tunisia and Egypt.

Following a priority directive issued by the Italian Ministry of Foreign Affairs, a special programme was initiated with Morocco. Activities undertaken by the IPO to promote investment opportunities in Morocco started at the very beginning of 1995 with the identification of a local counterpart organization to participate in BORITEC'95. The ODI (Office pour le Développement Industriel) took part with only a promotional desk. During this Fair, a country presentation seminar was held in co-operation with Mondimpresa in order to present investment opportunities and facilities to Italian entrepreneurs. The ODI official delegation established contacts with Italian institutions operating in the industrial co-operation field so as to foster closer ties.

As a result of the Moroccan participation in BORITEC'95 and in view of the promotion of the Casablanca Forum (May 1996), the possibility of hosting an ODI delegate at the IPO was discussed and agreed to during the Amman Forum. The Moroccan representative will join the IPO in early February 1996.

New Euro-Mediterranean Co-operation

The new Euro-Mediterranean policy launched by the European Union during a Conference held in Barcelona last November proposes an innovative approach to co-operation between Europe and Mediterranean countries, with respect to the "Horizontal Co-operation" model initiated in 1992. In fact, while making available a high volume of funds, to the tune of 9370 M ECU by 1999, 50% of which will be provided by the European Investment Bank (EIB), the EU has committed to go beyond a co-operation scheme based exclusively on financial and economic interventions.

It is a global approach which reflects the need to tackle a number of problems at the same time which are strictly connected to the development issue, such as disarmament in the region, the privatisation of state-run enterprises, and finally expanding fundamentalism and an increase in migratory flows towards Europe.

Disarmament, for instance, in the context of the establishment of a regional system of security, will free and redeploy huge resources presently absorbed by the arms race. At the same time, if the opening up of national economies to market forces and the privatisation of state run enterprises, which are only too often costly, obsolete and largely ineffective, is necessary, the Egyptian experience indicates that it is necessary to adopt structural adjustment measures to compensate for the social shocks introduced by the privatisation process. Finally, in the context of a wider integration, it will be important to wipe out racism and take effective measures to manage migratory flows.

The new Euro-Mediterranean Partnership will consequently have political/financial/economical, and social and cultural elements. At the political level, the programme aims at guaranteeing the safety and stability of the area, through the creation of a regional system which will protect democracy and human rights. Similarly, the programme for economic and financial co-operation is on target to create a free trade zone by the year 2010, which corresponds to a potential market of between 600 and 800 million people. Thirdly, the new partnership programme will also promote co-operation at a cultural and social level, with a view to fostering mutual understanding and recognition between different cultures, peoples and religions.

The implementation of this new policy will be pursued through the adoption of specific individual programmes relying on the contribution of local forces, particularly through the establishment of decentralised networks linking and integrating the public sector and more dynamic organizations operating in individual countries such as associations of industrialists, chambers of commerce and labour unions. The two levels must be complementary. It is obvious that the public sector will have the responsibility of the development of infrastructures at national and regional levels, as well as the creation of an enabling environment, whereas the private sector will have to play a priority role for the development of economic co-operation in the region.

In this respect, among priority objectives are the creation of a common juridical and administrative framework so as to favour foreign investments, the protection of industrial and intellectual property and the utilisation of arbitration as a system to solve disputes. However, the future of economic co-operation in the region will depend on the solution to two issues: the controlled privatisation of state enterprises, and the birth of a dynamic network of SMEs. As the development of local entrepreneurship will be essential to achieve this goal, the implementation and harmonisation of training programmes, the utilisation of the skills of migrant workers, the creation of an integrated impartial system of information on economic, financial, technical and juridical issues will be the basis upon which to lower the new entrants gap and stimulate the appearance of new economic entities able to sustain and propagate development.

These are ambitious goals. However, if Europe has played a very marginal role during political negotiations in the region, its contribution to the consolidation of the peace process is irreplaceable. The EU is in fact the natural counterpart for all Mediterranean countries, at both economical and social levels. Therefore, it is only through the involvement of Europe in the establishment of organic and articulated co-operation programmes with Mediterranean countries that stability of peace and the development of the region can be attained.

Janiki Cingoli
Director, Italian Centre for Peace in the Middle East

COMESA FORUM

UNIDO Headquarters, in co-operation with the COMon Market for Eastern and Southern Africa (COMESA) and the Uganda Investment Authority (UIA) organized an Investment Forum for 4 COMESA countries, namely Eritrea, Ethiopia, Kenya and Uganda. The Forum took place in Kampala in November/ December 1995. For this occasion, 93 industrial co-operation projects were selected: 45 in Uganda and 16 each in Eritrea, Ethiopia and Kenya. In this framework, the IPO Milan promoted the projects among its network of Italian companies. It also contacted several institutions dealing with industrial co-operation as well as sectorial magazines, so as to establish a support and enhance its promotional action. As a result, 4 companies personally participated in the Forum and another 6 were represented by the Office. During the event, 4 letters of intent were signed in the following sectors: food processing (3) and chemical (1). Moreover, 38 bilateral meetings were organized and some visits arranged by the UIA to four tourism resorts near Lake Victoria for several participants, including IPO Milan.

4.2.2 RESULTS OF PROMOTIONAL ACTIVITY

During 1995, the IPO Milan received, evaluated and promoted 288 projects from various African countries, as shown in the following table:

| Country | Projects promoted | |
|--------------|-------------------|---------------------------|
| | Circulated | Under active promotion(*) |
| Cameroon | 6 | 3 |
| Egypt | 18 | 4 |
| Eritrea | 16 | 15 |
| Ethiopia | 18 | 15 |
| Ghana | 56 | 28 |
| Kenya | 18 | 11 |
| Madagascar | 11 | 8 |
| Morocco | 14 | 4 |
| Tanzania | 50 | 24 |
| Tunisia | 21 | 11 |
| Uganda | 48 | 42 |
| Others (**) | 12 | 6 |
| TOTAL | 288 | 171 |

(*) Projects for which at least the investment profile form has been handed over to interested Italian investors, upon their request.

(**) Includes: Gabon, Lesotho, Mozambique, Sierra Leone, Zimbabwe.

4.2.3 PROJECTS UNDER NEGOTIATION

For the following projects, prospective Italian investors and local sponsors have initiated direct negotiations or, in some cases, have already signed a preliminary letter of intent. However, a formal joint-venture contract has not as yet been concluded.

| Project number | Title | Investment (M US\$) |
|-----------------|-------------------------------------|---------------------|
| ERI/001/V/95-08 | Production of refined salt | 6.50 |
| ERI/005/V/95-08 | Production of dry pasta | 8.80 |
| ERI/010/V/95-08 | Production of soap | 0.41 |
| GHA/106/V/92-10 | Quarrying and granite block sawing | 1.76 |
| MAG/001/M/94-02 | Holiday resort in Antsiranana | 0.45 |
| MAG/002/M/94-04 | Industrial glass factory | 10.00 |
| MAG/050/V/94-01 | Fruit/vegetable processing | 0.71 |
| UGA/002/V/95-08 | Slaughtering and processing of meat | 1.70 |

4.2.4 PROJECTS CONCLUDED

For the following projects, the partners have informed UNIDO that they have concluded a detailed contract to implement the project. Some of the projects have by now entered the implementation stage, or started operations.

TUN/018/M/95-11 Manufacture of uniforms
Total investment: 1.16 M US \$

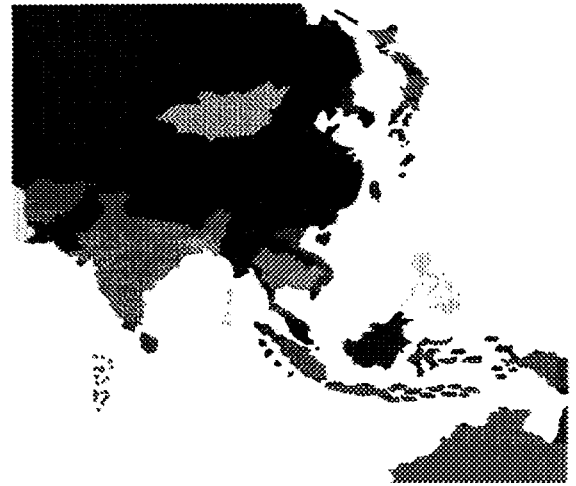
The setting up of a joint-venture is the result of a co-operation previously established between the two partners in the form of a sub-contracting agreement. The local partner is in fact already manufacturing various kinds of working clothes for the Italian market, but the need to stand up to competition and the importance of checking the products' quality encouraged the partners to consider establishing a joint-venture. The investment covers new machinery, new working capital and a new production line. The production of workwear (jackets, trousers, uniforms, dungarees) will be 576,000 pieces per year. The IPO Milan's support was requested at an advanced stage of negotiations to assist both partners in preparing the necessary documentation for the European Community Investment Partner (ECIP) Facility 2 application. A pre-financial analysis was drawn up by the Office using PROSPIN upon the specific request of the Italian partner. Financing, according to ECIP Facility 4, might also be applied for.

UGA/091/M/95-08 Granite quarrying and processing
Total investment: 0.80 M US \$

The agreement, signed in April after the Italian partner located a promising granite deposit in Uganda, foresees the supply of machinery and technical know-how to the joint-venture with the production of granite blocks destined for the export market. Any waste granite will be sold locally to be used in road construction. The production capacity will be 5,000 m³ per year. The IPO has been requested to assist the Italian company with defining its business plan and to carry out a feasibility study according to the PCF procedure. The Italian share will be financed by Law 49, Art. 7.

4.3 THE ASIAN REGION

Italian entrepreneurs have always been particularly interested in Asian markets, above all in those of China and India. This interest did not wane in 1995 with entrepreneurs constantly requesting assistance to identify partners and follow up implementations in both countries. The presence at the IPO of Indian and Chinese delegates was indeed fundamental to the Office's operations. A good number of joint-ventures in Asia reached their conclusion by way of financial resources available through Art. 7, Law 49 which worked out especially well for China where, during 1995, financial resources for the import of equipment in the framework of joint-ventures were scarce.



Since the USA and Vietnam re-established diplomatic relations, there has been a new thrust for industrial relations between Italy and Vietnam, as witnessed by the recent request for projects and information on industrial opportunities in the country. Moreover, Vietnam has become part of the ASEAN (Association of SouthEast Asian Nations) and therefore could prove to be an interesting production base for a market catering to more than 400 million people.

4.3.1 SPECIAL COUNTRY PROGRAMMES

CHINA

The post of the Chinese delegate from Hebei was extended from June 1995 for a further six months to see through the participation of a Chinese delegation in BORITEC '95, to promote projects for the China Tumen River Area International Invesmart and Business Forum (October, Yanbian) and to follow up projects already under negotiation.

In March, the Hebei delegate carried out a mission to China to meet project sponsors and make factory visits to collect detailed information on co-operation proposals and assist local companies in filling out the Industrial Investment Project Profile (IIPP) forms, for promotion in the context of BORITEC '95. A portfolio of 30 proposals was finalised for the following sectors: food, wood, leather, textile, chemical, furniture, metal processing machinery. Two delegations totalling 30 industrialists from the Zhejiang and Sichuan provinces participated in the Fair. About 80 meetings were held and 6 factories visited. As a result, four letters of intent were signed. A seminar on "New Investment Opportunities in Sichuan, Zhejiang and Jilin" was attended by about 115 Italian participants.

The Hebei delegate delivered speeches during seminars held at the Bocconi University in Milan and CIS, Lecco (Centro studi d'ImpreSa) on the economic situation, business environment and investment opportunities in China as well as on UNIDO's methodology.

In July, the Hebei delegate was joined by another delegate from Shanghai. During the second half of 1995, the promotional campaign for the Yanbian Forum was carried out for 116 industrial proposals. As a result, the Hebei delegate participated and discussed projects with Chinese sponsors on behalf of 3 Italian investors. During the

mission, a training course on PROPSPIN and DIPP was given to the Sichuan Foreign Investment Agency to familiarise them with the software packages, their structure and features together with UNIDO's methodology.

1995 has seen a total of 164 new investment proposals included for promotion. Fourteen projects are currently under negotiation, 2 have been concluded and another project is under implementation for the heat treatment of metal products.

INDIA

The IPO's activities for India took off the ground in 1995 with the arrival of an Indian delegate in January.

A study on SMEs, jointly carried out by the IPO and the Italian economic research institute, Nomisma, was officially presented during the Indian Engineering Trade Fair (IETF) held in New Delhi in February. The IPO presented the activities and methodology of UNIDO with respect to foreign private investment whilst the findings of the study were illustrated on behalf of UNIDO by the Chairman of the Scientific Committee of Nomisma, during a seminar on Indo-Italian industrial collaboration attended by representatives of ICE, SIMEST (Società Italiana per le Imprese Miste all' ESTero) and Mediocredito. Consultations stemming from the seminar were undertaken with representatives of Italian institutions and the Indian government, in particular with the Minister of Finance and the Secretary for Industrial Development for the development of an integrated Italy-India programme focusing on SMEs.

In the first quarter of the year, the delegate was involved in the preparation of INTECHMART '95 which took place in March in New Delhi. A portfolio of 110 viable investment project proposals were selected and promoted and the participation of 4 Italian companies was organized; twelve companies were also represented by the delegate. As a result, six letters of intent were signed.

The clear interest in India for co-operation with Italy was evident from BORITEC '95. One hundred projects were promoted and based on the response received from Italian companies, 21 Indian sponsors were invited and participated in the Fair. Four letters of intent were signed and serious negotiations started with respect to 11 other projects. To coincide with the event, a seminar entitled "India - An Economy In Rapid Evolution" was jointly organized with Mondimpresa to disseminate information on the dynamic changes in India's investment policies after its economic liberalisation. It was attended by 80 participants.

As a result of all promotional activities throughout the year, two new agreements were signed: one joint-venture for synthetic footwear and the other for food processing (tomato/mango paste and banana products). Moreover, 15 projects are under negotiation.

In order to follow on-going negotiations and organize industrialist delegations for INTECHMART '96 (February, New Delhi) and BORITEC '96 (June, Milan) the post of the Indian delegate has been extended for another six months until July 1996.

MALAYSIA

Further to contacts established in 1994, a Malaysian programme was organized by the IPO in co-operation with the Malaysian Industrial Development Authority (MIDA) office in Milan and the Kuala Lumpur office of ICE.

A project identification mission was fielded in April by an IPO expert, in connection with the preparation of BORITEC '95 and 11 projects were identified. The selection of contacts was made in co-ordination with the MIDA and ICE offices. Special attention was paid to wood-based opportunities, according to BORITEC '95's focus and to Malaysian potential.

One Malaysian entrepreneur from the wood processing sector participated in the Fair and signed a letter of intent for the production of rubberwood chairs. Proposals from Italian companies for the other projects in promotion were collected by the IPO and forwarded to the local entrepreneurs. A tannery proposal and a loud speaker technology transfer are still under discussion.

A seminar entitled "Investment opportunities in the wood sector" was held during BORITEC '95 with over 30 participants. It presented both the high-tech approach of the local emerging industry as well as investment opportunities, particularly in the furniture production field. An official representative of the Malaysian Timber Council (MTC) was invited to speak on the renewable availability and quality of the locally sourced timber raw material; other contributions were forthcoming from wood sector experts and an Italian industrialist.

Another one-day seminar was organized by the local industrial association in Treviso. As a result, an Italian company dealing with industrial air conditioning turned to the IPO to identify a suitable partner, whereas another would like to pursue the manufacture of scooters in Malaysia.

THE PHILIPPINES

In June 1995, the activities of the Italian desk, established at the Board of Investments (BOI) in the Philippines, were terminated. It had been set up in February 1993, through the Associate Expert Programme funded by the Italian Ministry of Foreign Affairs, under the supervision of the IPO. The desk had the mandate of promoting industrial collaboration between Italy and the Philippines. After the first two years of operation, a third year was granted to the expert who, however, had to resign early from the post.

The desk had been operating according to UNIDO's methodology with respect to investment promotion, assisting local companies in shaping up and formulating investment opportunities to be submitted to the attention of potential Italian counterparts. The IIPP was introduced and PROPSPIN was extensively used to appraise the viability of the individual investment opportunities. DIPP was also successfully adopted by the BOI which acquired the package in 1994. The desk had been particularly successful in establishing operational contacts with local associations of industrialists, chambers of commerce and financing institutions. In just two years, more than 400 Filipino companies were met and 103 projects were screened. At the end of the programme, 70 projects were under promotion with the IPO, 25 were being upgraded, while 8 needed reformulation. In such a framework, the desk was involved in the organization of a mission of Filipino industrialists from the garment sector to Italy in February as well as the participation of another delegation of Filipino industrialists to BORITEC '95.

It should be noted that the desk was set up during a period which coincided with a particularly negative performance in the Filipino economy, which has only recently been showing signs of recovery. Accordingly, very little interest was registered among the Italian business community for the country, and for many of the projects under promotion no feedback was recorded. However during 1995, attention for opportunities from the Philippines slowly picked up and several Italian companies requested the assistance of the Italian desk for setting up meetings locally to identify a suitable partner. Two projects, one for metal stamping and another for swimwear are presently under preliminary negotiations. In general, the experience of the Italian desk appears to confirm that the possibility of posting an Italian expert with a local institution offers the Italian business community an important source of intelligence for understanding the country, entering into contact with local entrepreneurs, and exploring the potential for developing profitable business relations.

VIETNAM

Alongside an increase in commercial trading, Italian interest has also been recorded in Vietnam this year for setting up production units under the form of a joint-venture. Recently, Italian entrepreneurs perceived a slightly

different situation in the country to that existing in other Asian countries, in addition to the availability of cheap skilled workforce and raw materials. In fact, Vietnam has become part of ASEAN which represents a market of 419 million people and a yearly growth rate of more than 5%, and which will reduce internal customs tariffs to less than 5% on all goods produced by the countries' members before the year 2003.

