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# Annual Report

September 1995 - August 1996

December 1996

United Nations Industrial Development Organization  
Investment Promotion Service, Tokyo

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### ATTACHMENTS

ATTACHMENT - 1 Delegate Programme

ATTACHMENT - 2 Country Presentation Seminars and Roundtable Meetings

ATTACHMENT - 3 List of Projects Concluded, Under Negotiation, Under Operation

## ABBREVIATIONS

AOTS	The Association for Overseas Technical Scholarship
ASEAN	The Association of South-East Asian Nations
ASEAN Centre	ASEAN Promotion Centre on Trade, Investment and Tourism
BBC	Brand-to-Brand Complementation Scheme
BKPM	Regional Coordinating Boards (Indonesia)
BOI	Board of Investment
CCI	Chamber of Commerce and Industry
ECFA	Engineering Consulting Firms Association of Japan
EDB	Economic Development Board (Singapore)
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
EPZ	Export Processing Zone
EXIM Bank	Export-Import Bank of Japan
FDI	Foreign Direct Investment
IDJ	International Development Journal
IIP	Industrial Investment Project Profile
IPS	Investment Promotion Service
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
JOI	Japan Institute for Overseas Investment
Keidanren	The Japan Federation of Economic Organizations
MIDA	Malaysian Industrial Development Authority
ODA	Official Development Assistance
ROTOBO	Japan Association for Trade with Russia and Central-Eastern Europe
SME	Small and Medium Enterprises
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
WTC	World Trade Center

## 1. EXECUTIVE SUMMARY

This report highlights IPS Tokyo's activities covering the period of 1 September 1995 through 31 August 1996 (Fiscal 1995/96).

- 1.1 In fiscal 1995/1996, IPS Tokyo's budget remained flat at 182.32 million Japanese yen. The salary increment of the staff members affected the cost structure, but due to the General Service staff's leave without pay for several months after their maternity leave, the budget has been offset.
- 1.2 In collaboration with UNDP Yangon, IPS Tokyo led a "Preliminary Survey Mission for Promoting Japanese Investments to Myanmar." Consisting of public and private sector representatives, the purpose of the mission was to identify issues and offer recommendations relating to the investment environment and policies of Myanmar, through numerous meetings with the Government of Myanmar as well as local and foreign businessmen.
- 1.3 At the invitation of ASEAN Promotion Centre and respective ASEAN Governments, IPS Tokyo dispatched four missions to six ASEAN countries in 1995/1996. The purpose of these missions were to implement "Investment Promotion Seminar for Rural Areas" in areas and/or industries in which know-how on attracting Japanese investment is not yet diffused.
- 1.4 In April 1996, IPS Tokyo fielded a mission to the "International Symposium on Euro-Asia Landbridge" in Beijing, China. Participation to this symposium was in line with the "Eurasia Comprehensive Development Plan" project which IPS Tokyo has been examining since the beginning of 1995. Following this symposium, a small round-table discussion in Tokyo was organised by a non-government organisation to which IPS Tokyo participated.
- 1.5 In July 1996, IPS Tokyo dispatched a mission to Mongolia to provide a 5-day training seminar called "Investment Promotion and Business Management". The main objectives of the seminar were to teach the local entrepreneurs the basic principles of market economy and to equip them with better negotiation and business management skills.
- 1.6 During the 1995/1996 period, IPS Tokyo accepted eight delegates from Sri Lanka, Tunisia, Peru, Bangladesh, Mongolia, Thailand, the Czech Republic, and Jordan (Attachment 1).
- 1.7 26 country presentation seminars were organised by IPS Tokyo in conjunction with the Delegate Programme and visit of high-ranking officials from overseas. The total number of participants to the seminars were 977 (Attachment 2).

- 1.8 IPS Tokyo promoted and helped mobilise over 80 participants to eight investors' fora and techmarts organised by the Headquarters.
- 1.9 Five issues of the IPS Tokyo Newsletter were published and distributed to approximately 3,100 subscribers. Press coverage in 1995/1996 was 36 articles.
- 1.10 13 projects were concluded during this period with a total investment amount of US\$ 1,092,390,000 (Attachment 3).

## 2. IPS TOKYO'S PROMOTION STRATEGY

In the recent years, IPS Tokyo has been shifting its weight of activities from down-stream, or project-by-project promotion, to up-stream activities, namely large scale development projects as well as capacity-building projects which emphasise the development of legislative, institutional or policy oriented framework. For 1995/1996, IPS Tokyo aimed to balance the up-stream and down-stream activities for more effective promotion of Japanese foreign direct investment (FDI) into developing countries.

Large scale development projects and capacity-building projects (up-stream activities) aim to develop the "soft infrastructure" of the countries in transition to market economy and developing countries featuring lesser developed regions where bilateral assistance is comparatively difficult to access. These projects have been planned and implemented in response to the demand which arose from the delegates who were stationed at IPS Tokyo and embassies in Japan who saw the need to develop their own private sector for more productive project-by-project promotion in Japan.

Consequently, "Investment Promotion and Business Management Seminar" was planned for countries in transition to market economy. While this seminar primarily targeted local entrepreneurs, a round-table meeting with the local government officials to discuss policy issues was arranged simultaneously. Starting off in Kyrgyzstan and Uzbekistan in May 1995, this seminar continued in 1996 in Mongolia.

