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**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**

**On-the-Job Orientation Programme**

**for**

**Investment Promotion Officials**

**from**

**Developing Countries**

**(US/GLO/86/159)**

**Final Report**

**August, 1987**

**Engineering Consulting Firms Association, Japan**

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## I. SUMMARY

1. The Engineering Consulting Firms Association, Japan (ECFA), has provided consulting services for the UNIDO Project "On-the-Job Orientation Programme for Investment Promotion Officials from Developing Countries" (US/GLO/86/159) to extend assistance to participating officials from China, Egypt, Indonesia, Senegal, Sri Lanka and Thailand in promoting investment from Japan to their respective countries. This Final Report summarizes the activities undertaken during the second stage of the consultancy services, provided by ECFA for this project.

### Orientation Programme

2. The Orientation Programme was designed to provide the Participants a guideline for their investment promotion work in Japan, and to give effective exposure to the unique Japanese business environment. As this is the fifth project in a series that ECFA has undertaken since 1982, ECFA was able to plan and organize the Orientation Programme successfully based on past experience.

### Informative Activities

3. During the subsequent phase of investment promotion activities various occasions were provided to give the Participants opportunities to acquaint themselves with the Japanese industrial sector and all aspects of investment promotion in Japan. These included, visits to factories and related organizations, and participation in investment promotion seminars. These activities were useful as they helped the Participants in gaining a deeper insight with regards to problems underlying joint venture promotion, and the difference of industrial behaviour between Japan and their countries.

### Investment Promotion Activities

4. During the second session, the Participants from China (Qingdao and Shenyang), Senegal and Sri Lanka undertook the promotion of twelve, nine, nine, and twenty-six projects respectively, including, in the case of Shenyang, the ones followed up from the first session. Though the Participants did not join the second session, seven projects for Indonesia and one project for Egypt were followed up during this period. Out of these sixty-three projects in total, two projects successfully reached the stage of joint venture establishment (the Vibration-isolation Rubber Parts Project and the Japanese Restaurant Project in Sri Lanka). For two others, feasibility study missions were prepared under the cooperation of the Japan Consulting Institute (the Kaoliang Eoard Project in Shenyang and Cocoa Processing Project in Indonesia). One long-term technical expert was sent for another project under the expert services scheme of the Japan Overseas Development Corporation (the Rattan Furniture Project in Indonesia).

5. Three projects are in an advanced stage of business negotiations with the objective of establishing a joint venture (one in Shenyang, two in Sri Lanka), while for six projects, serious discussions were carried out for the purpose of technical assistance (one in Qingdao, two in Shenyang, one in Sri Lanka and two in Indonesia). There are many other projects for which the dialogue between the two sides were initiated.

#### Comments

6. During the first session, the Consultant encountered four major problems during the Programme; 1) inappropriate project preparation, 2) insufficient backstopping services, 3) plural channels of negotiation and 4) linguistic difficulties. From the second session, the Consultant took two examples where most of the above did not arise. In her analysis, the Consultant found that 1) the Participants' former experience in the Programmes at UNIDO, IPS, Tokyo, 2) selection of the institution from which the Participant is sent, and the selection of the Participants, and 3) relations between Participants' backstopping offices and UNIDO, IPS, Tokyo, are the three major factors that can contribute significantly to reducing the problems raised above. The Consultant also suggested ways to devise several alternative sub-programmes in order to better accommodate the interest of the participating officials from countries with relatively minor business links with Japan.

7. Although the results of the promotion activities differ significantly for each Participant, it is considered that the three objectives of the Project mentioned in the outline of the project in this Final Report were mostly fulfilled, and the Participants were able to gain valuable experience through actual contacts and visits to many Japanese companies and organizations throughout the Programme.

8. In this regard, the Consultant hopes that UNIDO, IPS, Tokyo will continue to promote and assist industrial development of developing countries through this on-the-job orientation programme also in the coming years. Moreover, any constructive comments or advice from UNIDO Headquarters, UNIDO, IPS, Tokyo and the Participants to ECFA will be highly appreciated.