The IPO was involved in a joint programme with ICE aimed at formulating and selecting project proposals in Vietnam and in organizing a seminar on Italian-Vietnamese industrial co-operation. A mission by an IPO expert to select a portfolio of project proposals was carried out in September with the co-ordination and participation of State Committee for Co-operation and Investment (SCCI) officials, including the former Vietnamese delegate posted with the IPO between 1992 - 1994. During the two week mission, 30 Vietnamese enterprises were visited in the provinces of Ho Chi Minh City, Da Nang and Hanoi. As a result, 19 industrial project proposals were selected mainly in the food processing, leather and textile sectors. The seminar entitled "Italy-Vietnam Industrial Co-operation" was held in Ho Chi Minh City in December with the participation of around 50 Vietnamese entrepreneurs, representatives of both Vietnamese and Italian consulting firms and industrial associations. Bilateral meetings took place after the seminar and over the next few days, resulting in a number of preliminary agreements in the food, fish processing and building materials sectors.

During another mission to Vietnam, the IPO assisted Mediocredito Centrale in establishing contacts with local financial institutions with a view to verifying the feasibility of operating a credit line to support Italian-Vietnamese joint-ventures with medium-term loans.

The IPO is currently weighing up the possibility of organizing a Vietnamese industrial delegation to participate in BORITEC '96. In 1995, one project for sweets production and another in the packaging sector were declared concluded.

4.3.2 RESULTS OF PROMOTIONAL ACTIVITY

During 1995, the IPO Milan received, evaluated and promoted 507 projects from various Asian countries, as shown in the following table:

| Country | Projects promoted | |
|-----------------|-------------------|---------------------------|
| | Circulated | Under active promotion(*) |
| China | 240 | 132 |
| India | 191 | 108 |
| Malaysia | 12 | 4 |
| The Philippines | 11 | 9 |
| Sri Lanka | 24 | 3 |
| Vietnam | 25 | 7 |
| Others (**) | 4 | 1 |
| TOTAL | 507 | 264 |

(*) Projects for which at least the investment profile form has been handed over to interested Italian investors, upon their request.

(**) Includes: Fiji and Papua New Guinea.

4.3.3 PROJECTS UNDER NEGOTIATION

For the following projects, prospective Italian investors and local sponsors have initiated direct negotiations or, in some cases, have already signed a preliminary letter of intent. However, a formal joint-venture contract has not as yet been concluded.

| Project number | Title | Investment (M US\$) |
|-----------------|---|---------------------|
| CPR/004/M/94HUN | Sanitaryware production:toilets etc. | 6.32 |
| CPR/009/V/94TIB | Production of finished leather goods | 6.26 |
| CPR/034/M/94HLJ | Leather production | 0.30 |
| CPR/101/V/93-6Y | Common silicate cement/granules | 15.40 |
| CPR/105/M/93-10 | Glazed/unglazed ceramic vitrified tiles | 4.00 |
| CPR/112/M/95-04 | Production of leather goods | 1.00 |
| CPR/143/M/94-HE | Potato processing | 15.00 |
| CPR/146/M/94SHX | Finished leather garments and shoes | 2.00 |
| CPR/147/M/94-HE | Production of mineral water/soft drinks | 2.00 |
| CPR/148/M/94HUB | Production of pig/sheep skin | 4.50 |
| CPR/156/M/94-11 | Manufacture of plastic recycling equipment | 1.00 |
| CPR/175/M/95ZHJ | 100 sets of jet weaving machines | 7.00 |
| CPR/178/M/95ZHJ | Production of synthetic fibres | 24.00 |
| CPR/191/M/95-06 | Manufacturing of welded steel tubes | 16.80 |
| IND/038/V/94-01 | Banana puree, essence and oil | 6.00 |
| IND/065/V/94-01 | Leather bags, purses, wallets | 0.53 |
| IND/078/V/94-01 | Tannery and leather goods: belts,handbags etc. | 1.00 |
| IND/127/V/94-01 | Cotton knitwear garments | 10.00 |
| IND/226/V/94-01 | Slag-based cement | 21.77 |
| IND/251/M/94-04 | Spinning yarn | 10.00 |
| IND/345/M/95-05 | Brake linings and clutch facings manufacturing | 1.00 |
| IND/348/M/95-05 | Manufacture of aluminium doors, windows etc. | 1.00 |
| IND/351/M/95-06 | Mushroom cultivation and processing | 7.00 |
| IND/355/M/95-03 | Fruit processing/production of spices, flavours | 0.50 |
| IND/356/M/95-04 | Brake linings and disc brake pads | 1.50 |
| IND/367/M/95-09 | Production of mineral water | 1.20 |
| IND/368/M/95-09 | Mushrooms processing | 10.00 |
| IND/371/M/95-10 | Polyester furnishing fabrics | 5.58 |
| IND/373/M/95-12 | Production of marble mosaics | 0.32 |
| MAL/220/M/95-03 | Rubberwood chairs production | 1.00 |
| VIE/218/M/93-11 | Gemstone processing | 0.50 |

4.3.4 PROJECTS CONCLUDED

For the following projects, the partners have informed UNIDO that they have concluded a detailed contract to implement the project. Some of the projects have by now entered the implementation stage, or started operations.

CPR/190/M/95-05 Production of hydraulic motors
Total investment: 3.00 M US \$

The three-party joint-venture between Chinese, Hong Kong-based and Italian partners will be a high-tech enterprise manufacturing competitive hydraulic motors for both domestic and international markets. It is stipulated in the agreement that the Italian partner will contribute the necessary production technology (product design, know-how, testing methods and specifications) to the joint-venture in the form of a technical know-how licensing contract. All partners will be responsible for the purchase of raw materials, the sale of production as well as the management of the joint-venture. Furthermore, a buyback agreement has been signed by the Hong Kong and Italian partners guaranteeing the export of 30% of the total production of 12,000 sets of hydraulic motors per year.

Upon the request of the Italian partner, the IPO Milan assisted the partners by providing PROSPIN evaluations for use during negotiations and in preparing the necessary documentation to apply for Law 49, Art. 7.

CPR/192/M/95-10 Production of building materials
Total investment: 4.95 M US \$

The joint-venture will manufacture structural light insulating building materials in the form of panels for the local market. Know-how and equipment will be provided by the Italian company which will also be responsible for the management of the joint-venture. Production capacity will reach 756,000 panels per year. The IPO's assistance was requested to carry out a financial pre-appraisal of the project using PROSPIN. A revision of the preliminary feasibility study prepared by the Italian partner, which is submitting an application for ECIP 2 financing, was also undertaken.

IND/067/V/94-01 Synthetic soles - footwear and leather chemicals
Total investment: 5.60 M US \$

According to the agreement, the Italian partner will supply the plant equipment necessary to produce synthetic soles and other soles through an electrochemical process. In addition to the existing facilities, the local sponsor will make new premises and skilled labour available to the joint-venture. The Italian company will be responsible for the training of Indian technicians. An additional agreement covering the buy-back of the whole production was signed as well. The project was promoted by the IPO during BORITEC '95.

LEB/002/M/95-11 Construction of water faucets manufacturing plant
Total investment: 14.00 M US\$

The three-party agreement between one local and two Italian partners foresees manufacturing six different types of taps. According to a preliminary study carried out by one of the Italian companies, the total annual production of 490,000 pieces per year could be sold on the domestic and Middle Eastern markets.

In addition to providing the existing equipment and facilities, the local partner will be responsible for exporting the products while the Italian companies will contribute with know-how, new designs, additional machinery, training of personnel and equity participation. The possibility of carrying out a feasibility study commissioned by SACE is being evaluated.

MON/001/M/95-01 Production of camel and cashmere blankets
Total investment: 3.00 M US \$

The two partners intend manufacturing king-size camel blankets for the local market and cashmere blankets for export through the Italian partner's channels of distribution. The investment covers the provision of second hand machinery and know-how. Production capacity is foreseen at 28,000 blankets per year (camel, cashmere and raw cashmere). The IPO's support was requested to prepare the necessary documentation to apply for Art. 7, Law 49. A financial preappraisal through PROPSPIN was carried out.

SAU/001/M/95-05 Rubber sheets manufacturing
Total investment: 17.50 M US \$

Technology will be sourced in Italy and the Italian partner will ensure all required specifications are met and be responsible for the sale of the finished products on the local and European markets, for the training of personnel both in Italy and Saudi Arabia as well as the management of the joint-venture. The production capacity will amount to 1,350,000 rubber tiles per year and 2,200,000 sheets for shoe soles per year. The IPO Milan was contacted by the Italian partner with regard to its application to SACE for insurance coverage. The IPO carried out a PROPSPIN pre-appraisal of the project while UNIDO Headquarters prepared the guidelines for a fully-fledged feasibility study to be carried out upon the formal request of SACE.

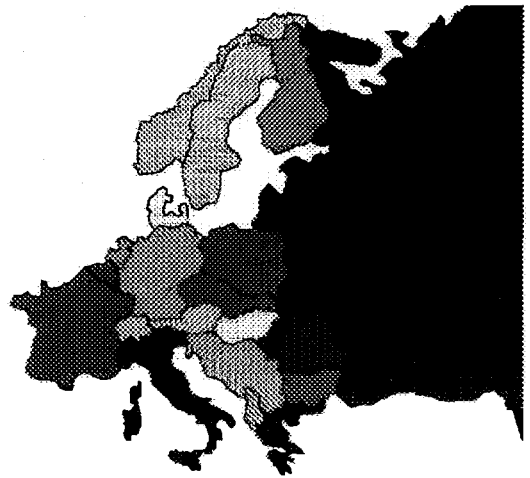
VIE/241/M/95-10 3-piece metal cans manufacturing
Total investment: 7.12 M US \$

The purpose of the joint-venture is to set up a 3-piece metal can manufacturing plant in North Vietnam catering to the food processing and canning industries. Production will be distributed to the domestic/foreign markets on a 60% - 40% basis and will be 11 M cans per year. Upon the request of the Italian partner, the IPO Milan's assistance was requested to prepare an economic financial analysis prior to the preparation of an application for Law 49, Art. 7, and to investigate additional capital sources available.

VIE/242/M/95-11 Manufacture of sweets and chewing/bubble gum
Total investment: 5.60 M US \$

Within the framework of the agreement, the Italian company will provide modern technology and experienced management to the joint-venture whereas the Vietnamese counterpart will be involved in marketing and distributing the products on the local market. The production of both sweets and gum, also geared to international markets, will be 9,334 tons per year. A financial pre-appraisal through PROPSPIN was carried out. Assistance has been provided in the form of preparing the necessary documentation for the application of Law 49, Art. 7.

4.4 THE EASTERN EUROPEAN REGION



Since the end of the '80s, Italian entrepreneurs have shown substantial interest for Eastern European countries. In addition to factors such as their proximity to Italy, lower labour costs and local laws favourable to foreign investments, the main reason has possibly been the high financial flows which started pouring into these countries after the break up of the communist block. In fact, the Office witnessed an increasing interest in particular for Russia, Poland, the Czech Republic, and latterly the Slovak Republic. The constant increase in production costs and the reduction of fiscal incentives in some of these countries noticeably reduced general interest which moved towards countries like Romania and Bulgaria for food, textiles and mechanical components.

4.4.1 SPECIAL COUNTRY PROGRAMMES

THE CZECH REPUBLIC

In February 1994, a Czech delegate was posted with the IPO Milan. In view of promising results obtained, his assignment was extended to the end of 1995.

During this year, Czech projects have been discussed with more than 70 Italian companies and more than 150 Italian firms received general information on the country (business and investment climate, legal framework, privatisation process etc.) Most contacts were established by way of the delegate participating in 5 seminars and fairs held in Italy. The most important events were the : "3rd International Business and Industrial Co-operation Exchange" programmed during the Samulegno '95 Fair (Biennial Exhibition of Woodworking Machinery and Equipment, and Subcontracting for the Furniture Industry) held in Pordenone in February, as well as the seminars "Czech Republic - Business & Investment Opportunities for Italian Companies" organized by the Milan Chamber of Commerce in October (about 70 participants) and "Investment Opportunities for Italian Companies in the Czech Republic" organized by the Turin Chamber of Commerce in November (about 70 participants) for the occasion of "Czech Week".

Special attention was paid to the participation of the Czech Republic during BORITEC '95. In the framework of this event, 42 investment proposals were promoted. On the basis of the promotional campaign's results, 3 entrepreneurs were invited to take part. The Czech delegation (also composed of 3 officials) held about 60 bilateral meetings. An official delegation from CzechInvest (foreign investment agency), headed by its Director General, also participated in BORITEC '95. In the framework of follow up activities, the Czech delegate was requested to accompany an Italian investor to the Czech Republic during which a project for the production of plastic moulds was concluded.

In brief, promotional activities resulted in 3 projects concluded in the following sectors: chemical, plastics, household appliances. Moreover, on the basis of specific requests from Italian businessmen, 3 new investment proposals were identified in the following sectors: engineering, ceramics and small household appliances.

POLAND

The delegate programme for Poland was launched with the stationing of a delegate from IPSO Warsaw at the IPO Milan in February 1994. In view of promising results obtained, the post was extended until the end of 1995.

During the course of the year, the delegate took active part in the organization of two Polish industrialists' missions to Italy for the investment exchange events, Samulegno '95 (Pordenone) and BORITEC '95 in which 7 and 2 Polish companies participated respectively.

Promotional activities resulted in developing contacts with over 50 Italian companies, either as a consequence of their enquiries or induced by the delegate. Overall coverage, however, was even greater, encompassing companies interested in Poland but not quite ready to engage in industrial co-operation.

In such a framework, the delegate was requested to organize business missions to Italy for 12 Polish companies so as to enable them to meet up with prospective partners and press forward with negotiations; 4 Italian firms were also assisted in their trips to Poland. Very extensive support has been accorded to Polish and Italian entrepreneurs in order to identify potential partners, facilitate the exchange of information, arrange meetings and factory visits and provide assistance during direct negotiations. At the same time, the IPO's intervention was considered instrumental for finalising financial schemes through the identification and securing of sources of local funding.

In spite of several adverse factors, such as the fast transformation of the Polish economy which disrupted negotiations in progress, and the lack of international experience on the part of negotiating partners, 3 projects have been concluded in 1995 out of which 2, one for the establishment of a representative office and one in the garment sector, are already operational. Furthermore, two projects concluded last year for recycling plastic waste and manufacturing plastic parts for the car industry have also started operations. Four projects are also currently being negotiated and appear to have promising prospects.

ROMANIA

As a result of the successful co-operation established with the Romanian Development Agency (RDA) during the previous two years, the IPO Milan continued to promote a joint programme aimed at implementing industrial co-operation between Italy and Romania.

Co-operation proposals and joint-venture projects sponsored by Romanian firms looking for an Italian partner were selected by RDA and presented in Italy during two special events: Samulegno '95 and BORITEC '95. Five industrial investment projects were identified for Samulegno '95 whereas a portfolio of 40 projects was promoted for BORITEC '95 in co-operation with the Romanian Commercial Office in Milan. The majority of the proposals derived from the wood sector in compliance with the special emphasis accorded to this industry during BORITEC '95, but the textile, mechanical, metallic and packaging sectors were also represented. Bilateral meetings were organized for 6 Romanian entrepreneurs who were selected to participate on the basis of the results of the promotional activities. The Romanian delegation was also composed of 4 officials from the RDA, the Romanian State Ownership Fund and the Romanian American Investment Fund. The transition to a free market economy, reforms undertaken by the government in the field of foreign private investment and economic opportunities for foreign companies were presented during a seminar on Romania which was attended by about 100 participants.

RUSSIA

A special co-operation programme was launched during 1995 with the UNIDO Moscow Centre as a consequence of the recurrent interest for the ex-URSS and especially the Russian market demonstrated by Italian companies during recent years. The process of liberalisation of the Russian economy and the efforts of the local government to create a juridical and financial environment for foreign investments are positive incentives for the implementation of industrial co-operation agreements between local and Italian companies.

The Moscow Centre, utilising UNIDO's methodology, is a precious counterpart for the identification of joint-venture proposals to be promoted in Italy. During May, the IPO Milan carried out a PROPSPIN training course at the Centre, at their request, to improve their overall capability for the economic and financial evaluation of projects.

For BORITEC '95, 55 projects were selected by the Centre from different regions of Russia (Baskortastan, Kalmykia, Komi, Moscow, Novgorod, Perm, Saratov, St. Petersburg, Tatarstan, Volgograd). Interest shown by Italian entrepreneurs was especially high for projects in the following sectors: tannery, agroindustry, chemical and pharmaceutical. Due to difficulties in obtaining visas from the Italian Embassy, only two entrepreneurs attended the Fair, but the others were represented by the UNIDO Moscow Centre officials. Co-operation with the Centre will be strengthened next year and the possibility to finance a delegate programme will be evaluated in the near future.

4.4.2 RESULTS OF PROMOTIONAL ACTIVITY

During 1995, the IPO Milan received, evaluated and promoted 282 projects from various Eastern European countries, as shown in the following table:

| Country | Projects promoted | |
|---------------------|-------------------|---------------------------|
| | Circulated | Under active promotion(*) |
| The Czech Republic | 42 | 30 |
| Kazakhstan | 6 | 6 |
| Poland | 27 | 24 |
| Romania | 54 | 38 |
| Russia | 152 | 4 |
| The Slovak Republic | 1 | 1 |
| TOTAL | 282 | 103 |

(*) Projects for which at least the investment profile form has been handed over to interested Italian investors, upon their request.

4.4.3 PROJECTS UNDER NEGOTIATION

For the following projects, prospective Italian investors and local sponsors have initiated direct negotiations or, in some cases, have already signed a preliminary letter of intent. However, a formal joint-venture contract has not as yet been concluded.

| Project number | Title | Investment (M US\$) |
|-----------------|--|---------------------|
| KAZ/013/M/95-01 | Plant for gas/electric cookers assembling | 0.50 |
| POL/011/W/94-03 | Modernisation of tannery | 2.10 |
| POL/116/W/95-02 | Manufacturing of electric drain pumps for washing machines | 8.40 |
| POL/140/W/95-06 | Manufacturing of plastic parts for car batteries | 2.50 |
| POL/719/W/92-10 | Manufacture of woollen products | 6.30 |
| ROM/063/M/94-07 | Manufacturing of men's shirts | 1.20 |
| ROM/110/M/95-06 | Stocking systems production | 2.00 |

4.4.4 PROJECTS CONCLUDED

For the following projects, the partners have informed UNIDO that they have concluded a detailed contract to implement the project. Some of the projects have by now entered the implementation stage, or started operations.