In addition to the seminars focusing on countries in transition to market economy, IPS Tokyo also began implementing a series of Investment Promotion Seminar for Rural Areas in the rural cities of Southeast Asia. Beginning with a training seminar in Cebu (the Philippines) in 1994, seven such seminars were held in the rural cities of Indonesia, the Philippines, and Thailand during 1995/1996.

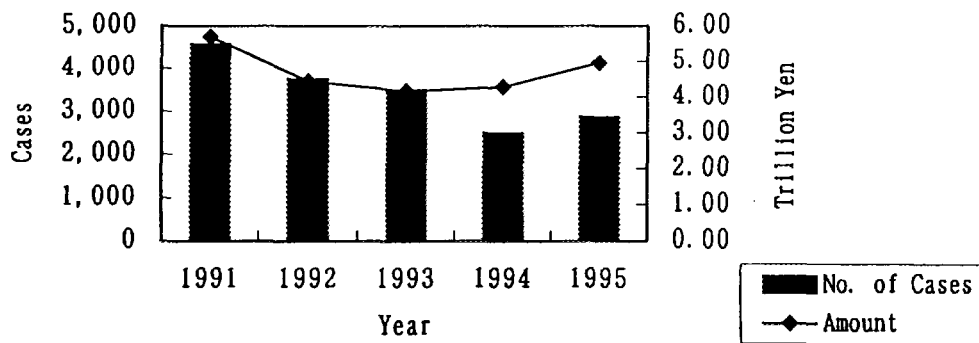
Meanwhile, IPS Tokyo continued to engage itself actively in down-stream activities, namely the Delegate Programme and other project-by-project promotion activities. During 1995/1996, co-ordination with relevant semi-government organisations located in the rural cities of Japan were maximised to improve efficiency and reduce costs while producing concrete results. As a result, the number of projects concluded rose from five in 1994/1995 to 13 in 1995/1996 although the number of Delegate Programmes were reduced from ten to eight during the same period.

### 3. INVESTMENT PROMOTION ACTIVITIES

#### 3.1. THE TREND OF JAPANESE FDI

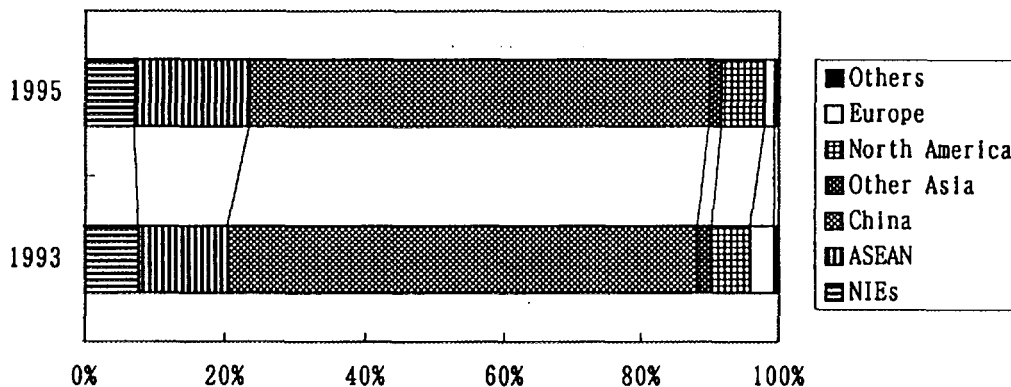
The total amount and the number of Japanese FDI registered in 1995 were 4.96 trillion yen and 2,863 cases respectively, growing by 15.8% from the previous year. As the consecutive growth in 1994 (3.1%) and 1995 indicates, the trend of Japanese investment continues to be stimulated by the increasing need to shift production overseas as a result of appreciated yen and the emergence and/or growth of Asian markets.

Table 1. Registered Japanese FDI



Source: 1996 Nov. EXIM Bank report

Table 2. Composition Ratios of Outward Investments by Destination (SMEs)



Source: White Paper on Small and Medium Enterprises (1996)



The pattern of this trend is also followed by Japanese small and medium enterprises (SMEs). As shown on Table 2, SMEs' investment in Asia is by far the largest, showing a steady upward rise from 90.3% in 1993 to 91.6% in 1995. However, it should be noted that investment in China has actually decreased by 1.5% while investment in ASEAN rose by 3.7%. This shift in trend implies that although China's proximity, large domestic market and cheap labour are still attractive, the rapidly changing investment climate as well as the troubles that come along with the changes, are alienating Japanese investors. Meanwhile, Japanese SMEs are finding the ASEAN region increasingly attractive for not only its market size, but for the additional incentives being provided by BBC (Brand-to-Brand Complementation) and other regional co-operation schemes.

## **3.2 UP-STREAM ACTIVITIES**

### **3.2.1 Preliminary Survey Mission for Promoting Japanese Investment to Myanmar**

UNIDO IPS Tokyo led an eight member "Preliminary Survey Mission for Promoting Japanese Investments to Myanmar" (the Mission), comprised of IPS Tokyo staff, a UNIDO financial consultant, and representatives from institutions such as the EXIM Bank of Japan, Keidanren (the Japan Federation of Economic Organisations), ECFA (the Engineering Consulting Firms Association of Japan), Itochu Trading Co., and Fukken Chosa-Sekkei Co. Ltd.. The UNIDO Country Director in Bangkok also joined the mission.

In collaboration with UNDP Yangon, the Mission organised 25 meetings over 9 working days with public officials, local businessmen, and Japanese businessmen in Yangon, in order to discuss Myanmar's investment climate and industrial opportunities/policies with reference to FDI, and make short and medium term recommendations to the government of Myanmar.