## II. INTRODUCTION

9. The UNIDO Programme "On-the-Job Orientation Programme for Investment Promotion Officials from Developing Countries" (US/GLO/86/159), hereafter, referred to as "the Programme" was organized by UNIDO, IPS, Tokyo in order to provide opportunities for participating officials, hereafter, referred to as the "Participant(s)" from developing countries to promote investment from Japan to their respective countries. This Programme consists of two types of courses; a one-year shuttle course (Long Course) and a three-month course (Short Course). For the former, the programme involved the training of two Participants from the People's Republic of China, and for the latter, one each from Thailand, the Arab Republic of Egypt, the Republic of Indonesia, the Democratic Socialist Republic of Sri Lanka and the Republic of Senegal. The names of the Participants are given below:

### Long Course

THE PEOPLE'S REPUBLIC OF CHINA  
(QINGDAO)

Mr. Yu Sheng/Ms. Zhao Ying  
Foreign Investment & Cooperation  
Officer  
Qingdao Municipal Commission of  
Foreign Economic Relations and Trade

THE PEOPLE'S REPUBLIC OF CHINA  
(SHENYANG)

Mr. Tian Xiao Geng  
Engineer  
Shenyang Foreign Economic Relations  
and Trade Bureau

### Short Course

INDONESIA

Mr. L. S. Kembaren  
UNIDO National Expert-Market  
Development and Research  
Ministry of Industry

THAILAND

Mr. Winyoo Laopoonpittaya  
Investment Services Div.  
Office of the Board of Investment

EGYPT

Mr. Mohamed Ahmed Helmy  
Assistant Manager  
Chamber of Food Industries  
Federation of Egyptian Industries

SRI LANKA

Mr. Luxmen P.W. Siriwardena  
Deputy Director  
International Economic Co-operation  
Division  
(Foreign Investment Advisory  
Committee)  
Ministry of Finance & Planning

SENEGAL

Mr. Mor Gueye  
Executive Secretary of  
Interministerial Investment  
Committee  
Ministry of Plan and Cooperation

10. Two sessions of investment promotion were organized this year; the first one from October 13 to December 25, 1987, and the other from April 1 to June 30.

11. The Participant from Shenyang (China) attended both sessions thereby completing the long shuttle course. In the case of Qingdao, two sessions were attended by two different officials from the same office. So that, in effect, two of them worked together to complete the long course, with the first participant working as a backstopping officer for the second. The first session was attended by short-course Participants from Egypt, Indonesia and Thailand. Though Indonesia was expected to send a participant in the second session, this was not materialized due to Personnel problems. Two Participants, one each from Sri Lanka and Senegal, joined the second session on a short-course basis.

12. In the second session, follow-up activities for projects which had been promoted successfully during the first session as well as promotion of new investment projects were undertaken by the Participants with assistance from the Consultant.

Long Courses:

(Duty Station)

- |   |                    |              |
|---|--------------------|--------------|
| (1) Identification of investment projects in the home country   | Aug. - Sept., 1986 | Home Country |
| (2) Orientation programme to Japanese business practice; Investment promotion contacts with Japanese firms                                  | Oct. - Dec., 1986  | Japan        |
| (3) Review and modification of the investment projects<br>Collection of additional data<br>Identification of additional investment projects | Jan. - Mar., 1987  | Home Country |



- |     |   |                   |              |
|-----|---|-------------------|--------------|
| (4) | Second-round discussion with Japanese firms<br><br>Investment promotion with Japanese firms concerning additional investment projects | Apr. - June, 1987 | Japan        |
| (5) | Follow-up for projects undertaken   | July, 1987        | Home Country |

Short Courses:

- |     |   |   |              |
|-----|---|---|--------------|
| (1) | Identification of investment projects in the home country   | a) Aug.-Sept., 1986<br>b) Feb.-Mar., 1987 | Home Country |
| (2) | Orientation programme to Japanese business practices<br><br>Investment promotion contacts with Japanese firms | a) Oct.-Dec., 1986<br>b) Apr.-Jun., 1987  | Japan        |
| (3) | Follow-up for projects undertaken   | a) Jan., 1987-<br>b) July, 1987-          | Home Country |