CZE/014/V/93-01 Manufacture of ecological fertilisers **Total investment: 1.34 M US \$**

Initially, the agreement foresees producing traditional ecological fertilisers but the partners intend to develop a new range of products utilising fertilisers and the know-how of the Italian partner. The production of this new range of fertilisers should start in 1997 and it is expected to reach a production capacity of 35 tons/year.

CZE/051/M/93-09 Production of free-standing cookers **Annual turnover: 0.15 M US \$**

This project envisages, in a first phase, the supply of 1,000 free-standing cookers per year and in a second phase, the assembly of CKD (complete knock down) units in the Czech Republic to be marketed locally. In the last phase, the development and production of newly designed and locally built products is expected. After the identification and formulation of the project at the request of the Italian partner, the IPO was engaged in the promotion of the project in the Czech Republic, the identification of a potential Czech partner and the follow up of negotiations.

CZE/042/V/94-11 Manufacture of plastic parts and products
Total investment: 1.50 M US\$

This project envisages the establishment of a joint-venture company for the production of plastic moulds. The whole production will be geared to Western European countries, and subsequently to the Czech Republic. The production will be 1,200 moulds per year. The IPO was involved in the project's promotion, the identification of potential Italian partners, the organization of missions for the Italian partner to meet the Czech local sponsor and the follow up of negotiations.

POL/014/M/94-06 Establishment of branch office of foreign company

The agreement aims at initiating and encouraging business co-operation between Polish companies and members of an export consortium based in the north of Italy. The Polish counterpart, on behalf of the Italian partner, has set up an office and has been responsible for the recruitment of local personnel. The project is already operational. The IPO identified the local partner, arranged bilateral meetings and assisted in negotiations, clarifying legal matters.

POL/016/M/94-06 Production of high quality pullovers
Annual turnover: 1.00 M US\$

A long-term co-operation agreement (5 years) envisages the reorganization of the Polish company by the foreign partner who supplies the local counterpart with new models twice a year as well as raw materials to produce the Italian collection. The Polish company is responsible for domestic marketing and has to pay a percentage commission on sales to the Italian partner. The initial turnover is foreseen at 0.35 MUS\$, growing to 1.0 MUS\$ during the year. The project is already operational.

POL/021/M/94-12 Commercial and consulting office in paint products
Total investment: 0.10 M US \$

A joint-venture company was established with two main purposes. On the one hand, the two partners will promote the utilisation of paint products by the construction industry and will be engaged in trade and wholesale, on the other hand they are committed to set up a facility to locally produce paint products, upgrading the existing production in Poland with know-how made available by the Italian partner.

4.5 THE LATIN AMERICAN AND CARIBBEAN REGION

In 1995, Italian entrepreneurs have shown less interest in projects and initiatives in the region. The Mexican financial crisis in December 1994 influenced the response of Italian entrepreneurs to business opportunities originating not only from Mexico but from the whole Latin American region as well. In fact, during 1995 the business community waited to check on the improvement of the Mexican economy and other economies at risk, above all the Brazilian and Argentinean ones. As a consequence, a decrease in requests for assistance in this area has been registered as most activities focused on negotiations started in previous years.

This situation has remarkably limited the advantages of the establishment of the free exchange areas of MERCOSUR and NAFTA which last year represented the principal incentive for the constitution of a joint-venture. In fact, Italian entrepreneurs are increasingly showing an interest in acquiring a presence in local or regional markets rather than in importing products into Italy or Europe.

A further problem in dealing with some countries of the region such as Mexico, Argentina and Uruguay is the non-availability of soft loans foreseen by Law 49, on account of a GNP per capita higher than 3,250 US\$, even though these figures do not correspond, especially in the case of Mexico, to the economic reality of the country.

In response to the first signs of opening up the economy, the last months of 1995 witnessed a resurgence of interest on the part of Italian entrepreneurs for industrial activities in Cuba.



4.5.1 SPECIAL COUNTRY PROGRAMMES

CUBA

As a result of UNIDO's assistance to the Investment Promotion Centre (CPI) of the Ministry of Investment and International Co-operation, a preliminary list of project proposals from Cuba was promoted by the IPO in 1995.

In October, the IPO organized the mission to Milan of the Vice-Minister of Investment. The scope of the visit was to present the new foreign investment law and related procedures. In November, a mission of the Director and two officials from the CPI was organized to the IPO Office where they were trained in DIPP and PROPSPIN use and moreover in project appraisal and promotion. At the same time, a joint programme was discussed to promote Italian investment in Cuba in a number of selected sectors: biotechnology and pharmaceutical, food, building materials and tourism. The possibility of launching a programme focusing on the participation of Cuba in BORITEC '96 was also aired.

MEXICO

In 1995, the Mexican economy was subject to a number of adverse national and international developments, which caused negative repercussions on economic agents thereby shaping the foreign exchange market and contracting capital inflows. Nevertheless, the economy advanced in several areas and the IPO's collaboration continued in the promotion of new opportunities for both Italian and Mexican companies.

During the year, new co-operation links were established between UNIDO and NAcional FINAnciera (NAFIN), the largest government development bank in Latin America, which brought about the assignment of a Mexican delegate with the IPO from June 1995.

The IPO intensified its collaboration with the Italian branch of Banco Nacional de COMercio EXTerior (BANCOMEXT), which foresaw: i) intensive exchange of information during the year, ii) the elaboration of two seminars, one during BORITEC '95 and the second in the context of the International Textile Machinery Exhibition (ITMA), Milan - October, and iii) starting formal discussions for a cluster to cluster programme in the textile sector in 1996, along with the promotion of new projects next year.

A programme launched in 1994 with PROMOS, to promote joint-ventures between entrepreneurs from the Lombardy region and Mexico, continued in 1995. In this framework, a detailed evaluation by the delegate of a total of 114 Mexican projects for the textile and leather sectors was carried out.

Like last year, the CAmara NAcional de la INdustria de TRAnsformación (CANACINTRA) and the IPO were involved in identifying a portfolio of projects to be promoted for BORITEC '95. A delegation of 3 entrepreneurs and 2 officials, including the President of CANACINTRA, participated in this event, and, as a result, three projects are now in negotiation. Another project for a tourist complex was concluded and is already operational.

At the end of 1995, the IPO drew up a letter of intent with CANACINTRA for the organization of a programme to be cofinanced with the EU to promote the Italian and Mexican footwear sector, focusing on a three day event to be held in Leon Guanajuato, Mexico in October 1996. The IPO will identify and select 5 Italian companies interested to participate in this event, for whom bilateral meetings will be arranged. The initial planning for such a mission to Mexico will start in January 1996.

An agreement with FOCIR (FOndo de Capitalización e Inversión del sector Rural) for the promotion in Italy of projects from the agro-industrial sector was also signed.

THE LATIN AMERICAN ECONOMY IN 1995

In 1995, the Latin American economy was affected by the financial crises of Mexico and Argentina respectively. The renowned financial weakness of the region and its excessive dependence on international markets became evident. However, confirmation of this tendency came along with some new factors. In particular, the fall in incoming flows of private capital was not as acute as feared at the beginning and as tradition indicated. This is an important indication of two concurrent phenomena: on the one hand, the degree of Latin American integration in the international economy seems to be a consolidated fact. The all too familiar scenario with investment in the region varying according to the initial enthusiastic interest of investors and their subsequent withdrawal, has probably been overcome. On the other hand, the presence of international capital clearly points towards results obtained in the macroeconomic stabilisation.

But new developments have not only been positive. Financial instability is also an indication of the long road Latin American economies will have to take before securing their development. In 1995, the growth of regional GNP was less than 2%, almost half the rate reached by Latin America in the previous four years. This decrease can be attributed to the negative performances of Mexico (-6.9%) and Argentina (-2.5%). This curb on growth aggravated the already critical employment situation. In a number of countries, unemployment substantially increased and most of Latin America saw salaries reduced in real terms.

Two positive indicators in the Latin American economy in 1995 were: control over inflation - the lowest in the

past 25 years - and a noticeable improvement in the commercial balance (a surplus of 8 billion US\$).

These swings of highs and lows in the Latin American economy emphasises the necessity - repeatedly stressed in recent years by international organisations - of Latin American governments to support more fully the policies of macroeconomic stability with development policies. There are also both numerous and reputable voices within Latin America which support the necessity for significant changes to the course of direction in economic policies.

On the financial side, together with preoccupations to maintain coherence between monetary policies and exchange rates, it is becoming urgent to draw up new international controls to prepare for and handle financial crises caused by the volatility of portfolio flows. With regard to internal matters, bigger efforts must be made to improve the economy and promote long-term investments.

On the productive side, important steps undertaken to create subregional markets might represent a key incentive to implement industrial policies which can increase national competitiveness. In the consolidation of productions and subregional markets, Latin America has today a first class ally in the United States since the American economy cannot afford to add an increasing deficit with Latin America to its commercial deficit with Asia.

Jose' Luis Rhi-Sausi, Deputy Director of CeSPI (International Policy Study Centre)

4.5.2 RESULTS OF PROMOTIONAL ACTIVITY

During 1995, the IPO Milan received, evaluated and promoted 68 projects from various Latin American and Caribbean countries, as shown in the following table:

| Country | Projects promoted | |
|--------------|-------------------|---------------------------|
| | Circulated | Under active promotion(*) |
| Argentina | 6 | 2 |
| Brazil | 15 | 4 |
| Jamaica | 5 | 2 |
| Mexico | 27 | 15 |
| Others (**) | 15 | 1 |
| TOTAL | 68 | 24 |

(*) Projects for which at least the investment profile form has been handed over to interested Italian investors, upon their request.

(**) Includes: Bolivia, Chile, Colombia, Ecuador, Grenada, Peru, Uruguay.

4.5.3 PROJECTS UNDER NEGOTIATION

For the following projects, prospective Italian investors and local sponsors have initiated direct negotiations or, in some cases, have already signed a preliminary letter of intent. However, a formal joint-venture contract has not as yet been concluded.

| Project number | Title | Investment (M US\$) |
|-----------------|--|---------------------|
| MEX/141/M/95-02 | Leather articles:bags, folders, portfolios | 1.00 |
| MEX/144/M/95-02 | Meat/poultry/fish by-products processing | 1.00 |
| MEX/145/M/95-02 | Fish processing | 1.20 |

4.5.4 PROJECTS CONCLUDED

For the following projects, the partners have informed UNIDO that they have concluded a detailed contract to implement the project. Some of the projects have by now entered the implementation stage, or started operations.

MEX/126/M/94-07 **Tourist complex**
Total investment: 3.00 M US \$

The joint-venture rents the local partner's facility (Club Akumal) while the Italian investor is responsible for brokering the resort on the European market. The agreement stipulates that the room capacity (100) will double during 1996 with an additional investment of 4 M US\$. The project is now operational. At the request of the Italian investor, the IPO Milan identified the local partner, provided a PROPSPIN evaluation and supplied assistance during the whole negotiations cycle, supplying information on partners, supporting communication between both counterparts, arranging meetings and a mission to Mexico.

VEN/093/M/95-01 **Chemical products**
Total investment: 4.60 M US \$

The local partner has been importing stearic acid (stearine) and glycerine from the Italian partner for the last 5 years to be used as a basis for producing varnish. Due to the lack of local production of such products and the potential local and regional markets available, in particular the pharmaceutical, chemical and plastic industries, the two partners agreed to set up a production plant in Venezuela. The Italian partner will contribute 1.8 M US\$ cash to be mainly used to import equipment and the new production line. The Italian share will be financed by Art. 7, Law 49. The local partner will contribute the building and the existing facilities. The production capacity will be 4,800 tons per year.

A complete financial and technical evaluation of the project with regard to the application for Art. 7, Law 49 was prepared by the IPO.

4.6 UPDATING ON PROJECTS UNDER NEGOTIATION DURING PREVIOUS REPORTING PERIOD

In the previous Progress Report on Activities and Achievements of the IPO, covering the period January - December 1994, 81 projects were reported under negotiation, for which, in some cases, a preliminary letter of intent was signed between the prospective investor from Italy and the local sponsor. These projects continued to be monitored by the IPO and the following table summarises their present status:

| | AFRICA | ASIA | EASTERN EUROPE | LATIN AMERICA | TOTAL |
|-------------------------|----------|-----------|----------------|---------------|-----------|
| Operational | 0 | 0 | 2 | 1 | 3 |
| Under implementation | 0 | 0 | 0 | 0 | 0 |
| Concluded | 0 | 0 | 2 | 0 | 2 |
| Still under negotiation | 4 | 14 | 1 | 0 | 19 |
| Back to promotion | 1 | 1 | 12 | 0 | 14 |
| Dropped | 2 | 20 | 3 | 9 | 34 |
| Other cases | 2 | 4 | 1 | 2 | 9 |
| TOTAL | 9 | 39 | 21 | 12 | 81 |

TABLE VI

As indicated by the table, out of 81 projects under negotiation in 1994, 3 projects are operational, 2 have been concluded, while 19 are still under negotiation and as such have been reported under the relevant sections of this year's report. For the remaining 57 projects, a brief update is provided as follows:

1. Dropped as partners could not reach an agreement. Back to promotion

| | |
|-----------------|---|
| CPR/020/V/94YUN | Refrigerators/non-freon refrigerators |
| CZE/043/V/93-06 | Modernisation of steel foundry |
| CZE/063/M/94-07 | Production of hives |
| MOR/001/M/94-10 | Production of copper wires/electric cables |
| POL/008/V/94-03 | Printing shop |
| POL/008/M/94-03 | Meat/vegetable processing plant |
| POL/017/M/94-06 | Sandwich panels for cold stores, warehouse construction |
| ROM/034/M/94-03 | Thermo-resistor transmitters production |
| ROM/040/M/94-03 | Production of floor and wall tiles |
| ROM/041/M/94-03 | Production of ceramic sanitaryware |
| ROM/048/M/94-03 | Wool fabric production: men's garments and blankets |
| ROM/057/M/94-03 | PVC compounds for insulating cables |
| ROM/059/M/94-03 | Injection moulding machine for garbage bins |
| ROM/061/M/94-03 | Recycling line for HDPE |

2. Dropped as local sponsor no longer interested in the proposal

| | |
|-----------------|---|
| CPR/043/M/93-HE | Production of bearings |
| CPR/104/M/93-10 | Pre-painted steel windows and doors |
| CPR/145/M/94HUB | Manufacture of leather products |
| CZE/049/V/93-10 | Assembled panel systems for houses |
| FIJ/002/M/92-01 | Women's fashion garments |
| IND/042/V/94-01 | White button mushrooms |
| IND/070/M/93-02 | Cashmere wool processing, carpets |
| IND/109/M/93-11 | Manufacture of china tableware |
| IND/250/M/94-04 | Assembly of motor hoes |
| JAM/044/V/93-06 | Manufacture of shoes and boots |
| MEX/073/M/93-01 | Production of soluble coffee |
| MEX/080/M/93-01 | Marble processing machinery |
| MEX/117/M/94-05 | Production of frozen fish |
| MEX/121/M/94-05 | Vapour/power generation from tyre recycling |
| MEX/122/M/94-05 | Pineapple concentrate canning and frozen fruit pulp/puree |
| PHI/022/M/94-09 | Manufacture of sheep/goat skins |
| VIE/006/M/94-11 | Synthesising vitamycine/amoxycilline |
| VIE/005/M/94-11 | Production of steel props |
| VIE/207/M/93-05 | Zircon processing |

3. Dropped as the Italian proponent no longer interested in the proposal

| | |
|-----------------|---|
| ARG/152/M/91-04 | Production of wind energy equipment |
| ARG/177/M/94-06 | Rehabilitation fruit/veg. proc. plant |
| BRA/116/M/93-05 | Coffee handling and processing units |
| CPR/106/M/93-12 | Production of artificial leather |
| IND/036/V/94-01 | White button mushrooms |
| MAG/016/V/94-01 | Clothing production for children's/adults shirts, skirts, dresses |

| | |
|-----------------|--|
| NAM/002/M/93-01 | Production lines of concrete elements for low cost housing |
| PHI/079/M/94-03 | Manufacture of chemical derivatives |
| ROM/051/M/94-03 | Ladies' dresses/blouses/trousers/suits/overcoats |
| ROM/064/M/94-07 | Production of men's ties |
| VIE/001/M/91-05 | Production of scooters |
| VIE/206/M/93-01 | Marble and granite processing |
| VIE/208/M/94-01 | Marble and granite exploiting |
| VIE/215/M/93-10 | Forest planting and plywood making |
| VIE/221/M/94-01 | Marble and granite tiles |

4. Other cases

| | |
|-----------------|---|
| BRA/100/M/90-11 | Biogas treatment <i>Local sponsor intends continuing venture without Italian partner</i> |
| CPR/111/M/94-01 | Manufacture of machinery for ceramics <i>A long-term commercial agreement has been reached. Italian partner not interested in joint-venture.</i> |
| CPR/141/M/94-HE | Wall tiles production <i>Local sponsor proceeded with the setting up of plant without the contribution of Italian industrialist.</i> |
| IND/028/V/94-01 | Tomato paste, mango concentrate, banana puree <i>A long-term commercial agreement has been reached. Italian partner not interested in joint-venture.</i> |
| IND/158/V/94-01 | Alloy steel, corner castings for marine containers <i>Equipment not produced by Italian companies.</i> |
| KEN/001/M/94-09 | Tourism complex in Malindi <i>No Italian investment identified. International travel agency brokering resort.</i> |
| MEX/123/M/94-05 | Lemon processing: essential oil/concentrates <i>Local sponsor unable to compete with competition of low prices on international market.</i> |
| ROM/055/M/94-03 | Alarm system production, electronic scales <i>Commercial agreement reached for purchase of safes, alarm systems.</i> |
| URT/021/M/94-07 | Marketing of essential oils <i>Difficulties occurred with importing production into Europe.</i> |

4.7 FEASIBILITY STUDIES

The availability of the Project Completion Facility (PCF) enables the IPO to carry out feasibility studies in response to requests from the Italian business community. This Facility is open to Italian companies which have already reached an advanced stage of negotiation with their identified local partners and wish to carry out a pre-investment study, co-financed by the IPO for up to 50% of the total cost, before embarking on the setting-up of a joint-venture. In such a case, they will receive support to fully assess the profitability and bankability of the project through the testing of raw materials, surveying of market potential, analysis of technology/engineering/equipment, and assessment of production costs. Such a mechanism has proven instrumental in facilitating the conclusion of joint-venture agreements by alleviating doubts, reducing the overall cost of project development incurred prior to the implementation of the joint-venture, and paving the way to the mobilisation of funds required.