The Mission identified four major issues, including (1) the existence of a dual exchange rate which hinders the feasibility of FDI projects; (2) a lack of co-ordination between the key ministries in charge of industries, and the Ministry of National Planning and Economic Development, which hinders the sound formulation of economic planning; (3) an inadequate privatisation programme, which largely attempts to sell-off unprofitable and outdated enterprises, while valuable foreign currency earning state enterprises in forestry, agriculture, and textiles are not being privatised actively, even though foreign currency is urgently needed to rehabilitate such industries; (4) the under-utilisation of four major projects (Four Projects) in manufacturing assisted by Japanese Official Development Assistance (ODA) established in Myanmar in the early 1960s. These enterprises feature well equipped and maintained factories, however outdated, producing trucks, four-wheel drive vehicles, household appliances, and agricultural machinery. Based on the Mission's observations, these enterprises are still

operational and could be further studied for purposes of rehabilitation.

The Mission submitted its findings and recommendations in a report to Myanmar authorities before leaving the country, urging to focus on the basic issues above, and to facilitate, among others, the involvement of foreign investors by availing statistical information and asset evaluation methodologies in order to allow measurement of the value of enterprises for sale. The mission further requested Myanmar Heavy Industries, the organisation in charge of the Four Projects, to fill out a detailed questionnaire prepared by the Mission in order to establish and review the current financial and administrative picture of these enterprises.

The Mission also reported its findings to the Japanese government and the Japanese companies involved in the Four Projects, urging all parties to consider the revitalisation of these already established enterprises by undertaking further studies. A series of studies, analyses and meetings were held towards this effort after the mission, although limited by the socio-political situation of Myanmar.

### **3.2.2 Investment Promotion Seminar for Rural Areas**

Since 1994, UNIDO IPS Tokyo, in collaboration with and under the sponsorship of the ASEAN Centre on Trade, Tourism and Investment, has been holding seminars and roundtable meetings to provide support and orientation to SMEs located in rural regions of ASEAN countries (rather than those located in the capital regions), in order to increase the ability of such enterprises to conduct business with foreign businessmen, especially Japanese.

Details of the seminars as well as counterpart organising agencies are stipulated below. All seminars were strongly supported and jointly organised by the embassies in Japan of the respective countries visited.

#### **● Indonesia (December 1995)**

Seminars were held in Semarang, Central Java (11 Dec. 1995), and Bandung, Western Java (13 Dec. 1995) in collaboration with the local Regional Co-ordinating Boards (BKPM) and Chamber of Commerce and Industry (CCI). To benefit the local SMEs, these seminars focused on how to utilise Japanese assistance schemes, how to negotiate with Japanese businessmen, and how to promote projects in Japan. The number of participants representing both the private and government sectors were 50 in Semarang and 25 in Bandung.

It was found that SMEs in both Central and Western Java are facing various constraints, including lack of government sponsored financing resources, lack of timely information about available foreign and domestic assistance schemes, and lack of regular dialogue between local SMEs, local government offices, and national level government

authorities.

Participants were recommended to improve on the above issues by furthering their dialogue with governmental bodies, and bilateral/multilateral institutions in Jakarta such as JETRO (Japan External Trade Organisation) and the UNIDO Country Director's Office in Jakarta. IPS Tokyo pledged to support attempts by BKPM to organise future incoming missions to Japan and/or participation in the Delegate Programme at IPS Tokyo.

An investment and trade promotion mission including Western Java SMEs to visit Osaka in 1996/1997 was suggested by the Indonesian side (under current discussion for March 1997).

#### ● **Philippines (February 1996)**

A series of seminars were held in four local cities under the collaboration of the Board of Investments of the Philippines (BOI), to the benefit of SMEs on Japanese governmental policy on SMEs and their roles, how to utilise Japanese assistance schemes, how to negotiate with Japanese businessmen, and how to promote projects to Japan using the IIPP form. Seminar participation in each city is as follows: Cebu (14 Feb. 1996) 40 participants; Davao (16 Feb.) 40 participants; Iloilo (19 Feb.) 30 participants; and Kalibo (21 Feb.) 25 participants.

Throughout the mission, it was found that since 1994, Japanese investment flow into the Philippines has been focusing on Cebu in addition to the Manila area, and that although the presence of Japanese business in and around Davao is not as extensive as in Cebu, public and private authorities in Davao are quite eager to actively promote opportunities for Japanese investment. In Iloilo, the lack of local initiative towards investment in local industries was detected, while it was found that basic entrepreneurship knowledge of businessmen in Kalibo (Aklan region) has not been sufficiently developed.

IPS Tokyo concluded that it is advisable for the national government to prioritise the various regions in the Philippines and lend support to the most needy regions for the promotion of foreign investment. IPS Tokyo further proposed to lend its assistance to remote areas where the investment climate and entrepreneurship are premature.

During the mission, Davao authorities expressed their interest to organise a trade and investment promotion mission to Japan in 1997. IPS Tokyo expressed the availability of its services, should it be required.

#### ● **Brunei, The Philippines, Indonesia (July 1996)**

##### Bandar Seri Begawan, Brunei Darussalam

A Seminar was held on 23 July 1996 on how to utilise Japanese assistance schemes,

how to negotiate with Japanese businessmen, and how to attract Japanese investment. 70 private and government officials participated in the seminar.