13. The Engineering Consulting Firms Association, Japan (ECFA) provided consulting services for a total of seven man-months for this Programme during the period Oct. 1986 to July 1987. In order to maximize the effectiveness of the use of the consultant, the periods of consultancy services were arranged to coincide with the two sessions (Oct. - Dec., 1986, Mar. - June, 1987), when the Participants are actually in Japan to promote their investment project proposals. For the execution of the consultancy services, ECFA provided one consultant, hereinafter referred to as "the Consultant" and organized an Advisory Committee within ECFA in order to assist the Consultant. The names of the Consultant and the members of the Advisory Committee are as follows:

Consultant: Sachi TAKEDA

Advisory Committee:

Chairman: Mr. Hitoaki YAMAGUCHI, Managing Director  
 Mr. Ryuzo KOMATSU, Technical Advisor  
 Mr. Masaaki NAGATA, Economist  
 Mr. Hidekazu TANAKA, Economist  
 Mr. Akira KUROKI, Industrial Engineer  
 Mr. Joji WATANABE, Industrial Engineer

ECFA submitted an Interim Report in February 1987 which covers activities during the first session of consulting services. This final report summarizes the activities undertaken and the consulting services provided by ECFA during the second session and provides the Consultant's overall observations on the Programme.

### III. OUTLINE OF THE PROGRAMME

14. This Programme aims at facilitating the transfer of investment resources from Japan to the participating developing countries by assisting the investment promotion activities of the Participants. The objectives are summarised below:

- (a) to assist the Participants in the identification and promotion of investment projects through on-the-job training,
- (b) to smoothen the flow of information between the participating countries and Japan, as well as between the local promoters and the potential Japanese investment partners regarding transferable Japanese technology,
- (c) to increase the awareness of the development needs of the participating countries among the Japanese business communities.

15. Prior to their arrival in Tokyo, the Participants were asked to prepare project information based on their project identification activities, according to a guideline prepared by ECFA. It was designed such that the Participants were able to explain their country's investment climate in addition to proposing possible projects suitable for Japanese investment when engaging in investment promotion activities in Japan.

16. Before commencing investment promotion activities both for the Short Course and the Long Course, two-week Orientation Programmes which started on October 15, 1986 and April 1, 1987 respectively, were organized for the Participants. During this Orientation, lectures were provided in order for them to obtain a basic knowledge of the roles and functions of relevant Japanese organizations, Japanese business practices, and related cultural aspects which are considered essential before undertaking actual investment promotion activities.

17. After completion of the Orientation Programme, the Participants began actual investment promotion work under the guideline of the Consultant, the Advisory Committee, and UNIDO, IPS, Tokyo. During this period, the Participants spent their time reviewing and finalizing the information on possible investment projects brought from their home countries and contacting potential investors with these projects with the assistance of the Consultant.

18. In addition, a series of informative activities such as visits to factories and related organizations, and participation in seminars were organized and executed. These activities aimed at helping Participants deepen their understanding of Japanese business and industrial societies. While the daily promotion activities of concrete projects formed the core of the Programme, these activities supplemented the Project by providing a more macroscopic view of Japanese industries and the business of investment promotion in Japan.

19. The Participants spent most of the final week in June 1987 finishing-up their investment promotion activities in Japan. This consisted of informing the potential investors who had been contacted that they would be returning to their home countries, briefing UNIDO, IPS, Tokyo of any follow-up activities that may be required, discussing with UNIDO, IPS, Tokyo, the Consultants, and the Advisory Committee the strategies of investment promotion once they return to their home countries, and writing their final report to UNIDO Headquarters.

20. The consultancy services provided by ECFA can be summarised as follows:

(1) Preparation of Guideline for Project Information

(2) Orientation Programme and Informative Activities

- Preparation and organization of the Programme
- Monitoring the execution of the Programme
- Final evaluation of the Programme
- Organizing visits to factories and related organizations and participating in relevant seminars

(3) Investment Promotion

- Giving assistance and guidance in compiling information on proposed investment projects
- Giving advice on technical aspects of identifying possible investment projects
- Selecting prospective sectors for investment promotion
- Identifying prospective firms
- Giving assistance in approaching relevant firms and organizations ranging from drafting introductory letters, arranging appointments, to accompanying the Participants on the actual visit
- Giving assistance and guidance on following-up the proposed investment projects
- Providing the Participants and potential Japanese partners with information on investment projects which may be of interest to them
- Arranging publicity to expose the Participant's investment projects, needs, activities and objectives to the Japanese business circles