In this broad framework, the IPO offers to the Italian business community the following additional services:

◆ FEASIBILITY STUDIES FOR SACE

The UNIDO Feasibility Studies Branch may be requested to carry out fully fledged feasibility studies on the initiative of Italian companies and upon the specific request of SACE, the Italian state export credit insurance institute which considers such studies the basis for insurance coverage of projects. In this case, the IPO Milan collects and reviews background information on both the project and the two partners involved, carries out a financial pre-appraisal and sends the gathered documentation to UNIDO Headquarters for them to launch an international bidding for the study. The IPO Milan then follows the developments of the ongoing feasibility study.

◆ FEASIBILITY STUDIES AND FINANCIAL PRE-APPRAISALS FOR THE ITALIAN MINISTRY OF FOREIGN AFFAIRS

The IPO's involvement in a feasibility study may sometimes be requested by Italian companies, already involved in negotiations for joint-ventures in developing countries, with a view to submitting an application to the Italian Ministry of Foreign Affairs in compliance with the terms and conditions stated in Art.7 of Law 49. Depending on the amount to be financed (up to or exceeding 2 billion Italian Lira), a business plan with a financial pre-appraisal of the project or a complete feasibility study might be necessary. In both cases the IPO Milan, on the basis of an agreement established with the Italian Ministry of Foreign Affairs, provides full assistance to the Italian company concerned.

◆ PRE-APPRAISAL OF PROJECTS

The IPO Milan is now also screening all projects reaching the Office in the IIPP format and being sent by IPSOs, local promotional agencies and local sponsors. Such a preliminary evaluation is carried out in order to check the consistency and reliability of the information contained therein; the projects are critically reviewed and an internal report is prepared. Throughout 1995, the following projects have been examined: 116 projects to be promoted for the Yanbian Forum, 38 projects screened by the IPO Milan in Vietnam, 68 projects from the Philippines, 9 projects from Cuba and 5 projects from Romania. Similarly, a PROPSPIN analysis is run for projects submitted to the office by Italian companies wishing to take advantage of funds granted by the EU within the framework of ECIP and JOPP (JOint-venture Phare Programme) programmes.

4.7.1 COMPLETED PROJECTS

CHI/033/M/94-10 Concrete building panels and construction of houses

The study was completed in July. The main financial indicators are positive: NPV of 8.99 M US\$ discounted at 12% for a total investment of 13.64 M US\$ (over a planning horizon of 11 years), IRR of 24.29%, operational margin of 34.29% at only 75% of the full plant's production capacity. However, the feasibility study indicates that in order to reduce investment risks, a very good marketing structure to distribute the whole production would be highly recommended as the sales programme/productivity seems to be the parameter most affecting the financial profitability. It is also worth mentioning that the discounted payback period is equal to 7 years demonstrating that a long period of business stability is required for the joint-venture.

CPR/155/M/94-11 Printed silk production

The study was completed in September and handed over to the Italian partner to apply for Law 49, Art.7. The financial evaluation, which was carried out considering both the absence and presence of inflation, shows a positive NPV in both cases. The basic case (without inflation) shows an NPV of 2.62 M US\$ discounted at 22% for an investment of 3.68 M US\$ over a planning horizon of 11 years. The expected IRR is 38.5%, with an expected turnover of 8 M US\$ and an operational margin of 26% at the plant's full production capacity. A break-even point of 27.9%, which remains between 32% - 38% even when the worst sales conditions are predicted, demonstrates the profitability of the project.

CPR/190/M/95-05 Production of hydraulic motors

The Italian company requested the IPO's assistance to examine the feasibility study they had prepared for the local production of hydraulic motors for industrial applications. The study was thoroughly revised and a final report adhering to UNIDO's standards was presented to the company together with a financial appraisal based on PROPSPIN results. The report will be included in documentation submitted in accordance with Law 49, Art. 7.

MON/001/M/95-01 Production of camel and cashmere blankets

The Italian company presented the IPO with a programme for the production of cashmere and camel blankets in Mongolia for both the local and foreign markets. The IPO thoroughly revised the preliminary programme and provided the company with a complete report following the structure proposed by UNIDO's Manual for the Preparation of Industrial Feasibility Studies. A financial evaluation was also carried out using PROPSPIN, upon the request of the Italian company, in view of submitting an application for financing through Law 49, Art. 7.

VEN/093/M/95-01 Chemical products

The IPO was contacted by the Italian company to prepare a business plan to obtain a loan under Law 49, Art. 7. It was completed in July and included a financial evaluation using PROPSPIN. In September, the request was accepted by the Committee of the Ministry of Foreign Affairs in charge of evaluating the request. The Italian company is expected to receive financing from the beginning of 1996.

4.7.2 STUDIES UNDER IMPLEMENTATION

CPR/107/M/93-12 Electricity meters manufacturing

The team of experts carrying out the study, mainly focused on defining the industrial settlement and local market conditions for the manufacturing and sale of electricity meters, encountered some difficulties in collecting the data necessary for local market forecasts. Furthermore, the study was delayed by the need to further test the Italian prototypes in order to assess the technical specifications required by the Chinese electrical network. A draft report of the study for evaluation by the Feasibility Studies Branch of UNIDO Headquarters, is expected by end January 1996.

CPR/192/M/95-10 Production of building materials

An ECIP 2 study was developed through a consulting firm and provided to the IPO for a careful evaluation. A list of issues was then raised by the IPO and a complete financial analysis has been released with relative comments and observations on the results obtained. The Italian company requested the IPO's assistance for the appraisal of the project in view of a subsequent application for Law 49, Art. 7. The appraisal is still on-going and its final release is foreseen for January 1996.

IND/012/M/90-02 Production of gear boxes, geared motors and assemblies

The study started in April and was mainly aimed at verifying the possibility of locating good quality components to manufacture the products which are expected to be wholly distributed on the local market. A distribution agreement was also concluded with a local company with the assistance of the project leader during his mission to India. Investigations were made concerning the availability of local funds and a partial financing of the joint-venture through public shares is still being taken into consideration. A preliminary report of the study is about to be delivered to the IPO Milan and the financial analysis is now being evaluated and converted into the new COMFAR III Expert version. The study is expected to be available by end January 1996.

IND/040/V/94-01 Sweet confectionery

Activities for the feasibility study started early in 1995 as expected, however the agreement between the two partners was temporarily suspended and only later on revised with the assistance of the IPO Milan which helped the counterparts redefine the financial coverage of the investment. This situation caused a significant delay in the conclusion of the study which is now still under implementation.

1995 PCF RESULTS

| | | |
|---------------------------------------|-------|---------|
| Number of active feasibility studies: | | 8 |
| Total value: | US \$ | 251,489 |
| The IPO's share: | US \$ | 155,546 |

TABLE VII

IND/252/M/94-11 Production of mobile radiological units

While carrying out the feasibility study, requested by the Italian partner mainly to investigate the possible sources of raw materials and potential of the local market, the team encountered some difficulties in locating real suppliers of the required components. A thorough research therefore had to be undertaken to avoid the risk of the local partner becoming a mere assembler of imported components. Such and other necessary investigations caused some delay in the conclusion of the study whose draft report should be ready by mid-February 1996.

ROM/044/M/94-03 Sparkling wine production

The study is about to be concluded. A draft report should be with the Feasibility Studies Branch of UNIDO Headquarters by mid-January 1996. The preliminary results were not positive, the main negative factors being: raw materials costs higher than initially envisaged, insufficient cash availability of the local partner, need for a long-term presence of Italian skilled personnel on site to guarantee the production quality and process, and not well-defined distribution channels, especially for the export market.

UGA/091/M/95-08 Granite quarrying and processing

The IPO Milan has been requested to assist the Italian company, which located a promising granite deposit in Uganda, with defining a business plan to carry out a financial pre-appraisal of the project with PROPSPIN. A feasibility study according to the PCF procedure is now about to be carried out with the main aim of verifying the organization of the existing plant in Uganda, the quarrying potential capacity, and the availability of qualified local personnel and equipment. The study should be concluded by mid -1996 and might be used to submit an application for Law 49, Art. 7.

VIE/242/M/95-11 Manufacture of sweets and chewing/bubble gum

The Italian company requested the IPO's assistance for the preparation of documentation in accordance with Law 49, Art 7. The feasibility study previously carried out by the company has now been revised and evaluated by the Office. A visit was paid to the factory in Italy and PROPSPIN was run on the basis of the information gathered. PROPSPIN output tables and relative comments are expected to be finalised in January 1996.

4.7.3 SUSPENDED PROJECT

CHI/032/M/94-02 Manufacturing of prefabricated wooden buildings

The feasibility study was commissioned to the IPO Milan by SACE to evaluate the project before granting export credit to the Italian partner and internal bidding was launched by UNIDO Headquarters. The study was then suspended by the Italian company because of internal financial and organizational difficulties and is not expected to be taken up again before May 1996.

4.7.4 STUDIES UNDER PREPARATION

LEB/002/M/95-11 Construction of water faucets manufacturing plant

The IPO Milan was contacted by the Italian company in view of an application to SACE for export credit insurance. Within this framework, information was requested to the Italian company which should provide the

know-how for the local manufacturing of taps to be sold locally and in Middle Eastern countries. After careful examination of the documentation provided, an internal bidding will be launched by UNIDO Headquarters, possibly by February 1996, for carrying out a feasibility study.

SAU/001/M/95-08 Rubber sheets manufacturing

A feasibility study according to the PCF procedure was requested by the Italian company in view of submitting an application to SACE to obtain commercial and political risk coverage for the initiative. The pre-feasibility report prepared by the Italian partner was carefully evaluated by the IPO Milan which picked up on a few discrepancies affecting the cash flow calculations, and carried out a financial pre-appraisal with PROPSPIN. An internal bidding is now being launched by UNIDO Headquarters and a feasibility study is expected to start by March 1996, aimed especially at verifying the joint-venture's capability of manufacturing products to meet the specifications required by the potential markets (Saudi Arabia, Europe, Western countries) as well as the presence of a skilled and trained labour force.

5. SPECIAL ACTIVITIES

5.1 BORITEC '95

For the seventh consecutive year, the IPO participated as co-organizer of BORITEC '95 (21-23 June 1995) at the Milan Fair. Other co-organizers were the Milan Fair Authority, the Milan Chamber of Commerce, the Italian Ministry of Foreign Affairs, Unionscambi, ICE and the EU.

BORITEC '95 confirmed the trend which has emerged in previous years, registering record participation figures with 5,216 Italian visitors and 1,297 foreign participants, representing 78 countries (*). Detailed information on 1,653 investment proposals was made available to visitors, prompting direct interaction between local sponsors and potential Italian counterparts. Additionally, 27 country presentations and 11 seminars focusing on different issues concerning international co-operation were organized.

The IPO was directly responsible for 10 delegations, specifically the Czech Republic, Poland, Romania, Russia, China, India, Malaysia, the Philippines, Morocco and Mexico. Moreover, the Office was involved in the organization of the participation in the Fair of 13 African, Caribbean and Pacific (ACP) countries, sponsored by the EU, namely Cameroon, the Comoros, Ethiopia, Fiji, Ghana, Kenya, Madagascar, Mali, Namibia, Senegal, Trinidad & Tobago, Uganda and Zambia. In such a framework, a total of 460 new projects were identified and promoted, including 137 emanating from ACP countries. On the basis of the promotional activity undertaken prior to the event, 92 local sponsors and 46 officials took part in BORITEC '95, including 28 industrialists and 20 officials from ACP countries.

The IPO was involved in the organization of the following country presentations:

"The liberalisation of economic trade in Morocco. Opportunities and prospects for Italian companies"

"New investment opportunities in Sichuan, Zhejiang and Jilin"

"India: an economy in rapid evolution"

"Italy and Malaysia: investment opportunities in the wood sector"

"Investing in Romania: opportunities and restrictions for Italian companies"

"Investment prospects for Italian companies in Russia"

"Mexico's economic recovery after the 1994 crisis"

As in previous years, interviews were held with the Italian press and articles were published on the IPO Milan's activities and on specific industrial joint-venture projects presented during BORITEC '95. The IPO officials took part in two television programmes on economic and financial matters, with audiences of approximately

(*) **Algeria, Argentina, Austria, Byelorussia, Bolivia, Brazil, Burkina Faso, Cameroon, Canada, the Czech Republic, Chile, China, Colombia, the Comoros, the Congo, Costa Rica, Cuba, the Dominican Republic, Dubai, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, France, Fiji, Germany, Ghana, Great Britain, Guatemala, Haiti, Honduras, Hungary, India, Israel, Italy, the Ivory Coast, Jordan, Kenya, Kirghizistan, Madagascar, Malaysia, Mali, Malta, Morocco, Mexico, the Monaco Principality, Mongolia, Namibia, Nicaragua, Pakistan, the Palestinian Territories, Panama, Paraguay, Peru, the Philippines, Poland, Portugal, Qatar, Romania, the Russian Federation, Senegal, the Slovak Republic, Spain, Switzerland, Sweden, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, the Ukraine, Uganda, Uruguay, the USA, Venezuela, Zaire, Zambia.**

80,000 people. Throughout the three-day event, direct contacts between potential counterparts were established and negotiations initiated. Approximately 260 bilateral meetings and about 45 factory visits were organized by the IPO alone and 11 letters of intent signed.

5.2 EUROPEIA

This project, promoted by ACTIM Paris (Agence pour la Coopération Technique Industrielle et économique) and NIMTECH St Helens - U.K. (New and IMproved TECHnology) and financed by the EU, is aimed at promoting investment in the meat sector and applies to Central and Eastern Europe, Italy, the United Kingdom and France.

Activities were divided into two different phases. During the first one, Italian companies operating in the meat sector were contacted with a view to elicit project proposals to be included in the official catalogue. During the second phase, companies from all Eastern European countries concerned will be screened by teams of experts, particularly with the assistance of sectorial associations, such as local chambers of commerce and other institutional representatives, in order to collect company information and test the potential for absorbing foreign investment. In this framework, the IPO is responsible for the Slovak Republic.

In the run up to the event, which will be held in Paris from 26 - 27 February 1996, in the context of the Salon International de l'Agriculture (SIA), bilateral meetings between the companies participating in the programme will be set up, so as to provide an opportunity to discuss the implementation of the projects.

5.3 MEDIOCREDITO CENTRALE

The collaboration with Mediocredito Centrale, which is the state financing institute responsible for soft loans to support Italian exports and joint-venture investments, as well as for the management of financial credits to developing countries, was consistently strengthened over the year.

The collaboration is based on UNIDO's methodology with respect to the evaluation of industrial projects which was introduced to various departments of Mediocredito Centrale. After the acquisition of COMFAR III Expert by the department responsible for the implementation of Law 49, Art. 7, which provides financial support to Italian joint-ventures in developing countries, a specific training course was conducted at Mediocredito's premises with a view to familiarise the institute's staff with the utilisation of the package.

Joint programmes in selected developing countries have also been launched during 1995 as a support to the marketing department of the institute, as Mediocredito Centrale is now set on expanding its range of services to encompass the engineering of project finance schemes which requires a careful evaluation of risks and repayment capabilities of specific projects. Consequently, missions to India and Vietnam have been conducted with the aim of establishing contacts with local financial institutions and assessing the potential for setting up bilateral credit lines to support the internationalisation of Italian SMEs, for which approaches to the International Finance Corporation (IFC) have been made as well. In such a context, the involvement of the IPO in the screening of investment opportunities and the preparation of pre-investment studies has been envisaged.

5.4 NOMISMA

The report on the prospects for the development of SMEs in India and the applicability of the Italian model developed jointly by the IPO and Nomisma, an economic research institute based in Bologna, led to the formulation of an integrated programme to support the international networking of SMEs. The programme aims at establishing co-operative relationships between clusters in developed countries and emerging clusters in developing countries with a view to facilitating the transfer of technology and promoting flows of investment. The concept has been presented during a number of seminars in Italy and abroad and has been submitted to national and international donors for funding.

5.5 SEED

The programme launched in 1994 to assist Services for Eastern Economic Development (SEED) Trieste in setting up the Business Innovation Centre (BIC) in Gorizia was concluded. The IPO's assistance had been required by SEED in order to acquire UNIDO's methodology in screening and assessing investment projects as a support to the development of local entrepreneurs. In such a framework, seminars on DIPP and COMFAR were held in order to familiarise the staff of BIC Trieste on their use of the packages. In the course of the programme, contacts with the business community of the region were expanded and a follow up programme was undertaken with a view to enlarging the IPO's client network by identifying companies interested in developing co-operation agreements with foreign partners.