While Brunei desires to foster the development of manufacturing industries, the country's limited work force and limited market (pop. 260,000) are major obstacles to be overcome, especially for the attraction of foreign investment in the field of manufacturing industries. It was noted that new fields of activity such as management and engineering consulting, R&D, and expansion of tourism activities are considered to be alternative focus areas for Brunei's further development. Further promotion by Brunei private and public sectors in Japan was noted to be key to attract further involvement of Japanese industries in Brunei.

#### La Union, The Philippines

A seminar was planned to be held in La Union on 26 July 1996, however was cancelled due to unfavourable weather and travel conditions. IPS Tokyo and ASEAN Centre agreed to hold the seminar in the Philippines at a later date.

#### Surabaya, Indonesia

A seminar was held on 29 July 1996 on how to utilise Japanese assistance schemes, how to negotiate with Japanese businessmen, and how to attract Japanese investment. 25 participants representing local SMEs and government officials attended the seminar.

As Eastern Java's largest city, Surabaya boasts a very fast growing exports sector, with US\$ 2.5 Billion per annum in 1995. The city and its industries would like to concentrate on furthering the export potential by collaborating with Japanese companies in the form of trade and investment. To this end, it was noted that closer collaboration between Indonesian governmental and semi-governmental agencies at the national and local levels should be encouraged in order to inform local Surabaya enterprises about Japanese assistance schemes which is available at the national and private level. The need for fostering direct promotion campaigns in the form of trade and investment missions to rural industrial centres in Japan was also noted, in order to formulate and carry-out a programme for the promotion of Surabaya as a highly productive yet less costly export centre in ASEAN.

IPS Tokyo offered its willingness to lend assistance to any further promotion efforts by both Brunei and Surabaya in Japan.

#### ● **Malaysia, Singapore, Thailand mission (August 1996)**

##### Kuala Lumpur, Malaysia

A "Technical Co-operation Workshop on Promoting JVs and Technical Tie-ups with Japanese SMEs in Auto Parts Manufacturing" was held in collaboration with the Malaysian Industrial Development Authority (MIDA) on 23 July 1996. 70 private and government officials participated in the seminar.

The workshop focused on the challenges faced by Malaysian auto and auto-parts makers in attracting new investments and technology transfers from Japanese companies, as well as on the issues faced by Japanese companies who have established presence in Malaysia in the automotive industry. As Malaysia's recent automotive industrial policy has mainly centred around the Proton (225,000 units in 1995) and Perodua (44,000 units in 1995) national car projects, Malaysia's automotive parts manufacturers have been mainly servicing the national car enterprises, without focusing much on other markets such as ASEAN. The heavy integration of car manufacturers present in other ASEAN countries (BBC scheme) have awakened the interest of Malaysian companies to take part in the ASEAN market. However, higher wages, controlled domestic markets, and heavy interdependence on Malaysian national car companies have limited the flow of technology transfers and investments from Japan and rendered the Malaysian auto parts companies less competitive than their ASEAN counterparts.

In order to move away from this trend, Malaysian auto parts makers are seeking to attract technology transfers from Japan to further their competitiveness. A series of individual meetings held after the workshop between companies and IPS Tokyo experts identified the needs and requests of 10 companies/organisations attending the seminar. IPS Tokyo has proposed to follow-up these requests under the condition that the official involvement of MIDA and the ASEAN Centre are obtained.

#### The Republic of Singapore

A seminar was organised on 22 August 1996 in collaboration with the Economic Development Board (EDB) of Singapore, focusing on how Singapore SMEs can further attract Japanese investment and how they could resource assistance from Japan.

While seminar participants only numbered three, the focus of the discussion was on opportunities for third country co-operation between Japanese and Singapore SMEs. In this respect, it was noted that Japanese companies may regard Singapore companies as knowledgeable for investments in Southeast Asian/Mekong markets, whereas Singapore companies regard Japanese companies as being key partners for accessing new markets from the point of view of trade. The mission concluded that if Singapore SMEs wish to further their market shares in partnership with Japanese companies, their promotion activity in Japan to attract prospective partners is needed.

#### Laem Chabang, Kingdom of Thailand

A seminar was held on 26 August 1996 in collaboration with the Board of Investment (BOI) of Thailand on how to promote Japanese investment into supporting industries in the Laem Chabang area and what resources are available to assist local SMEs. UNIDO Country Director in Bangkok also attended the seminar to lecture on the importance of SMEs in Thailand's industrialisation process.

Approximately 50 participants representing local SMEs and the local government discussed the possibilities for further co-operation. It was noted that the government

should focus on the improvement/development of SME legislation, increased opportunity for dialogue with local SMEs, set-up of sector based associations among SMEs, establishment of R&D facilities for technology development, financing facilities. The private sector was recommended to continue promotional efforts in Japan, fully utilising the assistance channels provided by JETRO, the Japan External Trade Organisation, and JODC, the Japan Overseas Development Corporation.

### **3.2.3 Eurasia Comprehensive Development Plan**

IPS Tokyo has maintained an interest to develop a project so-called Eurasia Comprehensive Development Plan as its major challenge for 1995/1996. In order to identify contact channels and collect information, IPS Tokyo participated in two international conferences on the development of Eurasia.

In April 1996, IPS Tokyo fielded a mission to the "International Symposium on Euro-Asia Landbridge" in Beijing, China. In the symposium, the Chinese government and the European Union expressed keen interest in materialisation of the initiatives while UNDP, ESCAP, and UNCTAD conveyed their support.

Following this symposium, in August 1996, a non-governmental organisation called Global Infrastructure Fund (GIF) organised a small round-table discussion in Tokyo, inviting Japanese and Chinese government officials. IPS Tokyo who took part in this conference reconfirmed that although multilateral interest is being maintained by various parties, it is not supported in a harmonised way.