### Schedule of Activities

September	Preparation of the Guideline for the Participants' country paper and project papers
October 1-14	Preparation of the Orientation Programme
October 13-18	Arrival of the Participants from China, Indonesia, and Thailand
October 15-23	Orientation Programme
October 24 - December 25	Investment Promotion Activities in Tokyo
November 9	Arrival of the Participant from Egypt
December 26-27	Departure of the Participant from China, Egypt, Indonesia and Thailand
March 15-31	Preparation of the Orientation Programme
March 30-31	Arrival of the Participants from China, Sri Lanka & Senegal
April 1-10	Orientation Programme
April 13 - June 30	Investment Promotion Activities in Tokyo
July 1-12	Departure of the Participants from China, Sri Lanka and Senegal to their respective home countries

#### IV. ORIENTATION PROGRAMME AND INFORMATIVE ACTIVITIES

21. The objective of the Orientation Programme is to provide the Participants a guideline for their investment promotion work at UNIDO, IPS, Tokyo, and to provide basic understanding of the Japanese business practices and the Japanese investment climate.

22. There were two components in the Orientation Programme; the project preparation closely assisted by the Consultant, and a series of lectures on special topics related to investment promotion. (For details, see Appendix II).

23. The Participants were asked to compile all the project information into two standardized formats, the List of Project Proposals (see Appendix IV) and the more detailed Project Information Sheet. The Lists of Project Proposals contain all the core elements for initial selection by interested parties such as trading companies and other organizations with multiple fields of interest. The Project Information Sheets, on the other hand, provide basic information on individual projects for initial review by the potential partners. The Project Information Sheets of the on-going projects are shown in Appendix V.

24. By the end of the two-week orientation programme, the Participants had a fair grasp of the Japanese business environment and a basic understanding of the roles of investment-related organizations.

25. In addition to the lectures organized during the orientation weeks, a series of visits were organized in the subsequent phase of investment promotion activities. (For details, see Appendix III).

26. Most of the Investment-related organizations were visited and their assistance schemes for investment projects introduced. Effort was made to correlate these visits to individual project promotion, such that the Participants could clearly see how each of the assistance schemes provided could be incorporated in investment promotion. For example, the Japan Consulting Institute (JCI) was visited and the possibilities of their executing feasibility studies for investment projects were explored with special reference to the Kaoliang Board Project of Shenyang for which the negotiation with the JCI had already been initiated.

27. Two factory visits were organized to expose the Participants to Japanese industrial practices. Nissan assembly factory and Tachi-es, an automobile seats manufacturer and subcontractor to the above, were selected. They demonstrated the stringent conditions under which subcontractors are forced to achieve the minimal cost, constant quality, and short delivery period. The Participants saw the close ties between the parent and the affiliate companies and how the quality of the final

products are the result of not only the technical improvement of the Parent company but of the efforts made on the part of small sub-contractors.

28. The Participants were encouraged to participate in investment promotion seminars of their own countries as well as others to see how investment incentives and the presentation tactics compare with each other. Particular attention was paid to ensure that other informative visits are arranged tailored to the individual interest of the Participants.

## V. INVESTMENT PROMOTION ACTIVITIES

### V-1. GENERAL

29. Two sessions of investment promotion activities were carried out in Japan; the first session from October 24 to December 25, 1987, and the second session from April 13 to June 30, 1987. Activities undertaken during the first session are described in the Interim Report. This Final Report focuses on the progress made during the second session. During this period, follow-up activities for projects which had been identified and promoted between October to December, 1987, and promotion of additional investment projects were undertaken by the Participants with the assistance of the Consultant.

30. The Consultant continued to assist the Participants in their daily activities of selecting potential partners for each investment project and introducing newly proposed investment projects to relevant companies. In most cases, the first contacts with Japanese companies were made by the Consultants for the purpose of obtaining the general opinion of the company regarding the investment project, arranging appointments, and obtaining any other necessary information.