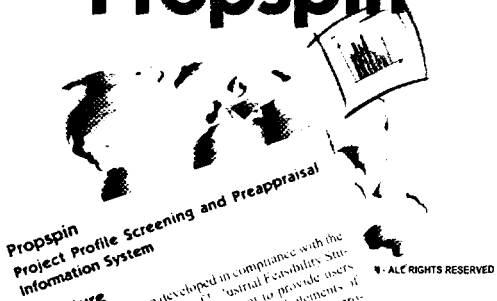
5.6 STOA'- CESVITEC

The co-operation basis established with STOA', an institute for the study of business management based in Ercolano (Naples), was expanded in the course of 1995. The IPO participated in the screening of candidates for the third Master in International Development and two teaching modules were conducted by the IPO on multilateral co-operation and project evaluation. Moreover, through STOA', a joint programme was initiated in March with CESVITEC, a specialised agency of the Chamber of Commerce of Naples dealing with technology and innovation, with the objective of strengthening the IPO's presence in the south of Italy. The programme, jointly funded by the IPO and CESVITEC, focused on eliciting the interest of local companies for industrial co-operation activities in selected developing countries. Companies were contacted and the mandate of UNIDO and the services of the IPO were introduced. A joint programme focused on fostering industrial co-operation in the Mediterranean region was sketched out.

UNIDO

WINS

Propspin



Propspin Project Profile Screening and Preappraisal Information System

The package has been developed in compliance with the Manual for the Preparation of Industrial Feasibility Studies of UNIDO (IB 7-2) with a computerized investment program. The program enables the user to enter data into the system and generate a project profile.

Structure

- To provide users with all elements of the project profile.
- To evaluate the project's profitability.
- To enter data into the system.
- To generate a project profile.

What is Propspin used for?

- To formulate investment ideas.
- To filter and screen investment ideas in order to guide the user towards potential opportunities.
- To appraise the financial viability of an investment project.

Who should use Propspin?

- Individual entrepreneurs.
- Industrial consultants.
- Investment promotion agencies.
- Financial institutions.

Tutorial aspect

This point makes Propspin easy to use through a series of screens and discussions, allowing the user to enter data and identify the project.

What is Propspin?

Propspin is a software package developed by UNIDO as a tool to screen and appraise investment projects.

Propspin grows with you

Propspin enables users to specify any investment project by entering more than 500 input figures but it may run with as little as 7 individual figures. These figures permit the user to calculate a first tentative rate of return and cash flow projections. Any investment idea can be sketched out quickly and verified. As the project development progresses, data will be disaggregated and detailed and more figures will be available.

Propspin will grow with you.

Propspin

During 1995, the IPO concluded its 24 month development of the new version of PROPSPIN, PROPSPIN III, which was finally released in December. Developed in compliance with the Manual for the Preparation of Industrial Feasibility Studies, it is meant to provide users with a computerised model describing all elements of an investment opportunity and consequently projecting its cash flows and evaluating its profitability.

PROPSPIN was designed to be utilised from the very first stages of project development and has proven useful to entrepreneurs in developing and negotiating investment ideas. The Italian Ministry of Foreign Affairs, Mediocredito Centrale, SIMEST, the Exim Bank in India, ICE South Africa and other individual companies and institutions in Italy and countries as far afield as Argentina, Kazakhstan, Japan, the Czech Republic, Uganda, Colombia, Belgium and Canada have indicated to be interested in acquiring it.

6. PUBLIC RELATION ACTIVITIES

6.1 MEETINGS AND SEMINARS IN ITALY

The IPO Milan attended a number of meetings and seminars during 1995, listed below, during which a detailed presentation of its activities was given. By way of this exercise, the IPO was able to reach a considerable number of entrepreneurs and financial operators, expanding its network of contacts.

| | |
|----------------|---|
| 27 January | Seminar on "Indian Engineering Trade Fair '95" organized by PROMO (Modena Fair Authority), attended by Mr. Mandelli and Mr. John. |
| 8 February | Seminar on "Foreign Investment in China" organized by Bocconi University, Milan and attended by Mr. Xianfeng. |
| 10 February | Seminar on "Juridical Aspects and Financial Tools for Setting Up Joint-Ventures in Central and Eastern European Countries" programmed by Mondimpresa during Interprise Gorizia and attended by Ms. Carcò. |
| 14 February | Convention on Tunisia and "A New Financial Co-operation Tool" organized by ICE Rome and attended by Mr. Bertogli. |
| 14 February | Seminar on "The Chinese Market for Office Furniture" organized by ICE Milan and attended by Mr. Xianfeng. |
| 16/18 February | "3rd International Business and Industrial Co-operation Exchange" programmed during the Samulegno 1995 Fair organized by the Pordenone Fair, attended by Ms Carcò, Mr Bychawski and Mr Jaros. |
| 24 February | Seminar on "East Calls SMEs" organized by CONEXPORT, Treviso and attended by Mr. Giovannelli. |
| 6 March | Seminar on "Chile: Possibilities of Investments in a Continental Perspective" organized by the Milan Chamber of Commerce and attended by Mr. Bertogli. |
| 30 March | Seminar on "Mexico: Business Opportunities in the Car Components Sector" organized by the Mexican Commercial Office of Milan and Promos, attended by Mr. Bertogli. |
| 20 April | Seminar on "Doing Business in Morocco" organized by the Piedmont Foreign Trade Centre in Turin and attended by Mr. Bertogli |

- 20/23 April Seminar on “Business and Investment Opportunities in the Subsector of Climatising - Heating - Refrigeration in the Czech Republic” programmed during the Termoidraulica Clima 1995 Fair organized by the Padova Fair, attended by Mr. Jaros.
- 28 April Seminar on “Market Study on Outdoor Furniture in Mexico” organized by FEDERLEGNO (National Association of Furniture Manufacturing) in Milan and attended by Mr. Bertogli.
- 6 May Seminar on “China: A Reality Within Reach of SMEs” organized by CIS in Lecco and attended by Mr. Xianfeng.
- 15 May Seminar on “Business Opportunities for Italian Companies in Mexico” organized by the Italian-Mexican Chamber of Commerce in Florence and attended by Mr. Giovannelli.
- 14 June Convention on “Argentina, Brazil, Uruguay, Paraguay: Business Opportunities in MERCOSUR” organized by Il Sole 24 Ore in Milan and attended by Ms Massimi.
- 26/29 June Seminar on “1995 China-Xian Business & Investment Promotion”, sponsored by the Xian Municipality and Italian-Chinese Chamber of Commerce, in Milan and attended by Mr. Xianfeng.
- 27 June Seminar on “Namibia: A European Economy in the African Continent” organized by the Namibian Embassy in Milan and attended by Mr. Bertogli.
- 13 September Promotion meeting for “China International Clothing & Accessories Fair 1996, Beijing”, held in Milan, attended by Mr. Xianfeng and Mr. Xinzhou.
- 23 October Seminar on “Mexico: Business Opportunities in the Textile and Accessories for the Clothing Industry Sector” organized by Promos Milan and attended by Mr. Casillas.
- 24 October Seminar on “Czech Republic - Business & Investment Opportunities for Italian Companies” organized by the Milan Chamber of Commerce and attended by Mr. Jaros.
- 15 November Seminar on “Investment Opportunities for Italian Companies in the Czech Republic” organized by the Chamber of Commerce in Turin in the framework of “Czech Week” and attended by Mr. Jaros.
- 16 November Seminar on “Doing Business with the Czech Republic” organized by the Trieste Chamber of Commerce and attended by Mr. Jaros.
- 24 November Seminar on “European Union and the Mediterranean: Common Challenges towards a Global Partenariat” in Milan, organized by the European Commission and attended by Mr. Bertogli.
- 29 November “The Mexican Market and the Agrofood Sector: New Perspectives and Opportunities” organized by Aster (technological development agency) in Bologna, and attended by Mr. Casillas.
- 15 December “TV Round Table on the International Market” organized by Radiotelevisione di Campione, in Milan and attended by Mr. Bertogli.

6.2 PRESS AND INFORMATION

The IPO had contacts with the press specialised in the coverage of economic and industrial events to present UNIDO's and the IPO's activities and the initiatives promoted during 1995.

The following is a list of selected articles published to date on the IPO Milan/UNIDO and projects directly involving the Office. Some of the texts are attached:

- * January /February, "SMEs: A Global Reach", I FOR ITALY.
- * 14 February, "Italian model offered to India", FINANCIAL TIMES.
- * 16 February, "India, copia i distretti", IL SOLE 24 ORE.
- * 20 February, "Un tutore per piccoli esploratori", MONDO ECONOMICO.
- * 22 February, "Più facili col marchio UNIDO gli accordi nei paesi emergenti", IL SOLE 24 ORE.
- * March/April, "Small Sector Synergy", I FOR ITALY.
- * 18 April, "Strada spianata alle Pmi per joint venture all'estero", IL SOLE 24 ORE.
- * 21 April, "Investimenti a Zanzibar", TURISMO ECONOMIA.
- * 8 May, "Così lontana, così vicina" (Cina), LA GAZZETTA DI LECCO E PROVINCIA.
- * 8 May, "Cina: Una Realtà a Portata delle Piccole e Medie Imprese?", GIORNALE DI LECCO
- * 8 May, "Piccola e media industria: la Cina adesso è più...rosa", LA PROVINCIA
- * 22 May, "Il Vietnam 'scopre' il frigorifero", IL SOLE 24 ORE.
- * 27 May, "Piccole sì, ma internazionali", ORE 12 IL GLOBO
- * 3 June, "Il contributo dell'UNIDO agli incontri di BORITEC '95", SISTEMA ITALIA.
- * 17 June, "BORITEC: il futuro è in mano alle piccole aziende", IL SOLE 24 ORE.
- * 17 June, "Con i distretti industriali si punta a nuove strategie", IL SOLE 24 ORE.
- * 21 June, "Pmi: Boritec '95 apre nuove strade sui mercati esteri", IL SOLE 24 ORE
- * 30 June, "BORITEC'95 rilancia l'Est: da Mosca boom di offerte", IL SOLE 24 ORE.
- * 21 October, "Programma di sviluppo nell'area di Nord-Est (Cina)", SISTEMA ITALIA.
- * 30 October, "E Fidel si beve Milano", CORRIERE DELLA SERA.
- * 20 November, "Nuovi mercati: come crescono gli affari con Cuba - Nemici in società", IL MONDO
- * 27 November, "Nuova invasione a colpi di dollari" (Vietnam), IL MONDO
- * December, "Forum per l'interscambio tra le imprese promosso da UNIDO", INGEGNERIA ALIMENTARE.



UNIDO *Flash*

In the framework of a campaign aimed at raising interest for UNIDO's activities in Italy, the IPO continued to produce *UNIDOflash*, a periodical bulletin launched at the end of 1994. During 1995, nine issues were published and circulated to the press and contact points such as chambers of commerce and industrial associations. From an initial circulation of about 200 copies, the bulletin now reaches an audience of 295. The bulletin has been designed with two main objectives: firstly, to provide journalists and specialised news agencies with a source of information on UNIDO's work and achievements; secondly, to serve as a promotional channel for investment programmes and business opportunities in developing countries, for further dissemination.

The bulletin is split into four sections, the first one is dedicated to country briefs, a second one focuses on concluded joint-ventures, the third presents investment promotion programmes whereas the last one is used to promote selected business opportunities. Accordingly, articles presenting the economic situation and the investment climate of Cuba, Chile, India, Malaysia, Romania and Vietnam have been published and successful joint-ventures for the heat treatment of metal products in China and the production of tagua buttons in Ecuador were illustrated. The bulletin was also used to present detailed information on investment projects in China, India, Jordan, Palestine, Tunisia and Russia. During the year, the bulletin has also hosted guest articles by Victor Uckmar - Professor at the University of Genua, Gianluigi Corinto - Professor at the University of Florence, Alberto Tita - Professor at the University of Milan and Fabrizio D'Amico - freelance journalist.

7. ORGANIZATIONAL ASPECTS

7.1. MANNING TABLE

The staff of the IPO Milan is composed as follows:

| | | Entry on duty | End of service |
|--|--|---------------|----------------|
| 1. | Mr. Stefano GIOVANNELLI Head of Service | (01/06/88) | |
| OPERATIONS AND COUNTRY PROGRAMMES | | | |
| 2. | Mr. Graziano BERTOGLI Investment Promotion Officer | (15/09/87) | |
| 3. | Mr. Song XIANFENG Chinese delegate (Hebei) | (23/06/93) | (31/12/95) |
| 4. | Mr. Grzegorz BYCHAWSKI Polish delegate | (07/02/94) | (31/12/95) |
| 5. | Mr. Petr JAROS Czech delegate | (09/02/94) | (31/12/95) |
| 6. | Mr. Yan XINZHOU Chinese delegate (Shanghai) | (05/07/95) | |
| 7. | Mr. R.POLANCO CASILLAS Mexican delegate | (15/06/95) | |
| 8. | Mr. Jacob JOHN Indian delegate | (03/01/95) | |
| 9. | Ms. Aileen TOAL Assistant | (08/01/90) | |
| PROMOTION, PROGRAMME DEVELOPMENT AND FUND RAISING | | | |
| 10. | Ms. Monica CARCO' Investment Promotion Officer | (01/09/91) | (17/03/95) |
| 11. | Ms. Serena MASSIMI Investment Promotion Officer | (02/05/95) | |
| 12. | Ms. Marina REBORA Assistant | (06/01/93) | |
| 13. | Ms. Luisa CAPELLA Assistant | (12/09/88) | (31/07/95) |
| 14. | Ms. Joelle CAPPELLETTI Assistant | (02/10/89) | (31/10/95) |
| PROJECT EVALUATION AND FEASIBILITY STUDIES | | | |
| 15. | Mr. Francesco MANDELLI Investment Promotion Officer | (05/04/94) | |
| 16. | Ms. Lara LAM Financial Analyst | (07/08/95) | |
| 17. | Mr. Paul RICHARDSON Financial Analyst | (10/07/95) | |
| 18. | Ms. Roberta TORZA Assistant | (02/12/91) | |
| ADMINISTRATION AND PERSONNEL | | | |
| 19. | Ms. Sonia CUESTAS Assistant | (02/01/93) | |
| TEMPORARY STAFF | | | |
| 20. | Ms. Anna PROCOPIO Assistant | (01/04/95) | (31/07/95) |
| 21. | Ms. Giulia ROMANO Assistant | (01/04/95) | (31/07/95) |

TABLE VIII

ABBREVIATIONS

| | |
|-------------------|---|
| ACP | <i>African, Caribbean and Pacific countries</i> |
| ACTIM | <i>Agence pour la Coopération Technique Industrielle éconoMique, France</i> |
| ASEAN | <i>Association of SouthEast Asian Nations</i> |
| BANCOMEXT | <i>Banco Nacional de COMercio EXTerior, Mexico</i> |
| BIC | <i>Business Innovation Centre, Italy</i> |
| BOI | <i>Board of Investments</i> |
| BORITEC | <i>BORsa InTernazionale della Cooperazione, dello sviluppo e degli investimenti</i> |
| CANACINTRA | <i>CaMara NAcional de la INdustria de TRAnsformación, Mexico</i> |
| CeSPI | <i>Centro Studi di Politica Internazionale</i> |
| CESVITEC | <i>CEntro per la promozione e lo SVIluppo TECnologico delle pmi del Mezzogiorno</i> |
| CIS | <i>Centro studi d'ImpreSa</i> |
| CKD | <i>Complete Knock Down</i> |
| COMFAR | <i>COmputer Model for Feasibility Analysis and Reporting of UNIDO</i> |
| COMESA | <i>COmmon Market for Eastern and Southern Africa</i> |
| CPI | <i>Centro de Promoción de Inversiones</i> |
| DIPP | <i>Databank for Investment Promotion Programme of UNIDO</i> |
| ECIP | <i>European Community Investment Partner</i> |
| EIB | <i>European Investment Bank</i> |
| EU | <i>European Union</i> |
| FOCIR | <i>FONdo de Capitalización e Inversión del sector Rural, Mexico</i> |
| GDP | <i>Gross Domestic Product</i> |
| GNP | <i>Gross National Product</i> |
| ICE | <i>Istituto per il Commercio ESTero</i> |
| IETF | <i>Indian Engineering Trade Fair</i> |
| IFC | <i>International Finance Corporation</i> |
| IRR | <i>Internal Rate of Return</i> |
| IS | <i>Investment Service, UNIDO</i> |
| IIPP | <i>Industrial Investment Project Profile</i> |
| IPO | <i>Industrial Promotion Office</i> |
| IPSO | <i>Industrial Promotion Service Office</i> |
| ITMA | <i>International Textile MACHinery exhibition</i> |
| JOPP | <i>JOint-Venture PHARE Programme</i> |
| MERCOSUR | <i>MERcado COmun del SUR</i> |
| MIDA | <i>Malaysian Industrial Development Authority</i> |
| MTC | <i>Malaysian Timber Council</i> |
| MVA | <i>Manufacturing Value Added</i> |
| NAFIN | <i>NAcional FINanciera, Mexico</i> |
| NAFTA | <i>North American Free Trade Agreement</i> |
| NIMTECH | <i>New and IMproved TECHnology, England</i> |
| NPV | <i>Net Present Value</i> |
| ODI | <i>Office pour le Développement Industriel, Morocco</i> |
| PCF | <i>Project Completion Facility</i> |
| PROPSPIN | <i>PROject Profile Screening and Pre-appraisal INformation system</i> |
| RDA | <i>Romanian Development Agency</i> |
| SACE | <i>Sezione speciale per l'Assicurazione del Credito all'Esportazione</i> |
| SCCI | <i>State Committee for Co-operation and Investment, Vietnam</i> |
| SEED | <i>Services for Eastern Economic Development, Italy</i> |
| SIA | <i>Salon International de l'Agriculture, France</i> |
| SIMEST | <i>Società Italiana per Imprese Miste all'ESTero</i> |
| SMES | <i>Small and Medium-sized Enterprises</i> |
| UIA | <i>Uganda Investment Authority</i> |
| UNDP | <i>United Nations Development Programme</i> |

NEWSPAPER ARTICLES

Per Prodi le imprese dell'area asiatica possono accelerare la modernizzazione con l'aiuto del sistema Italia

(NOSTRO SERVIZIO)

NUOVA DELHI — «Let's put the clusters together». Cerchiamo di creare un rapporto tra i nostri distretti industriali: così ha esordito Romano Prodi, nella lezione che ha tenuto a Delhi in una conferenza organizzata dall'Ice e dall'Unido, l'Ufficio dell'Onu per lo sviluppo industriale. Un'affermazione che riflette la consapevolezza che il futuro dell'Italia si gioca in Asia. Perché - come ha ricordato il presidente di Nomisma - il volume delle esportazioni verso quest'area assumerà un peso via via sempre maggiore.