IPS Tokyo will be paying a close attention on the forthcoming stages which will require a positive participation of international agencies.

### **3.2.4 Investment Promotion & Business Management Seminar**

As a follow-up of the Delegate Programme for Mongolia which took place from 23 January to 20 April 1996, IPS Tokyo, with the support of the Ministry of Trade and Industry of Mongolia, implemented a 5-day training seminar entitled, "Investment Promotion and Business Management Seminar" in Ulaanbaatar, Mongolia (1-5 July 1996).

"Investment Promotion and Business Management Seminar" initially took place in Kyrgyzstan and Uzbekistan in May 1995 in order to better prepare the local entrepreneurs and government officials in promoting inward foreign investments through teaching the basic market economy principles. Following this objective, IPS Tokyo hired two short-term Japanese experts to provide the participants with a practical knowledge on financial and production management. IPS Tokyo staff contributed to the transfer of know-how on investment promotion and business negotiation. With a

faithful attendance of over 40 local entrepreneurs each day, the seminar in Ulaanbaatar was carried out successfully.

The challenges of the Mongolian entrepreneurs were wide-ranged, from macro-economic issues such as high interest rate, inflation and lack of cash flow, to typical issues faced by former socialist countries such as bureaucratic procedures, over-depreciation of machinery and equipment, lack of marketing channels, and lack of well trained and disciplined labour force. There also were challenges unique to Mongolia such as small domestic market, land locked country, poorly developed infrastructure, harsh climate, etc.. Upon identifying these challenges, IPS Tokyo submitted a report consisting of observations and recommendations to overcome them to the Ministry of Trade and Industry. Observing the effectiveness of this seminar, the Embassy of Mongolia in Japan requested IPS Tokyo to resume this type of activity in 1997.

### **3.3 DOWN-STREAM ACTIVITIES**

#### **3.3.1 Delegate Programme**

IPS Tokyo accepted eight delegates from eight countries during the 1995/1996 period (see Attachment 1). The duration of their term varied from two to four months. The following highlights each delegate's programme in Japan.

- **Sri Lanka:** Mr. Abeywickrema's primary tasks during his two-month stay involved follow-up of the two previous Delegate Programmes and mobilisation of Japanese participants to the Investors' Forum to be held in Colombo that same Autumn. As a result, five participants joined the Forum and a good number of projects were promoted and later negotiated despite the political instability of his home country.
- **Tunisia:** Mr. Zekri was the first Arab-African to join the IPS Tokyo's Delegate Programme. Investment promotion seminars in 3 major cities were organised, focusing on promoting the country in general. To follow-up the programme, Tunisia plans to send another delegate to IPS Tokyo during the 1996/1997 period.
- **Peru:** Mrs. Imano's activities which spread out from Kyushu (Southwest) to Tohoku (Northeast) generated a strong interest in Peru as a potential investment site in Latin America.
- **Bangladesh:** As this was the second Delegate Programme for Mr. Hai, his activities concentrated on the follow-up of his last programme as well as the promotion of 27 new projects he has brought to Japan.
- **Mongolia:** Mrs. Bat-Oyun's Delegate Programme targeted SMEs in local cities along the coast of Japan Sea where bilateral cultural exchanges are already active,

as well as large companies in Tokyo who are interested in infrastructure-related projects. Following the Delegate Programme, a 5-day training seminar in Ulaanbaatar was organised by IPS Tokyo to train local entrepreneurs.

- **Thailand:** Although first time around for Mr. Bunjong, Thailand's third Delegate Programme which targeted supporting industries, once again proved to be successful with the conclusion of three investment projects.
- **Czech Republic:** Mr. Lebl's stay at IPS Tokyo coincided with his participation to JETRO's Overseas Investment Promotion Fair in Tokyo and Czech Exhibition in Kobe. As a result of three successful Delegate Programmes for Czech Republic (1994, 1995, 1996) at IPS Tokyo, CzechInvest has been led to set up its representative office in Japan from January 1997. The Czech Delegate Programme represents a successful case of Delegate Programmes at IPS Tokyo.
- **Jordan:** Since this was the first time for Mr. Jwabreh to join the Delegate Programme at IPS Tokyo, the programme focused on improving the country image through investment promotion seminars in major cities. As a follow-up of the Programme, the Government of Jordan invited IPS Tokyo to hold an Investment Promotion Seminar for Rural Area in Amman in early 1997.

### 3.3.2 Country Presentation Seminars

IPS Tokyo organised 26 seminars in conjunction with the Delegate Programme, Investors' Fora, and missions composed of high ranking officials. These seminars are generally held under the co-sponsorship of respective embassies, relevant semi-government institutions, and prefecture government offices. The list of seminars are as attached (Attachment 2).

For the delegates, country presentation seminars prove to be a useful tool in not only presenting the country's investment climate, but for promoting individual projects (IIPPs). Preparation for these seminars have also trained some delegates to become better promoters of their country.

### 3.3.3 Investors' Fora and Techmarts

IPS Tokyo supported the organisation of UNIDO Headquarters Investors' Fora and Techmarts by promoting the fora in IPS Tokyo's newsletter and other publications. In some cases, such as for Yanbian Investment Forum, Sri Lanka Investors' Forum, and India Intechmart 96, IPS Tokyo played a greater role by organising and dispatching a delegation of Japanese potential investors. Aside from participating in the fora, these missions usually included visits to the local ministries/government agencies as well as survey of local factories and EPZs to get a better overview of the countries' investment



climate. The following is a list of Fora and Techmarts which were promoted by IPS Tokyo in 1995/1996.