31. The Participants were, however, encouraged to conduct follow-up contacts by themselves and were, in some cases, assisted in making initial contacts with potential partners at later stages of the Programme.

32. In the case of investment projects which, in the opinion of the Consultant, the Advisory Committee, and UNIDO, IPS, Tokyo, had low possibilities for investment, the Consultant endeavored to provide the Participants reasons as given by the Japanese companies. Prior to the meetings with Japanese companies, the Consultant made certain that the Participants were informed of the characteristics and the present status of the companies they would be meeting. Also, in-depth exchanges of opinions on each investment project were carried out between the Consultants and the Participants in the course of their daily activities.

33. The following sections summarize the progress made for each investment project during the second stage.



PEOPLE'S REPUBLIC OF CHINA (QINGDAO)

34. Twelve additional projects were brought this time by the second Participant from Qingdao. The project titles are as given below:

1. Quick Frozen Vegetables
2. Polyethylene Rope and Suzuran Tape
3. Gas Burner
4. Semiconductor Wafer
5. Hybrid IC
6. Liquid Crystal Indicator
7. Locks and Other Metal Products
8. Multi-head Electronic Embroidery Machine
9. Pickles
10. Pentaerythritol
11. High-speed Dies
12. Motors for Small Tape-recorders

### Quick Frozen Vegetables

35. Taiyo Fishery Co., Ltd. showed a negative reaction towards this project, in spite of the fact that they had exchanged a letter of intent with Qingdao Canned Foods Factory in Qingdao in February 1987.

36. The following reasons were raised by Taiyo regarding their negative response:

- (1) The Japanese market for Chinese frozen vegetables is severely overstocked with the amount equivalent to a two-year demand.
- (2) The size of the Japanese market for Chinese frozen foods is very small, and an increase in demand is not expected in the foreseeable future.
- (3) There are only limited kinds of products Taiyo is interested in buying from Qingdao which will not meet the cost of equipment.

37. In fact, a report on marketing problems for the Chinese frozen foods in Japan has just been completed and submitted to the Chinese Government by the Japan-China Economic Expansion Committee.

38. In spite of the above, it was found that Nippon Suisan Kaisha, Ltd., a leading fishery company, had shown interest in this project and had sent inquiries to the Qingdao Canned Foods Factory. It was also discovered that this project had been listed as a promotion project of the China International Trust and Investment Corporation (CITIC) this year and introduced to the business circle at the time of the second meeting of the China-Japan Industrial Cooperation held in Japan on 4 June, 1987.

39. More questions were raised during our discussion with Nippon Suisan. The participant was, therefore, requested to obtain further information upon her return to Qingdao.

### Polyethylene Rope and Suzuran Tape

40. This project was introduced to Qingdao by Toshin Kogyo Co., Ltd. when their president visited Qingdao on a mission initiated by Wakayama Prefecture which has signed a friendship agreement with Shandong Province.

41. Toshin Kogyo, a firm specializing in manufacturing plastic ropes and nets, intends to cooperate with the Qingdao Net Factory to produce lighter polyethylene rope in Qingdao on a subcontracting basis.

42. According to Toshin, more and more polyethylene ropes have been imported from China and Korea because of the yen appreciation. However, there are complaints that they cannot meet the quality requirements of the Japanese market. In this connection, Toshin plans to provide specifications and provide necessary guidance for their production.

43. The net factory is making a sample rope based on Toshin's specifications, upon receipt of which Toshin will make further actions.

44. Toshin also expressed interest in Suzuran tape manufacturing, but stated that this will have to be taken up at later stages when the rope production is underway. The Participant is requested to monitor the project closely .

#### Gas Burner

45. This project has been introduced to Takagi Sangyo Co., Ltd. through a trading firm, Toyo Bussan Co., Ltd. The Qingdao Gas Factory intends to produce a gas burner to go with the gas outlets they are now producing for the domestic market with technical assistance from Takagi Sangyo.

46. After receiving Qingdao's request, Takagi Sangyo replied that a joint venture would be quite difficult, but technical assistance could be considered. In this connection, Takagi Sangyo invited the director of the Gas Factory.