Il tema-chiave è quello delle piccole imprese, un tema caro al professore di Bologna che, proprio un anno fa, si era impegnato a partecipare all'Indian engineering trade fair. E Romano Prodi, lontano per un giorno dalle tematiche elettorali, ha legato le realtà industriali di Italia e India lungo il filo conduttore delle microimprese. «In Italia su 6 milioni di occupati nell'industria — sottolinea Prodi — 5,2 lavorano in piccole e medie aziende. L'India si trova in una situazione analoga. Ci sono più di 6 milioni di persone che lavorano in vere e proprie

«India, copia i distretti»

Alla Fiera di Delhi si intensificano i contatti per stringere nuove joint venture

fabbriche di cui 4 milioni in piccole industrie con un capitale pari o inferiore a 200mila dollari». Alle spalle delle microimprese ci sono altri 22 milioni di indiani che lavorano nel cosiddetto settore informale e includono una fascia eterogenea di entità che si estende fino ai lavoratori a domicilio.

Negli anni successivi all'indipendenza, seguendo sia l'inclinazione "gandhiana", sia i suggerimenti di un pensiero economico improntato alla lotta anticoloniale, le piccole industrie indiane sono state protette, e in piccola parte lo sono tuttora, con una serie di sostegni: da una politica di licenze industriali finalizzata a limitare le produzioni consentite, all'allocatione obbligatoria di quote di credito, passando da una posizione di privilegio nelle forniture agli enti pubblici.

Così le "small industries" hanno assunto un peso crescente nell'economia indiana, ma con un limite preciso: producono beni difficilmente vendibili sui mercati internazionali, specie dopo il collasso dell'interscambio con i Paesi dell'ex area comunista, e utilizzano una tecnologia arretrata. Una struttura inadeguata ora che l'obiettivo è quello della "competizione globale". Ecco perché tutti gli sforzi sono finalizzati al recupero di quelle di aziende in grado di sostenere la sfida con il mercato. La formula individuata è quella di abbandonare gradualmente una politica di "protezione" per indirizzarsi verso interventi che promuovano competitività e innovazione.

E proprio su questo tema si è soffermato Prodi. Spiegando co-

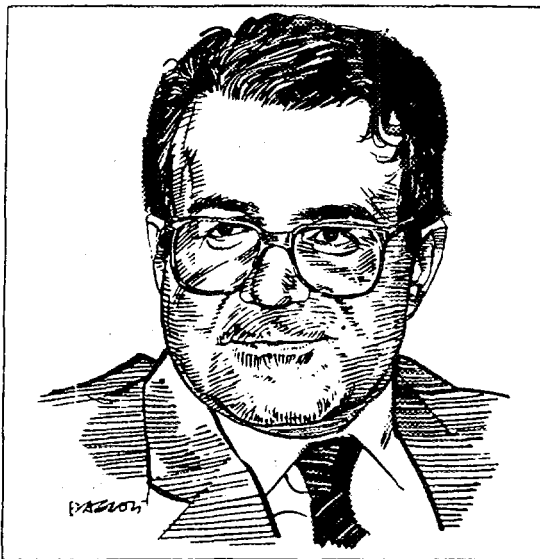
me le piccole imprese del "sistema Italia", che rappresentano uno dei punti di forza del Paese, sono diventate agguerrite, competitive e innovative. Il segreto? Prodi ha messo l'accento sulla specializzazione dei diversi partner sulla mobilità delle persone e sull'innovazione. In una parola, sono imprese che hanno giocato tutto sulla imprenditorialità. Può trasferirsi il modello italiano all'India? Forse: a patto che si rompa il modello dei "conglomerati familiari" e che il sistema creditizio sia più decentrato e vicino alle aziende.

«Ci sono imprese a Sassuolo — ha ricordato Prodi — che si sono costruite per il 90 per cento con capitale esterno grazie a imprenditori e famiglie disposti a impegnare la propria casa e il proprio terreno. Un ruolo importante

l'hanno svolto, però, le banche locali che hanno visto in questa operazione una buona fonte di redditività». Gli elementi di questo trasformazione non sono solo appannaggio solo dell'Italia. Ma, ha sottolineato Prodi, sono presenti anche in India: in particolare la forte imprenditorialità degli operatori locali e l'esistenza di un mercato in grande crescita.

E a questo processo di modernizzazione puntano i 140 espositori italiani presenti a Delhi, che producono sia prodotti finiti sia tecnologia e che in questi giorni sono assediati da potenziali clienti nonché da imprenditori che si candidano per joint venture locali. «I contatti sono spesso interessanti ma abbiamo difficoltà a valutare l'affidabilità degli interlocutori», dicono gli italiani.

Prodi, prima di presentarsi sul-



Romano Prodi

la ribalta politica, aveva avviato insieme a Nomisma e all'Unido uno studio finalizzato a creare un rapporto non solo tra aziende, ma anche tra "distretti" industriali impegnandosi a discuterlo in occasione della Engineering trade fair. Di qui la sua presenza a Dehli.

I due enti interessati hanno svolto il proprio lavoro identificando una dozzina di comparti nell'area del cuoio, dei prodotti tessili e della meccanica. La proposta Unido è di lanciare alcune operazioni "pilota" accompagnate non solo da investimenti e accordi tra imprese ma anche da iniziative complementari, per

esempio nel campo della formazione, consolidando con le banche italiane e le banche locali delle "catene creditizie" in grado di coinvolgere partner e sub fornitori.

Oggetto del rapporto potrebbero essere la cooperazione sul mercato indiano, la vendita di attrezzature usate da parte degli italiani, la reimportazione di componenti, le iniziative più svariate in grado comunque di comportare un vantaggio bilaterale ai due Paesi.

Il problema, a questo punto, è quello di identificare gli interlocutori capaci di svolgere il ruolo di catalizzatori per un'azione più vasta con compiti sostanzialmente analoghi a quelli che avrebbero dovuto essere propri dei programmi di cooperazione bilaterale. «Sicuramente vanno coinvolti l'Unido, le Associazioni industriali di categoria, le Camere di commercio e le Casse di risparmio locali», sostiene Prodi, che invece non ha voluto sbilanciarsi sul ruolo del ministero degli Esteri e dell'Ice: «Se i "distretti" italiani riescono a identificare delle proposte concrete le istituzioni potranno poi essere messe in grado di rispondere».

Massimo Di Nola

ESTERI

ITALIA-INDIA PROPOSTA PER RAFFORZARE LA COOPERAZIONE TRA IMPRESE

Un tutore per piccoli esploratori

di GIAN LUIGI CORINTO e STEFANO GIOVANNELLI*

Tra i Paesi che si affacciano sulla scena mondiale con un ruolo diverso rispetto al passato, l'India rappresenta un caso concreto da considerare con attenzione. Il subcontinente indiano si trova, infatti, in una situazione geografica strategica, tra i Paesi dell'Asia meridionale, il Giappone, la Corea, l'Africa orientale e i Paesi del Golfo. È quindi una nazione particolarmente interessante per lo sviluppo dei rapporti tra Italia e mercati asiatici che stanno vivendo un periodo di vero e proprio boom economico.

L'Italia è senza dubbio attenta alla crescita dell'economia indiana, visto che per la Mostra dell'ingegneria in programma a New Delhi dal 12 al 19 febbraio l'Italia è stata prescelta come Paese-partner, seguendo in questo la Germania, che lo è stata nel 1994. La mostra è quindi un'occasione particolarmente importante per allacciare e rinsaldare rapporti economici tra gli operatori dei due Paesi. Nel quadro della presenza italiana all'Ietf, Romano Prodi presenta i risultati di uno studio condotto in collaborazione tra Unido (l'Organizzazione delle Nazioni Unite per lo sviluppo industriale) e Nomisma, società di ricerche economiche presieduta dallo stesso Prodi. Lo studio pone l'accento sul ruolo economico delle Piccole e medie imprese (Pmi) sia in Italia sia in India, nonché sulle possibilità di raccordare i due sistemi, verificando se e sotto quali condizioni sia possibile "contagiare" il contesto indiano con l'esperienza italiana. Le Pmi italiane possono infatti giocare un ruolo determinante in due modi: da un lato possono essere fonti di flussi d'investimento estero, dall'altro pos-

sono costituire un modello riproducibile per avviare lo sviluppo industriale in alcune regioni dei Paesi in via di sviluppo (Pvs), in particolare in India.

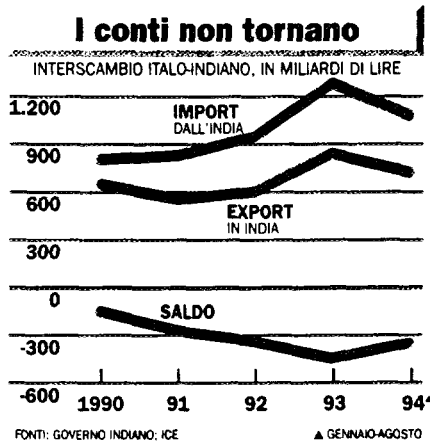
Del resto, è soprattutto sugli investimenti stranieri che punta la politica industriale dell'India. Il Governo ha scelto la via dell'espansione delle esportazioni industriali come fattore di sviluppo interno oltre che di approvvigionamento di valuta pregiata. In più ha intrapreso una serie di interventi di apertura, deregulation e facilitazione degli investimenti stranieri rendendo, ad esempio, convertibile la rupia ed esportabili i profitti. Perfino il settore finanziario, per tradizione di proprietà statale, è stato in qualche misura liberalizzato e aperto anche agli investitori privati esteri. Settori particolarmente appetibili risultano le telecomunicazioni e la produzione di energia, mentre per altri, quali le infrastrutture stradali o quelle sanitarie, l'intervento privato appare ovviamente più problematico. In ogni modo, tutto il sistema produttivo industriale, specie il settore dei beni di largo consumo, offre alla partecipazione straniera importanti opportunità di investimento. Per noi italiani resta da verificare l'effettiva pos-



sibilità di affrontare la realtà indiana con il dinamismo tipico delle nostre Pmi.

In effetti, anche nel sistema industriale indiano le piccole imprese svolgono un ruolo di rilievo, in termini sia di produzione di reddito sia di occupazione. Non a caso, il Governo indiano mantiene per esse una politica di particolare favore. Il programma generale è di sostituire gradualmente gli schemi orientati alla protezione delle Pmi con quelli orientati al miglioramento della competitività. Da qui interventi che riservano facilitazioni fiscali e di credito per il miglioramento delle dotazioni tecniche, la formazione professionale e manageriale, la diffusione degli insediamenti industriali periferici e delle joint-venture con partner esteri.

È da sottolineare quella che appare la vera novità della politica economica del Governo indiano. Come è noto, l'India è uno Stato federale, anche se tradizionalmente l'organizzazione statale è stata a lungo centralizzata e l'economia pianificata. Attualmente, il Go-



Piccole imprese crescono

EVOLUZIONE DELLE PMI INDIANE

| ANNO | NUMERO (000) | OCCUPATI (000) | PRODOTTO IN MILIONI DI RUPIE A PREZZI CORRENTI | EXPORT IN MILIONI DI RUPIE A PREZZI CORRENTI |
|---------|-----------------|-------------------|--|--|
| 1986/87 | 1.462 | 10.140 | 722.500 | 36.430 |
| 1989/90 | 1.823 | 11.960 | 1.323.200 | 76.250 |
| 1992/93 | 2.235 | 13.406 | 2.043.330 | — |

FONTE: NSIC, DEVELOPMENT OF SMALL SCALE AND RURAL INDUSTRIES

Così lavora l'India

OCCUPAZIONE INDUSTRIALE PER TIPO D'IMPRESA,
IN MILIONI DI UNITÀ

| TIPO D'IMPRESA | OCCUPATI | % |
|------------------------|--------------|--------------|
| IN FABBRICA: | 6,25 | 21,8 |
| GRANDE IMPRESA | 4,06 | 14,2 |
| PMI | 2,19 | 7,6 |
| FUORI FABBRICA: | 22,42 | 78,2 |
| PMI REGISTRATE | 11,81 | 41,2 |
| PMI NON REGISTRATE | 3,81 | 13,3 |
| IMPRESE DOMESTICHE | 6,80 | 23,7 |
| TOTALE | 28,67 | 100,0 |
| DI CUI PMI | 17,81 | 62,1 |

FONTE: ANNUAL SURVEY OF INDUSTRY, CENTRAL STATISTIC ORGANIZATION

verno sta progressivamente adattando il proprio schema di intervento nell'economia del Paese, passando gradualmente da un ruolo di pianificazione a un ruolo facilitatore. Di conseguenza, anche gli Stati federali godono di maggiore autonomia e, tra l'altro, possono costituire Agenzie locali per lo sviluppo industriale.

Nei diversi settori italiani sono ormai mature le condizioni perché alcune imprese leader italiane siano spinte a esplorare nuove opportunità, favorite non solo dai differenziali salariali, ma anche dalla accessibilità a nuovi e più ampi mercati, caratterizzati oltretutto da un forte potenziale di espansione. Ma la decisione di stabilire nuovi impianti all'estero non può restare isolata e deve essere seguita da un complesso di azioni volte al tentativo di trascinare i diversi partner italiani che interagiscono a grappolo di imprese. Occorre delineare una chiara strategia che renda permanenti i contratti iniziali e possa moltiplicare i suoi

effetti attraverso fenomeni emulativi a livello distrettuale. Si potrebbe pensare a un ente o a un'azienda promotore che attui una strategia consortile e sia in grado di coinvolgere progressivamente gli interessi dei titolari di tutte le fasi produttive presenti in un distretto, in modo da garantire la trasmissione del *know-how* complessivo e diffuso in un distretto di Pmi. Un ruolo fonda-

mentale spetta alle banche e alle istituzioni finanziarie, specie quelle radicate sul territorio, che, in particolare, potrebbero avere il delicato compito di programmare e creare fondi di prestito, garantiti consortilmente, su cui appoggiare i rapporti con i corrispondenti finanziari locali.

Delineata la strategia, occorre individuare la serie d'interventi concreti necessari a gettare i primi ponti di contatto. In questo quadro sarebbe opportuno studiare l'applicabilità di una normativa simile alla legge 44 italiana, che favorisca il nascere di relazioni di tutoraggio da parte di aziende italiane nei confronti di omologhe indiane, proprio per rispondere all'esigenza di fornire una proposta confezionata su misura per il partner estero e, nel contempo, rafforzare in senso consociativo i poli industriali indiani.

In definitiva, il primo e più concreto passo potrebbe essere selezionare uno o più progetti pilota che mettano in contatto imprese di un distretto italiano con singole realtà locali, per esempio nei settori tradizionalmente forti per l'Italia (e presenti in India), quali il tessile, le calzature, i pellami.

* Unido

In vigore le disposizioni che facilitano l'accesso ai fondi agevolati

Strada spianata alle Pmi per joint venture all'estero

ROMA — Dall'inizio di aprile sono in vigore le nuove norme per favorire piccole e medie imprese che vogliono realizzare una joint venture in un Paese in via di sviluppo, usufruendo delle agevolazioni messe a disposizione dalla Cooperazione italiana. Si tratta di condizioni molto favorevoli che prevedono finanziamenti a tassi agevolati, pari al 4% all'anno circa, rimborsabili in 10 anni di cui due di grazia. Sono realizzabili con tutti i Paesi in via di sviluppo, esclusi quelli dell'Est europeo, purché il reddito annuo pro-capite del Paese beneficiario non sia superiore a 3.250 dollari.

Le piccole e medie imprese incontrano difficoltà ad accedere a queste agevolazioni in quanto veniva richiesta una documentazione molto tecnica, soprattutto per la parte relativa all'analisi finanziaria. Ora, come spiega Stefano Nicoletti, dell'Ufficio XVI del ministero degli Affari esteri, sono state emanate le nuove disposizioni di semplificazione e si provvederà ad inviare alle associazioni di categoria le nuove schede, come anche gli esempi dei nuovi moduli.

In sostanza, secondo Nicoletti, per

rendere più agevole la compilazione dello studio di fattibilità si è provveduto a differenziare la documentazione in base all'entità del finanziamento. In particolare, per quelle con richiesta inferiore a due miliardi che riguardano soprattutto pmi, l'azienda potrà presentare un semplice "business plan" secondo le indicazioni contenute in una apposita scheda (Tipo A). Rispetto al passato, si tratta di informazioni molto più sintetiche per la parte relativa all'analisi finanziaria. In sostanza, basterà rispondere a una serie di domande contenute in un modulo: saranno poi le Unità tecniche della Cooperazione a elaborare le informazioni.

Per rendere ancora più agevole l'accesso delle pmi alle agevolazioni previste per società miste con Paesi in via di sviluppo, il ministero degli Affari esteri ha stipulato una convenzione con l'Unido (Organizzazione delle Nazioni Unite per lo sviluppo industriale, con sede a Milano, fax 02-4985925). Pertanto, per richieste di finanziamento inferiori a due miliardi, l'Unido fornirà assistenza gratuita per valutazioni e per la preparazione del "business plan". Per iniziative che superano i due miliardi il costo dello

studio sarà co-finanziato al 50% dalla stessa Unido.

La semplificazione delle informazioni richieste, come ha rilevato Nicoletti, è stata accompagnata da una revisione dei criteri interni di valutazione. Mentre nel passato ogni esame era un caso a se stante, ora sono stati emanati i criteri omogenei a cui ci si deve attenere nella valutazione. Ciò per rendere più spedito l'esame e consentire di dimezzare i tempi per l'approvazione delle domande, che nel passato erano di circa un anno.