<b>Name of Forum</b>	<b>Venue / Date</b>	<b>Number of Japanese participants mobilised by IPS Tokyo *</b>
China Investors' Forum (Tumen River Area Development)	Yanbian, China 10-13 Oct. 1995	70
Zambia Techmart Africa '95	Lusaka, Zambia 17-20 Oct. 1995	0
Investment Promotion Forum for Egypt, Gaza, West Bank, Jordan, Morocco, & Tunisia	Amman, Jordan 1 Nov. 1996	0
Sri Lanka Investors' Forum	Colombo, Sri Lanka 13-15 Nov. 1995	5
COMESA Investors' Forum	Kampala, Uganda 28 Nov. - 1 Dec. 1995	0
India Intechmart	New Delhi, India 17-20 Feb. 1996	6
Ukraine Investors' Forum	Vienna, Austria 11-13 Mar. 1996	0
Morocco Investors' Forum	Casablanca, Morocco 7-9 May 1996	0

\* Participation from local representative offices are not always included

## 4. PUBLIC RELATIONS ACTIVITIES

### 4.1 PERIODICALS AND JOURNALS

IPS Tokyo's public relations activities encompass the dispatch of information to Japanese business circles through its conventional (newsletter) and non-conventional channels (periodicals of other organisations and media) as well as spontaneous coverage of its activities through economic journals and local newspapers.

The following publications regularly feature investment projects, fora and seminars organised by UNIDO and/or IPS Tokyo.

Name of Publication	Publisher	Number of Subscribers
UNIDO Toshi News	UNIDO IPS Tokyo	3,100 subscribers (bi-monthly)
JETRO Investment & Technology	Japan External Trade Organisation (JETRO)	3,500 subscribers (monthly)
International Development Journal (IDJ)	International Development Journal Company	26,000 subscribers (monthly)
Overseas Investment Guide	Japan Small Business Corporation	4,000 subscribers (bi-monthly)
Asia Market Review	Heavy Chemical Industry News Co.	5,000 subscribers (bi-weekly)
Compass	Saitama Prefecture Government	5,000 subscribers (monthly)
Press Release Network	--	25 journals

### 4.2 PRESS COVERAGE

Occasionally, IPS Tokyo's activities receive special coverage by media other than those mentioned above. The subtitles of the articles featured in magazines and journals during the 1995/1996 period are as follows. (Articles featuring investment projects have been omitted.)

1995-1996 Investment and Economic Information		
Tumen River Area Development Plan	Asia Market Review	1 Dec. 1995
Tumen River Area Development Plan	International Development Journal	Sept. 1995
Announcements about Foreign Investment Service Bureau of the Republic of Maldives	(JETRO) Investment Technology Project News	No. 107
India Intechmart	Asia Market Review	15. Dec. 1995
Peru Investment Climate Monitoring Mission	International Development Journal	Jun. 1996
UNIDO IPS Tokyo	(JETRO) Investment Technology Project News	No.103
Casio allots P176M for pager factory in Cavite	Philippine Daily Inquirer	Sept. 30 1995
Japanese companies visited Thailand	Asia Report Topic	26. Sept. 1995
Financial assistance is key to invest in Thailand	Asia Report Topic	26. Sept. 1995
Gunma Goukin Philippine	Business World	28. Sept. 1995
Investment promotion officers from Peru, Sri Lanka, and Tunisia	International Development Journal	Oct. 1995
Mr. Wansari Abeywickrema	Sankei News Paper	8. Nov. 1995
Asian Seminar Information	Asia Market Review	1. Oct. 1995
Ms. Margarita Imano	Sankei News Paper	21. Oct. 1995
Peru Investment Seminar in Fukushima	Fukushima Minpo	12. Feb. 1995
Ambassador of Peru visited the governor of Fukushima	Fukushima Minyu	12. Feb. 1995
UNIDO Tokyo invited an Investment Promotion Officer from Peru	Nikkei Industry News Paper	24. Aug. 1995

Mr. Noureddine Zekri	Sankei News Paper	25. Nov. 1995
Tunisia Investment Promotion Seminar at the Keidanren Kaikan	COMPASS (The Gov't of Saitama Prefecture )	n/a
Mr. Bunjong Chinskul	Converttech Pacific	Apr. 1996
Mongolia seeks to join APEC subgroups	Asahi Evening News	3. Feb. 1996
An Investment Promotion Officer from Czech	Nikkan Industry News Paper	11. Mar. 1996
Jordan Investment Seminar at World Trade Centre (WTC) Osaka gallery	WTC OSAKA NEWS	Oct. 1996
Tunisia, Morocco, and Jordan activate investment promotion of Japanese firms.	Nikkei Industry News Paper	5. Aug. 1996
Jordan Investment Seminar at WTC Osaka	Nikkei News Paper (Osaka Edition)	10. Jul. 1996
Jordan Investment Seminar at WTC Osaka	WTC OSAKA NEWS	Sept. 1996
A Seminar on Mongolian Economy in Okayama	Sanyo News Paper	27. Mar. 1996
Mongolia Investment Seminar in Niigata	Niigata Nippo News Paper	10. Apr. 1996

## **5. PRESENT STATUS OF PROJECTS**

### **5.1 Concluded Projects**

During the 1995/1996 period, IPS Tokyo contributed to the conclusion of 13 projects with a total investment amount of US\$ 1,092,390,000. Four projects were related to the manufacture of electric and electronics (including assembling, parts production, equipment building), three projects to the manufacture of auto parts, five projects to garment production, and one project to ceramics tableware production. Following the recent trend of Japanese FDI in Asia (see Section 3.1), all of the projects (except for TV production project in Czech Republic) which were concluded during this period were in Asia, particularly in ASEAN. For detailed list of concluded projects, refer to Attachment - 3.