47. The Participant was requested to assist them in their discussion here. The director's visit, however, was postponed.

#### Semiconductor Wafer/Hybrid IC

48. Tokyo Boeki Ltd., another trading company which specializes in China with a representative office in Qingdao, expressed interest in this project on the basis of technical assistance. They are reluctant to agree at this stage to establish a joint venture, but are willing to explore possible and acceptable forms of cooperation including compensation trade. As the project items lack the technical specifications necessary for identification, several inquiries were made. Tokyo Boeki also brought their technical partners Contact Ltd. and Takizawa Sangyo Co., Ltd. engineering firms which provided rough cost estimates for the semiconductor wafer plant. The Participant will contact the Chinese side to advise them to carry on with the further negotiation.

#### Liquid Crystal Indicator

49. Among several liquid crystal manufacturers contacted, Optrex Co., Ltd.'s response was the most positive. They suggested contacting Kyoei Shoji Co., Ltd., a trading company in charge of Optrex's export to China. Initial discussion with the latter revealed that they are not prepared at this stage to go along with the joint venture concept of the project. They are interested in offering technology and equipment, and seek cooperation terms agreeable to both parties such as the partial buy-back arrangement once product quality is assured. Kyoei Shoji provided catalogues from Optrex which were sent to Qingdao to facilitate identification of products considered in the project. The Chinese side's response was conveyed to them. They are in the process of

formulating a counter proposal.

#### Locks and Other Metal Products

50. Daihoku Boeki Ltd. is a trading company with eighteen years of experience in China. They had signed a letter of intent at the Shandong Province Meeting in March, 1987. Daihoku, consequently contacted Miwa Lock Ltd., a locks manufacturer and sent their catalogues to the Chinese side in order to identify products of their interest.

51. Though Daihoku foresees some technical problems if joint production is to be envisaged, they will dispatch their representative in the near future to discuss the project details.

#### Multi-head Electronic Embroidery Machine

52. Shinwa Boeki Co., Ltd., a trading firm specializing in China, signed a letter of intent in February 1987. The subsequent course of project promotion was somewhat confusing as the person in charge of this project was on a long-term mission to Qingdao, and inquiries from the Qingdao side were rather inconsistent and uninformative regarding the content of discussions. At first, Shinwa had envisaged Tajima Co., Ltd.'s participation. Tajima, however, decided to establish a joint venture in Shen Zhen. Qingdao representative office of Barudan Ltd., another embroidery manufacturer, was contacted through Shinwa. In response to Qingdao inquiries, the Consultant contacted Barudan Headquarters to find that they were only interested in establishing a maintenance workshop with manufacturing facilities for small parts, a proposition not agreeable to Qingdao. Shinwa representative, upon his return to Japan, stated that further efforts will be made to involve other manufacturers in this project.

#### Pickles

53. Hyogo-ken Boeki Ltd. was contacted for this project as they have visited Qingdao and took back pickles samples. Though they showed some interest initially, further discussions revealed that cooperation was impossible due to an unstable raw material supply in Qingdao and prices of the product pickles which will not be competitive in the international market.

#### Pentaerythritol

54. Tokyo Boeki Ltd. was contacted for this project, and they in turn introduced it to Chiyoda Chemical Engineering & Construction Co. They raised questions regarding the possibility of indirect compensation trade and whether the Chinese side would be willing to accept complete production facilities supplied by Japan. In the meantime, Nichimen Corp. informed us that the Japanese market for pentaerythritol is already saturated and that there are tendencies of over production in

China. In this context, the Participant was requested to inquire further about the project viability upon her return to Qingdao.

High-speed Dies and Motors for Small Tape-recorders

55. A letter of intent was signed by Chori Co., Ltd. in March 1987. The person in charge, however, was absent on a long-term mission to China and could not be contacted for follow-up actions.

56. For Qingdao, most of the projects promoted in the first session did not need to be or could not be promoted in the second session. These are summarized below:

<u>Investment Project</u>	<u>Firms Contacted</u>	<u>Progress Made</u>
White-Coated Paper Board	Daiei Papers Ltd.	Proposal submitted by Daiei was rejected by the Chinese side.
Abalone Cultivation	Taiyo Fishery Co., Ltd.	Negotiation between two parties still going on.
Magneto	Kokusen Electric Machinery	Technical collaboration suggested by Kokusan. No response from the Chinese side.
High Strength Extraordinary-shaped Fasteners		No positive response from the Japanese companies.
Polypropylene and Polyester Mixed Flameproof Filament		Vital information on the product missing. Project suspended.
Foam-hylon Silks		Vital information on the product missing. Project suspended.
Marble	Mizutani Construction Co., Ltd.	Samples requested have not been provided by the Qingdao side.
High Resolution CRT		No positive response from the Japanese companies.