Sembra anche risolto il problema burocratico che non ha ancora permesso il varo delle iniziative approvate nel 1994. Fino al 1993, per fissare il tasso di cambio si faceva riferimento alla data di approvazione da parte del Cics. Con l'abolizione di questo Comitato, sostituito dal Cipes, si è proposto di far coincidere la validità del tasso di cambio con il decreto del Tesoro che approva la joint venture. Su questa ipotesi, in sede Cipe, sono stati presentati rilievi da parte della Corte dei Conti e solo in questi giorni, dopo i chiarimenti del ministero del Bilancio, la questione è stata risolta.

Fabrizio Aiazzi

L'ONU IN ITALIA ■ Nuove frontiere per le intese produttive

Più facili col marchio Unido gli accordi nei Paesi emergenti

Da anni funziona a Milano un centro dell'Unido (United nation industrial development organization), l'agenzia delle Nazioni Unite che ha il compito di incentivare lo sviluppo industriale dei Paesi emergenti. «Ci occupiamo soprattutto dei progetti che producono un bene — spiega Graziano Bertogli, vicedirettore dell'ufficio di Milano — e quindi identifichiamo proposte di investimento industriale nei Paesi in via di sviluppo e dell'Europa dell'Est. Queste proposte le formuliamo in termini concreti e le valutiamo dal punto di vista tecnico e finanziario in modo da far conoscere agli operatori i rischi e la possibile redditività dell'investimento ipotizzato». Tra il '90 e il '94 l'agenzia Unido di Milano ha seguito oltre 750 negoziati e ha contattato nei Paesi emergenti oltre 880 aziende locali. I progetti di joint venture conclusi sono stati 116 per un totale di 919 milioni di dollari.

Un imprenditore che ha delle idee per la produzione di qualche bene in Sud America, in Africa o in Asia, all'Unido di Milano può trovare delle risposte. Grazie a una grande banca dati l'operatore troverà le indicazioni sul miglior mercato per quel bene, sul posto più redditizio dove produrlo o sapere chi, in un determinato Paese, potrebbe essere inte-

ressato a fare una joint venture per quello scopo. L'Unido, inoltre, si fa latore delle proposte provenienti dagli imprenditori dei Paesi stranieri, sia come singole opportunità, sia all'interno di specifici programmi. L'assistenza si estende anche alla fase successiva quando cioè la joint venture è stata già costituita, ma per attivarla manca solo di un finanziamento agevolato.

«Siamo ben consci — sottolinea Bertogli — che quello che spinge gli investimenti è il profitto. D'altro canto, abbiamo un mandato che ci permette di avere una posizione super partes. Il nostro servizio è gratuito e ci muoviamo nell'interesse sia del Paese emergente sia dell'imprenditore italiano. Il budget dell'ufficio è infatti a carico del ministero degli Esteri». Tutto questo dà all'Unido l'opportunità di avviare solo i progetti che effettivamente superano una certa soglia di qualità. E questo per tutti gli imprenditori, grandi e piccoli.

Spesso può capitare che un piccolo o un medio imprenditore si trovi in difficoltà perché il progetto che vuole realizzare è troppo oneroso e, d'altra parte, non trova il finanziamento necessario per attivarlo; probabilmente perché non ha sufficienti garanzie reali da offrire. In questo caso l'Unido, dopo aver aiutato l'imprenditore a identificare il Paese e il

potenziale partner, se valuta che il progetto può diventare una fonte di garanzia per ottenere un finanziamento, propone alle parti uno studio di fattibilità concreto. Questa verifica, il cui costo è finanziato per il 50% dall'Unido fino a un massimo di 80mila dollari, è importante da due punti di vista: lo studio di fattibilità targato Unido dà la possibilità all'imprenditore o alla joint venture già formata di avere informazioni più chiare e approfondite sulle prospettive dell'operazione; grazie al credito, che viene attribuito alla metodologia applicata dall'agenzia Onu, diventa uno strumento per ottenere più facilmente un finanziamento o una polizza assicurativa. La stessa Sace, recentemente, ha chiesto all'Unido degli studi di fattibilità. L'agenzia di Milano, infine, può farsi carico di aiutare l'imprenditore nella ricerca del credito. Preoccupandosi, ad esempio, di indicare quale possa essere il miglior tipo di finanziamento per quell'operazione in quel determinato momento, se quindi sia meglio rivolgersi a un fondo nazionale o all'Unione Europea o a un'altra organizzazione internazionale.

G.Vol.

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Il contributo dell'Unido agli incontri di Boritec '95

Parla Graziano Bertogli, vicedirettore ufficio milanese

MILANO (e.r.) - Tra le istituzioni impegnate nella ricerca e nella selezione di progetti per il Boritec c'è anche l'Unido, l'agenzia dell'Onu che si occupa dei problemi legati allo sviluppo industriale. Graziano Bertogli è il vicedirettore dell'ufficio Unido di Milano. «L'attività che l'Unido svolge per la realizzazione di Boritec — spiega Bertogli — comprende l'identificazione dei progetti, la selezione, la promozione, l'organizzazione di missioni e, infine, l'assistenza nel corso della manifestazione. Questo avviene nei Paesi di nostra diretta competenza: Russia, Romania, Repubblica Ceca, Polonia, Messico, Malaysia, India, Cina e Filippine». C'è poi tutta un'altra serie di Paesi Acp, di competenza dell'Unione Europea, per i quali l'Unido ha comunque un compito di assistenza nella selezione di progetti da presentare al Boritec. Sono state effettuate missioni in Camerun, Ghana, Etiopia, Kenya, Madagascar, Namibia, Senegal, Uganda, Mali e nelle Comore. Attraverso i contatti stabiliti in precedenti missioni sarà inoltre assicurata la presenza di progetti provenienti da Trinidad-Tobago, Fiji e Zambia. «Dal lavoro che abbiamo svolto — sottolinea Graziano Bertogli — emerge un forte interesse da parte di questi Paesi verso il settore agroalimentare; seguono il legno, il tessile e il turismo. Sul fron-

te delle tipologie di cooperazione richiesta, invece, ci troviamo in genere di fronte a un mix di tecnologia, mercato e capitali». Dai Paesi Acp arriveranno a Boritec complessivamente un centinaio di progetti. Un dubbio che sorge spontaneo riguarda la disponibilità delle piccole e medie imprese italiane a investire in progetti di cooperazione industriale con questi Paesi, quando gli imprenditori italiani sono già in generale restii a impegnarsi in joint venture. «Certo, in base a una valutazione puramente macroeconomica è difficile che un imprenditore vada a investire in un Paese Acp. Tuttavia — spiega il vicedirettore dell'ufficio Unido di Milano — ci possono essere progetti interessanti anche in Paesi che in linea teorica non lo sono». C'è poi da tenere presente le agevolazioni previste per questi Paesi dall'articolo 7 della legge 49, le cui procedure di finanziamento per la realizzazione di joint venture sono state recentemente semplificate. È — tra l'altro — proprio l'Unido che ha il compito di valutare le richieste di finanziamento, su incarico del ministero degli Esteri. Un'altra area seguita dall'Unido è la Cina e, in particolare, due province: il Sichan e lo Zhejiang, dove sono stati raccolti 26 progetti. Da questo versante è previsto l'arrivo a Boritec di due delegazioni di imprenditori.

Promuovere la dinamica delle relazioni tra gruppi di aziende

Con i distretti industriali si punta a nuove strategie

Negli ultimi anni è andata rafforzandosi la convinzione che le piccole e medie imprese possano giocare un ruolo determinante nel favorire lo sviluppo economico e garantire di conseguenza una maggiore stabilità sociale. La domanda di piccole e medie imprese appare oggi avere una valenza specifica sia per i Paesi più industrializzati, segnati da profonde crisi occupazionali, sia per i Paesi in via di sviluppo, impegnati nel tentativo di migliorare il proprio apparato industriale e di risolvere squilibri sociali interni.

Ha particolare rilevanza anche per i Paesi in transizione dall'esperienza del socialismo, dove il processo di riconversione economica in corso apre spazi per l'emergere di una nuova classe imprenditoriale.

I vantaggi legati a una forte presenza di piccole e medie imprese nell'ambito di un sistema economico sono di diversa natura. Innanzitutto, la piccola impresa ha un effetto diffusivo dello sviluppo nel suo ambiente, in quanto determina fenomeni imitativi ed emulativi, facilitando la trasmissione di conoscenze e quindi stimolando l'attivazione di dinamiche spontanee ed endogene di crescita. In secondo luogo il dinamismo imprenditoriale legato alla diffusione della piccola e media impresa favorisce la diffusione dell'occupazione, anche nelle forme di auto-occupazione, permettendo una maggiore stabilità e un maggior equilibrio territoriale dello sviluppo.

Del resto una serie di elementi macroeconomici, quali i rapidi cambiamenti tecnologici e la globalizzazione del commercio, hanno alterato sostanzialmente le dinamiche dei processi di industrializzazione, particolarmente per i Paesi in via di sviluppo. Da un lato il più facile accesso a know how, capitali e mercanti, e dall'altro la crescente competitività internazionale impongono modelli di sviluppo non più basati solo su fattori di costo quali la manodopera o le materie prime, ma che tengano conto di altri elementi come, a esempio, qualità, flessibilità, consegna, manutenzione. È proprio su questo piano, sulla capacità di adattarsi alle richieste e alle segmentazioni del mercato, e sulla capacità di introdurre rapidi miglioramenti del processo produttivo, che il modello delle piccole e medie imprese presenta un vantaggio comparativo. A livello di competitività internazionale, si è poi visto che sistemi integrati di piccole e me-

die imprese possono raggiungere livelli di specializzazione produttiva, di efficienza e di flessibilità elevati, così da rispondere efficacemente alle dinamiche dei mercati e da raggiungere importanti quote di esportazione. È indubbio che, alla base di questa presa di coscienza, stiano gli esempi di successo individuabili in diversi contesti regionali situati in vari Paesi, tra i quali spicca in modo particolare il caso dell'Italia, dove il consolidarsi di robusti meccanismi endogeni ha consentito, attraverso la formazione di numerosi distretti industriali, un rapido sviluppo, elevati livelli di competitività e notevole stabilità occupazionale.

La formazione di distretti tecnologicamente avanzati e specializzati rafforza le potenzialità di piccole e medie imprese in quanto consente in un contesto di

nel favorire e consolidare fenomeni di distrettualizzazione emergenti in molti Paesi, attivando rapporti diretti tra queste aree e corrispondenti distretti italiani che consentano la trasmissione di esperienze e di modelli di intervento sperimentali. È l'approccio "cluster-to-cluster" che punta a stabilire ponti tra distretti omologhi attraverso i quali trasferire all'estero il modello di sviluppo conosciuto come Terza Italia.

Attraverso questa strategia, in qualche modo innovativa, si cerca di portare in primo piano, nella cooperazione internazionale, la piccola e media impresa, finora considerata marginale rispetto ai grandi investitori e agli interventi governativi. In questo modo, anche nel Paese beneficiario, si pone l'enfasi sugli attori locali, su quelle forze endogene che possono avviare e sostenere lo sviluppo, attraverso una collaborazione attiva e non un rapporto di dipendenza.

Il programma di lavoro dell'Unido punta alla realizzazione di nuove strategie per il miglioramento dei sistemi di produzione e distribuzione locali, sull'incentivazione dei rapporti tra imprese, sullo sviluppo di una efficiente rete di collegamento tra imprese e fornitori, compratori, istituzioni e servizi finanziari, sul miglioramento dei servizi disponibili in materia di gestione, marketing, tecnologia, addestramento e finanza. È un approccio che, puntando allo sviluppo di reti trans-nazionali tra imprese e istituzioni, offre importanti opportunità alle piccole e medie imprese italiane, opportunità di investimento, di scambi commerciali e produttivi, di allargamento di mercati.

La crescita delle economie più arretrate, attraverso lo sviluppo di distretti industriali, deve essere dunque inquadrata nella prospettiva di una crescente apertura al commercio e ai flussi di investimento internazionali e non in un'ottica di politiche nazionali protezionistiche. La concezione della piccola impresa come soggetto debole da proteggere di fronte alla concorrenza internazionale va dunque ribaltata in quanto lo sviluppo di sistemi locali di piccole imprese, e di reti internazionali di sistemi di piccole imprese, possono essere lo strumento per il migliore sfruttamento di conoscenze e risorse, per il consolidamento dei vantaggi comparativi individuali e, in ultima analisi, per il miglioramento della competitività nel lungo periodo.

Stefano Giovannelli

Responsabile Ufficio Unido di Milano

Il potenziale delle piccole e medie imprese non è stato ancora pienamente recepito dai Paesi emergenti

scambi e collaborazioni, alle singole entità imprenditoriali di accelerare i propri processi di specializzazione e di crescita. Inoltre, il contesto esterno offre alla piccola impresa quelle sinergie e complementarità che non potrebbero essere gestite a livello individuale, per cui l'appartenenza a un distretto costituisce un veicolo favorevole alla crescita, attraverso la creazione di funzioni e servizi centralizzati a vantaggio di tutta la collettività.

Il potenziale delle piccole e medie imprese non è stato però ancora pienamente recepito dai Paesi emergenti ed è proprio nella direzione dello sviluppo di sistemi di distretti industriali che si è orientata la politica di cooperazione dell'Unido. Se è chiaro che questo tipo di sviluppo non può essere imposto ma deve far leva su fenomeni endogeni, l'Unido ritiene che la cooperazione internazionale possa avere un ruolo importante



Conquista dell'est L'occidente punta sul Vietnam

Nuova invasione a colpi di dollari

Le aziende Usa sono al primo posto fra i partner commerciali non asiatici. Seguono francesi, svizzeri e inglesi. E gli italiani? Ultimi in classifica

LA FOTOGRAFIA con le due gigantesche bottiglie di Coca-Cola che campeggiano ai lati del teatro nazionale di Hanoi dice tutto. Da quando, nel febbraio dell'anno scorso la Casa Bianca ha abrogato l'embargo nei confronti dell'ex nemico, le aziende americane stanno bruciando i tempi: Washington è già il primo partner non asiatico dell'ex grande nemico degli anni Sessanta e Settanta [tabella a pagina 42]. La Ford ha appena concluso un accordo per la produzione in loco di vetture e camion: l'obiettivo, non dichiarato ma ovvio, è di fare la concorrenza ai giapponesi della Honda e della Toyota arrivati prima. Ibm e Motorola

stanno avviando programmi di collaborazione industriale. Grazie a una joint venture firmata dal colosso tessile Morrison-West Point i giovani vietnamiti potranno indossare autentici jeans made in Usa, uno dei simboli del capitalismo yankee.

Se continua così, gli Stati Uniti sono destinati a salire ancora nella classifica degli alleati economici. Un'altra foto ha fatto il giro delle redazioni nei giorni scorsi: 20 anni dopo il ritiro dell'ultimo contingente americano dal Vietnam, si sono stretti la mano i due grandi nemici di allora, l'ex segretario alla Difesa Robert McNamara e il generale Vo Nguyen Giap, mitico comandante delle forze comuni-

ste del Vietnam del Nord.

I soli occidentali che stanno cercando di tallonare gli Usa da vicino, assicurandosi uno spazio in quello che promette di essere la più giovane delle tigri del Sudest asiatico, sono i francesi: tra le 19 banche a capitale interamente straniero che negli ultimi mesi hanno aperto sportelli in Vietnam spiccano quelle transalpine. Dopo i primi anni difficili, la filiale locale del Crédit lyonnais ha registrato profitti nel 1994.

Ma davvero i dollari scorrono a fiumi sul sentiero di Ho Chi Minh, come sostiene entusiasticamente un operatore italiano? Sul serio il nuovo Eldorado è in Vietnam, come ha commentato a caldo un altro

Ieri e oggi Ragazze a Ho Chi Minh City con il vestito «Ao Dai», la tradizionale uniforme scolastica

imprenditore italiano al termine di un recente seminario che la Fiera di Verona ha organizzato assieme all'Unido [Onu], all'Ice [Istituto per il commercio con l'estero] e alla Banca popolare di Verona?

Il «doi moi»

Inducono alla cautela i dati ufficiali. Il Vietnam è pur sempre un paese con un reddito annuo pro capite al di sotto dei 200 dollari, un tasso di disoccupazione del 20% e che la Sace, l'agenzia pubblica per l'assicurazione degli investimenti, cataloga tra quelli a massimo rischio. È un paese dove la rete di distribuzione è praticamente inesistente e i tradizionali veicoli pubblicitari quasi del tutto sconosciuti: dove, delle 1.095 licenze concesse dal governo fino all'agosto scorso, solo il 60% sono realmente operative.

«Ma il doi moi, cioè la nuova politica di rilancio e razionalizzazione lanciata otto anni fa dal premier Do Muoi, sta dando i suoi frutti», dice Stefano Giovannelli, direttore dell'ufficio Unido di Milano. «Se la leadership politica è ancora ufficialmente ancorata ai modelli dello statalismo comunista, c'è un settore economico che ha invece intra- ▶

► preso l'apertura al mercato e all'iniziativa privata, facendo del Vietnam l'ultimo e, per certi versi, il più sorprendente esempio di sviluppo del Sudest asiatico». Alcuni fatti sono certi. Il paese è ricco di risorse naturali: le riserve di carbone sono stimate sui 6,6 miliardi di tonnellate; quelle di gas sono di 163 miliardi di metri cubi; ci sono giacimenti off shore di petrolio.

È sicuro, poi, che il Vietnam è in espansione, che si è aperto al libero mercato e che ha fame di capitali. È innegabile che negli ultimi tempi sono state realizzate una serie di riforme ambiziose: la decollettivizzazione dell'agricoltura, la liberalizzazione dei prezzi, la promozione del settore privato, l'apertura agli investimenti privati. Il sistema bancario locale ha fatto un notevole salto di qualità. Dal

mondiale e Fondo monetario internazionale, che chiedono sempre molte garanzie prima di aprire i cordoni della borsa, stanno concedendo generosi finanziamenti destinati soprattutto a migliorare i collegamenti stradali.