### **5.2 Projects Under Negotiation**

There are eight projects under negotiation, most of which are expected to be concluded during the 1996/1997 period. These projects are also listed in Attachment - 3.

### **5.3 Projects Under Operation**

Among the 13 projects which were concluded during the 1995/1996 period, one project in garment production in Bangladesh began its operation in January 1996. The IC lead frames project in Thailand is expected to begin operation in late 1996, while most of the other projects are expected to begin operation by Spring 1997.

## 6. ASSESSMENT

The following is an assessment of the major projects undertaken by IPS Tokyo during the 1995/1996 period.

- **Preliminary Survey Mission to Myanmar** has been productive in terms of identifying facts and issues on the spot and giving recommendations to the Myanmar Government. One of the drawbacks of this project is the inability to follow-up due to the political situation of the country, an uncontrollable factor for IPS Tokyo.
- **Investment Promotion Seminar for Rural Areas in ASEAN** have been productive when the focus has been on local cities (i.e. Davao, Semarang, Laem Chabang), but less fruitful in capital cities (i.e. Singapore and Brunei) where SMEs are more sophisticated and self-reliant. In this sense, it would be more effective in the future to target local cities and/or specific industries or sectors (such as in the case of the Malaysian auto parts industry) where information and assistance are difficult to access. In addition, it is advisable to exchange a memorandum of understanding with a counterpart organisation (i.e. ASEAN Centre) in order to clarify each party's role and expectations, as well as to specify the legal framework for following up.
- The successful implementation of **Investment Promotion and Business Management Seminar in Mongolia** as a result of efficient co-ordination between Mrs. Bat-Oyun, the delegate, and IPS Tokyo, demonstrates the importance of linking the Delegate Programme to up-stream activity. Meanwhile, the restructuring of the ministries which followed immediately after the seminar as well as the delegate's leave to another training programme, deferred the follow-up process. In this sense, ensuring the delegate's commitment to follow-up is detrimental to the continuation of such programmes.
- One of the challenges IPS Tokyo faced in trying to launch the survey of **Eurasia Comprehensive Development Plan** was to integrate and accelerate the initiative on the Japanese side. Thus, the continuous task of IPS Tokyo seems to be the stimulation of interest and raising of the opinion of the Japanese community on this plan.
- Since 1994/1995, the quality of the **Delegate Programme** particularly in terms of seminar presentations, have been improving tremendously. At the same time, the Delegate Programmes in 1995/1996 revealed many new challenges and adjustments which needed to be made accordingly. One of the biggest challenges IPS Tokyo faced was the different levels of communication skills and expectations held by each delegate. Some delegates with advanced communication skills were prepared to engage in promotion immediately; some others who were less equipped with

such skills required some initial training; still some others understood the Programme to be a training period and expected little output in the actual promotional activities. In this respect, IPS Tokyo may need to categorise the Delegate Programme into training and promotion programmes depending on the countries' level of industrialisation and their expectations for the Programme.

It was also discovered that although IPPs are useful promotional tools, obtaining concrete results in just 2-4 months is difficult, leaving the delegates unsatisfied despite the workload required to collect the IPPs. For this reason, IPS Tokyo may suggest a new system which will replace the requirement for 10 IPPs with the preparation of priority sector information (in a standardised format) and investment projects in a simpler format.

- Although a substantial number of Japanese participants have been mobilised to some Fora in Asia such as Yanbian, Sri Lanka, and India Intechmart, mobilisation of Japanese participants to Fora in Africa and the Middle East are generally difficult due to the lack of Japanese interest in that region as well as the geographical distance. The successful mobilisation of 70 participants to the Yanbian Investors' Forum can be attributed to not only the proximity of the Forum venue (i.e. China), but also to the number of attractive investment project profiles (particularly to Japanese investors) which were prepared with the assistance of IPS Tokyo. Following this case, IPS Tokyo's future involvement in identifying and selecting investment projects appealing to the Japanese investors may be suggested in order to mobilise more Japanese participants to the future Fora.

**DELEGATE PROGRAMME**

**Mr. Wansasiri ABEYWICKREMA** (28 Aug. ~ 27 Oct. 1995)  
Manager (Promotion), Board of Investment  
DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

**Ms. Margarita Susana IMANO** (22 Aug. ~ 22 Dec. 1995)  
Administrative Manager, Central Reserve Bank of Peru  
REPUBLIC OF PERU

**Mr. Noureddine ZEKRI** (28 Aug. ~ 27 Dec. 1995)  
Head of Department of the European Union Countries  
Foreign Investment Promotion Agency  
REPUBLIC OF TUNISIA

**Mr. Jalalul HAI** (23 Jan. ~ 22 Apr. 1996)  
Deputy Director (Japan Desk), Board of Investment  
PEOPLE'S REPUBLIC OF BANGLADESH

**Mrs. Sanjün BAT-OYUN** (23 Jan. ~ 22 Apr. 1996)  
Officer, Foreign Investment Division, Industry and Foreign Investment Department  
Ministry of Trade and Industry  
MONGOLIA