Autostrada n. 1

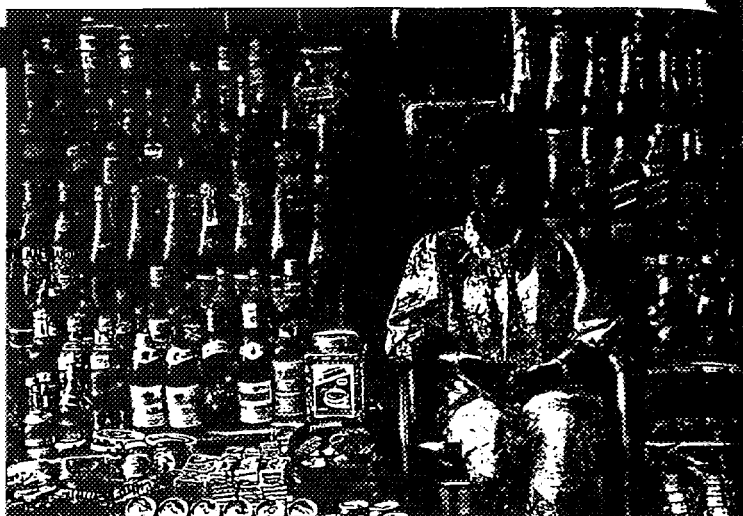
Andranno in parte per la ricostruzione della celebre autostrada «n. 1» che collega la settentrionale Hanoi con Ho Chi Minh City, l'ex Saigon. È un appalto da 300 milioni di dollari. Ma non è il solo al quale puntano le grandi imprese di costruzione. C'è una rete ferroviaria di poco meno di 3 mila chilometri da ricostruire per ridurre le distanze tra le due principali città del paese: attualmente il viaggio è di due giorni.

Insomma: è tutto il cantiere Vietnam che fa gola. Così come attirano i suoi cieli. Il presidente americano Bill Clinton aveva appena annunciato la fine dell'embargo, e gli inviati della Boeing e della McDonnell-Douglas già accorrevano alla notizia di 60 aerei che la Vietnam airlines, la compagnia di bandiera vietnamita, vorrebbe acquistare.

Da qualche mese, poi, il Vietnam è entrato a pieno titolo nell'Asean, il principale patto economico tra i paesi asiatici, aprendosi così a un mercato di 345 milioni di abitanti, in forte crescita economica e con una richiesta di beni di consumo in piena espansione. Il che spiega ancora di più l'interesse delle aziende di Wall Street.

«Ma anche se l'arrivo dei capitali americani è un successo politico, Hanoi guarda con estremo interesse all'Europa», avverte Giovannelli. «I vietnamiti, infatti, non vogliono farsi schiacciare tra il modello giapponese, dominante nell'area, e quello degli Stati Uniti».

Il messaggio è stato raccolto, oltre che dai francesi, anche da inglesi, tedeschi e olandesi. L'Italia, invece, addirittura perde terreno. Un paio di anni fa era il ventunesimo partner commerciale del Viet-



nam; ora è scesa al ventottesimo posto. Le quattro joint venture firmate da aziende italiane e già operative hanno un valore complessivo di appena 27 milioni di dollari. Poca cosa rispetto alla concorrenza [tabella a pagina 43].

Eppure le aziende italiane che sono già andate in Vietnam, attratte dal basso costo della mano d'opera, si dichiarano più che soddisfatte. A cominciare dalla Falcomar, una società di spedizioni di Livorno che, dopo avere ottenuto la rappresentanza per l'Italia della Vietnam airlines, ora sta investendo nel turismo.

La lista non è molto lunga, ma è comunque significativa. Dal 1993 la Canguro fabbrica scarpe da tennis. Un'altra industria calzaturiera, la Antonini, compra in Vietnam scarpe sportive in tessuto e pelle, realizzate su suo design che poi rivende con il proprio marchio. Un piccolo calzaturificio bresciano, la Stilmoda di Armando Abrami, ha da tempo un proprio impianto nella zona di Saigon. «Il mercato vietnamita? È ultracon-

veniente», dicono alla Mbb Maccararo, un'azienda tessile di Bussolengo che finora si è rifornita di magliette dalla Cina ma sta pensando di cambiare fornitore.

Il tessile e l'abbigliamento sono forse il maggiore affare, visto che farsi produrre una camicia costa non più di mille lire. Ne è convinto Fabrizio Onida, commissario straordinario dell'Ice. Tra i 19 progetti ufficiali che il governo vietnamita sottoporrà a una missione di operatori organizzata per il 4 e 5 dicembre a Ho Chi Minh City dall'Istituto per il commercio con l'estero, ben otto riguardano la possibilità di joint venture per la produzione di T-shirt, tute sportive, scarpe e tessuti. Le rimanenti sono per lo più nel campo agroalimentare.

Punti di forza

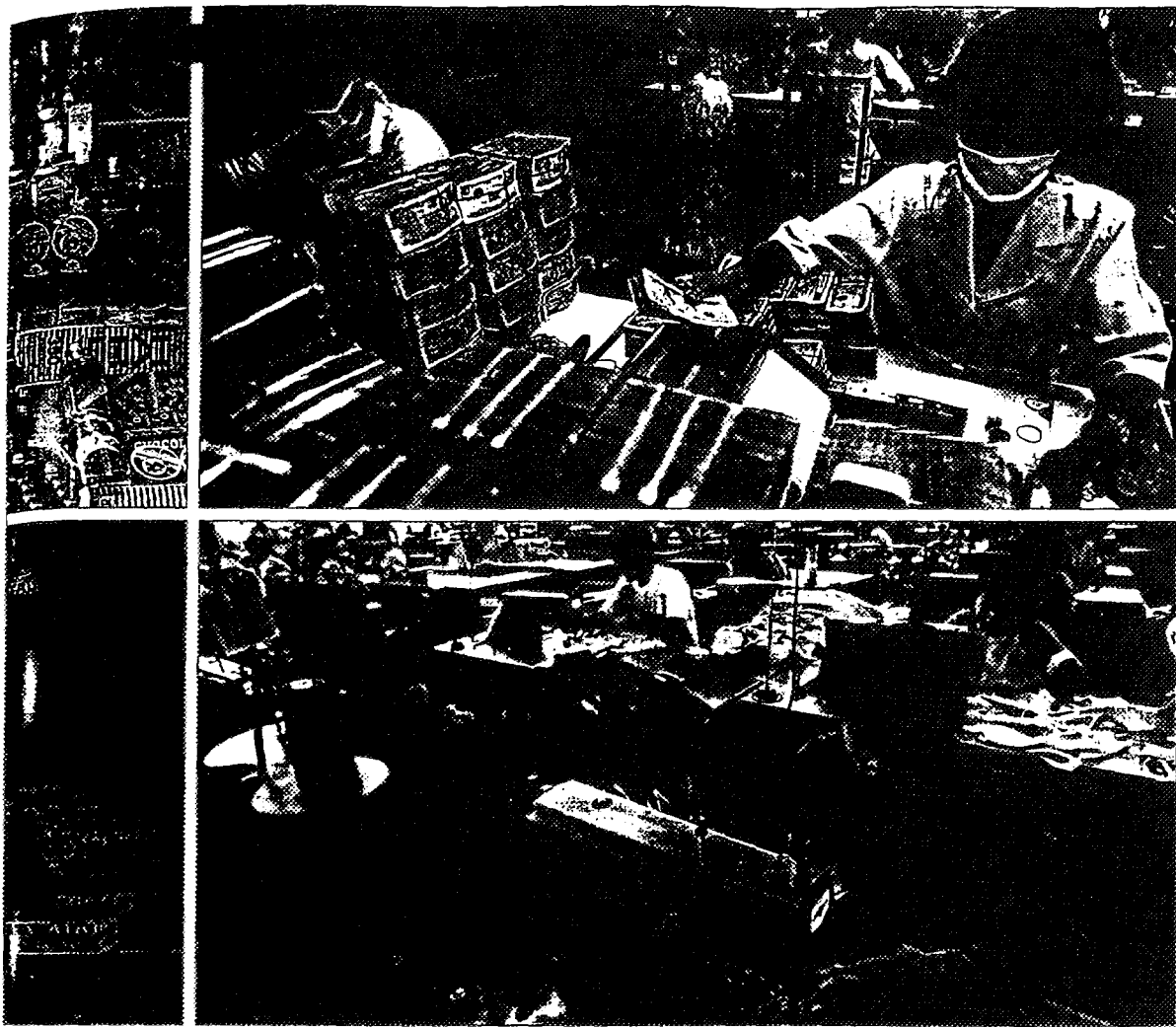
Il nuovo clima imprenditoriale sta convincendo la Ferretto, ditta di import-export di prodotti ittici, che importa pesci congelati da Thailandia e Malaysia, «a valutare seriamente la possibilità di una

ITALIANI IN CODA

| Partner del Vietnam nel biennio 1994-1995 | Joint venture operative | Valore (milioni di dollari) |
|---|-------------------------|-----------------------------|
| Taiwan | 208 | 2.600 |
| Hong Kong | 174 | 2.200 |
| Giappone | 102 | 1.600 |
| Singapore | 103 | 1.400 |
| Corea del Sud | 121 | 1.300 |
| Stati Uniti | 41 | 700 |
| Malaysia | 40 | 650 |
| Australia | 46 | 616 |
| Francia | 65 | 524 |
| Svizzera | 14 | 494 |
| Gran Bretagna | 16 | 367 |
| Tailandia | 49 | 329 |
| Olanda | 18 | 316 |
| Russia | 33 | 127 |
| Canada | 10 | 47 |
| Germania | 11 | 34 |
| Italia | 4 | 27 |
| Altri | 147 | 1.869 |
| Totale | 1.202 | 15.200 |

monopolismo statale, con un'unica banca, si è arrivati a circa 60 istituti autorizzati.

I risultati di questa rivoluzione non si sono fatti attendere. Il pil ha avuto una crescita annuale di oltre l'8%. L'espansione industriale, nell'ultimo biennio, si è attestata tra il 13% e il 14%. Il miglioramento dei servizi è stato del 9%. L'inflazione, che nel 1989 aveva valori a tre cifre, a fine 1994 era stata contenuta al 14,4%. È grazie a questi successi che Banca



Sviluppo In alto a sinistra, un negozio di Hanoi che vende champagne francese: a destra, l'ufficio di una banca. In basso, a sinistra, il progetto di ristrutturazione del porto commerciale di Haiphong, a destra, lavoratrici in una manifattura tessile

non più di due anni». Nessuno rimpiange Gianni De Michelis. Ma la promessa, mai mantenuta, dell'ex ministro degli Esteri di far stanziare dal governo 300 milioni di dollari per gli investimenti in Vietnam se la ricordano in molti. «Un fatto è certo», sostiene Learco Saporito, già senatore e oggi dirigente di An nonché membro della Camera italo-vietnamita: «Come ha detto il ministro dell'Industria e del commercio estero Alberto Clò, la ricerca di mercati alternativi in Asia è urgente».

Bot people

Della squadra di Bongiovanni fa parte anche una trading company, la Far east guidata dall'italo-vietnamita Le Chon Dzung e dall'avvocato italiano Alberto Ramadori. «Il Vietnam è passato dai boat people ai bot investor», dice quest'ultimo. «Cioè dal popolo dei profughi delle barche alle operazioni bot, build operation transfer, letteralmente la costruzione di operazioni di trasferimento».

joint venture in Vietnam», come dice la import manager Mariella Ruberti.

Ma possono essere interessati altri tradizionali punti di forza dell'imprenditoria italiana. A Ho Chi Minh City i clienti privati sono disposti a pagare le piastrelle italiane tra i 50 e i 60 dollari a metro quadro. Se la Piaggio, che sembrava stesse per concludere un accordo per una catena di assemblaggio di scooter e motorini, sta ancora decidendo [«Il mercato è comunque interessante», assicura il vicepresidente Alessandro Pinelli] altre grandi imprese italiane sono già attive. A Nam Dinh, cento chilometri a sud di Saigon, la Zanussi di Pordenone assembla refrigeratori e offre assistenza. L'Iveco, in base a un accordo con la Mecong, assembla veicoli.

Per entrare in un mercato di questo tipo vale la pena ascoltare i consigli di chi ha avuto il coraggio di fare da batti-

strada. Come Mauro Cerisola, titolare della Eurofish di Genova, un'azienda di congelamento di gamberi che a Gan Hao, 300 chilometri a sud di Ho Chi Minh City, ha costituito, in joint venture con un partner locale, la Euro-Ganh Hao. Dice Cerisola: «Il problema principale, dopo avere individuato il partner giusto, non è tanto nella somma da investire, quanto nelle difficoltà a districarsi tra le maglie di una burocrazia che, a livello centrale e locale, risente ancora degli elementi negativi tipici di tutte le economie in transizione».

Ma il potenziale è notevole e giustifica l'interesse di Francesco Bongiovanni, un architetto romano che, d'intesa con l'ambasciata vietnamita in Italia, ha costituito la Camera di commercio e industria italo-vietnamita [parteciperà alla missione di dicembre a Ho Chi Minh City]. Bongiovanni punta l'indice sulla Sace. «In questi ultimi mesi abbiamo cercato di sensibilizzarla. Mentre francesi e tedeschi possono contare su finanziamenti assicurati fino a 10-15 anni, gli italiani spuntano al massimo e con molta difficoltà garanzie a breve,

ralmente la costruzione di operazioni di trasferimento». L'elenco degli incentivi presentato da Ramadori per incoraggiare gli investimenti in Vietnam include: aliquote fiscali pari a poco più della metà di quelle italiane, la possibilità di esportare gli utili degli investimenti industriali, il recupero integrale del capitale investito.

Che, nonostante tutti i problemi, il nuovo Vietnam sia una realtà lo dimostra l'arrivo massiccio di avvocati, consulenti e studi legali americani, da sempre battistrada per gli affari a stelle e strisce. Hanno letteralmente invaso gli uffici di Hanoi e Ho Chi Minh City. «È un ottimo mercato, ma bisogna sapersi muovere», dicono Federick Favre e David Liman, legali della Tilleke & Gibbins consultants, uno studio di avvocati americani che ha aperto un ufficio a Hanoi. Nessuno meglio degli ex nemici conosce bene una piazza.

Niccolò D'Aquino

IN CORSA I BIG MONDIALI

| Paesi partner del Vietnam | Tipi di accordo approvati nel 1995 | Settori di attività | Aziende interessate | Valore (milioni di dollari) |
|---------------------------|------------------------------------|---------------------|---------------------|-----------------------------|
| Olanda | Joint venture | Birrerie | Heineken | 55,0 |
| Germania | Joint venture | Mangimi | Bayer | 1,0 |
| Corea del Sud | Joint venture | Televisori | Samsung | 35,0 |
| Giappone | Joint venture | Macchine utensili | Shiroki | 2,5 |
| Stati Uniti | Joint venture | Jeans | West Point | 5,4 |
| Stati Uniti | Joint venture | Auto e camion | Ford | - |
| Germania-Francia | Appalto | Rete telefonica | Siemens-Alcatel | 35,0 |

NUOVI MERCATI / CUBA

E Fidel si beve Milano

Cuba si muove. Obiettivo: aprire finalmente il mercato e l'industria dell'Isola a nuovi affari, nuovi settori di produzione e, possibilmente, nuovi grandi mercati.

Nelle scorse settimane il ministro cubano per gli «investimenti stranieri e la cooperazione economica», Octavio Castilla Cangas, ha iniziato una specie di grand tour in Europa, proprio a caccia di interlocutori. Tappa essenziale nel Vecchio continente: Milano, dove i cubani saranno appoggiati dalla direzione italiana dell'Unido, l'organizzazione delle Nazioni unite per lo sviluppo industriale.

Ma che cosa offre la Repubblica di Fidel Castro schiacciata dalla crisi economica? E' indubbio che all'Avana qualcosa è cambiato negli ultimi anni. Ma le riforme interne, sulla strada della modernizzazione industriale e del libero mercato, si scontrano con due oggettive difficoltà ancora presenti nell'isola centroamericana.

La prima questione: l'embargo totale deciso dagli Stati Uniti, che impedisce ancora a tutte le imprese cubane, anche a quelle di capitale e provenienza straniera, di esportare nel mercato più grande del mondo.

La seconda difficoltà: la moneta locale, il peso, attualmente non è convertibile. Chi incassa denaro cubano, quindi, se lo deve tenere o lo può reinvestire solo nell'Isola. Quindi, torna la domanda, perché Cuba? «E' vero — dice il ministro Castilla Cangas — questi problemi ci sono, ma il governo cubano sta lavorando per superarli. Difficile fare previsioni sulla caduta dell'embargo statunitense, ma sulla convertibilità i tempi saranno abbastanza brevi. Uno o due anni forse».

Nel frattempo, comunque, gli uomini di Fidel Castro chiedono un po' di pazienza agli investitori stranieri e, in cambio, offrono agevolazioni fiscali decisamente interessanti. Quali? Per esempio le imprese non pagano alcun tipo di tasse (nemmeno sulle materie prime importate) fino a quando gli investimenti nel paese non diventano redditizi.

Inoltre a carico delle aziende straniere rimane solo il 25 per cento del costo del lavoro impiegato. Il resto viene coperto direttamente dallo Stato.

Più in generale, Cuba, si presenta ai potenziali investitori con un'economia in crescita e con prospettive di ulteriore espansione. L'anno scorso il prodotto interno lordo è aumentato del 2 per cento, ma le previsioni più recenti spingono il tasso di sviluppo fino al 5 per cento.

Gli spazi di intervento dovrebbero liberarsi soprattutto nel settore alimentare, del turismo, dei prodotti chimici, e anche in quello dei cosmetici.



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