**Mr. BUNJONG Chinskul** (27 Jan. ~ 28 May 1995)  
Chief, JV Section, Department of Industrial Promotion, Ministry of Industry  
THE ROYAL KINGDOM OF THAILAND

**Mr. Josef LEBL** (7 May ~ 5 Jul. 1996)  
Deputy General Manager, Czech Agency for Foreign Investment  
CZECH REPUBLIC

**Dr. Mohammed Ali JWABREH** (22 May ~ 12 Aug. 1996)  
Director, Studies and Planning Dept., Investment Promotion Corporation  
HASHEMITE KINGDOM OF JORDAN



**COUNTRY PRESENTATION SEMINARS & ROUND-TABLE MEETINGS**

Country	Place	Date	No. of Participants	Co-Organizers*
Sri Lanka	Gifu	5 Oct. 1995	7	Gifu Prefecture Small Business Corporation
Sri Lanka	Osaka	6 Oct. 1995	21	Senshu Bank
Sri Lanka	Tokyo	17 Oct. 1995	73	Tokyo Chamber of Commerce & Industry
Tunisia	Tokyo	6 Nov. 1995	40	Japan Federation of Economic Organization
Tunisia	Nagoya	21 Nov. 1995	15	Central Japan Industries Association
Tunisia	Osaka	4 Dec. 1995	32	Osaka Chamber of Commerce & Industry
Peru	Fukuoka	13 Nov. 1995	22	Fukuoka Chamber of Commerce & Industry
Peru	Hiroshima	14 Nov. 1995	14	Hiroshima Peru Association
Peru	Fukushima	1 Dec. 1995	45	Fukushima International Economic Exchange Promotion Organization
Peru	Tokyo	19 Dec. 1995	47	Japan Institute for Overseas Investment
Bangladesh	Osaka	5 Mar. 1996	24	Osaka Chamber of Commerce & Industry
Bangladesh	Tokyo	7 Mar. 1996	26	Japan-Bangladesh Economic Cooperation Committee
Mongolia	Okayama	26 Mar. 1996	25	Okayama Prefectural Government
Mongolia	Tottori	28 Mar. 1996	52	Tottori Prefectural Government / JETRO
Mongolia	Tokyo	26 Feb. 1996	63	Mongolia Policy Development Support Group (JICA)

Mongolia	Tokyo	18 Mar. 1996	19	Engineering Consulting Firms Association (ECFA)
Mongolia	Tokyo	5 Apr. 1996	78	Japan-Mongolia Economic Committee (ROTOBO) / Japan Institute for Overseas Investment / JETRO
Mongolia	Niigata	8 Apr. 1996	32	Economic Research Institute for Northeast Asia / JETRO
Thailand	Nagoya	28 Mar. 1996	6	Central Japan Industries Association
Thailand	Yokohama	22 Apr. 1996	7	AOTS Yokohama
Thailand	Saitama	24 Apr. 1996	17	"Follow-up Club" (SME group)
Thailand	Osaka	13 May 1996	19	SME Association of Osaka
Czech	Tokyo	15 May 1996	23	Japan Machine Tool Builders Association
Czech	Kobe	21 May 1996	130	Kobe International Association
Jordan	Tokyo	12 Jul. 1996	100	Japan Institute for Overseas Investment (JOI)
Jordan	Osaka	1 Aug. 1996	40	World Trade Center, City of Osaka

\* Only Japanese counterparts listed

CONCLUDED PROJECTS

<u>Country</u>	<u>Project Title</u>	<u>Negotiation Concluded</u>	<u>Total Inv't Cost (US\$ mln.)</u>	<u>Foreign Investor's Share</u>	<u>Origin</u>
Bangladesh	Knitted socks production*	Feb. 1995	0.25	100%	delegate
Bangladesh	Cotton socks production	Aug. 1995	0.25	50%	delegate
Bangladesh	Cotton socks production	Aug. 1995	0.25	50%	delegate
Bangladesh	Cotton socks production	Aug. 1995	0.25	50%	delegate
Bangladesh	Cotton socks production	Aug. 1995	0.25	n/a	delegate
Czech	Color TV production	Mar. 1996	66.0	100%	delegate
Philippines	Manufacture of automotive storage & transport pallets	July 1996	0.60	99.98 %	delegate
Philippines	Production of plastic autoparts		1.0	100%	delegate
Philippines	Manufacture of heat exchangers for refrigerators	Jan. 1996	12.5	100%	IPS Tokyo
Philippines	Washing of silicon wafer chips	Nov. 1995	0.34	100%	IPS Tokyo
Thailand	Production of plastic molding & application	May 1996	3.5	100%	FS
Thailand	Production of ceramic/ porcelain tablewares	May 1996	7.2	57.5%	FS
Thailand	Electroplating of IC lead frames	Apr. 1996	1,000.0	100%	IPS Tokyo

(\* under operation)

**PROJECTS UNDER NEGOTIATION**

<b><u>Country</u></b>	<b><u>Project Title</u></b>	<b><u>Origin</u></b>
Bangladesh	Production of high quality women's underwear	delegate
Czech Republic	Production of alumina ceramic tubes	delegate
Czech Republic	Production of polyester textiles	delegate
Czech Republic	Production of auto parts	delegate
Mongolia	Production of cashmere blankets	delegate
Philippines	Production of artificial hair and wigs	IPS Tokyo
Tunisia	Production of polyester filament	delegate
Tunisia	Fabrication of polyethylene	delegate