Whisky

Kyoei Shoji  
Nikka

The Japanese side suggested  
apple wine production. No  
response from the Chinese  
side to this proposal.

International Ocean  
Transportation

Narasaki Sangyo  
Co., Ltd.

No response from Qingdao  
to Narasaki's proposal.

PEOPLE'S REPUBLIC OF CHINA (SHENYANG)

57. In the first stage of activities in Japan, the Participant promoted a total of sixteen investment projects. Three projects were taken up for follow-up in the second session and were promoted together with six more projects newly brought by the Participant.

Follow-up projects

1. Kaoliang Board
2. Osenbei (Japanese rice-cracker)
3. Gear/Rotary Pump

Additional projects for the second session

4. Testing Equipment for Automobile Parts
5. Enamel-coated Kitchenware
6. Garment Processing
7. Manufacture of Plastic Packaging Equipment and Plastic Containers
8. Pressure Cooker
9. Poroplastic Adhesive Tape for Medical & Surgical Use

### Kaoliang Board

58. Koyo Sangyo Co., Ltd. and Chori Co., Ltd. visited Shenyang in March 1987 to investigate the counterpart factory and investment climate. Since a more detailed study is essential for further promotion of this project, the Consultant suggested to obtain technical assistance from the Japan Consulting Institute (JCI). JCI has a technical co-operation programme for small and medium scale industries in developing countries financed by the Ministry of International Trade and Industry, under which experts can be sent at all stages of business development from the feasibility study to plant management. The Participant and the representatives from the above companies were introduced to the relevant section of the JCI. After a close discussion, all parties agreed that it is highly desirable to have a feasibility study conducted by JCI. The Participant made necessary arrangements closely assisted by the Consultant, and a formal request for an F/S was made by the Shenyang Foreign Economic Relations and Trade Bureau in June 1987. The F/S mission is scheduled for September, 1987.

### Osenbei (Japanese rice crackers)

59. Daito Kaihatsu Co., Ltd. was contacted for further discussion. It was agreed that this project must be promoted on a compensation-trade basis. The Participant conveyed the request from the Chinese side to have the prices of equipment reduced. Since Daito was unable to respond to this request immediately, it was suggested that the Chinese side give some indication of acceptable prices.

### Gear/Rotary Pump

60. The revised proposal from Cloid Industry Co., Ltd. was sent to the Shenyang factory through the Participant in April 1987. The proposal was based on joint production of gear/rotary pumps whereby Japan Clويد supplies necessary technical know-how and part of the equipment, while most of the products shall be bought back by Clويد Industry.

61. Shenyang responded by sending their counter proposal in May 1987. Careful review of the counter-proposal revealed that basic concepts of the project were identical to those of Clويد Industry. A factory visit to Japan Clويد was organized to deepen the Participant's understanding of the project. Clويد Industry plans to visit Shenyang to continue the dialogue in the near future.

### Testing Equipment for Automobile Parts

62. Kanomax Co., Ltd. had already visited Shenyang in December 1986 to sign a letter of intent with the Shenyang Electrical Factory.

63. In the initial discussion with Kanomax, the severe restrictions on profit repatriation was identified as the major difficulty in their planning.



64. The representatives from Kanomax visited Shenyang again in April 1987 and discussed the possible items for export to Japan in terms of which their profit may be repatriated. They will continue the dialogue to seek acceptable forms of cooperation.

#### Garment Processing

65. Nichimen Co., Ltd. which has had business relations with one of the three Chinese partners, was contacted. No response, however, was obtained as the director in charge was out of the country for most of the Participant's stay in Japan.

#### Enamel-coated Kitchenware

66. Japan Ferc Co., Ltd. showed interest initially, and requested Nisho Iwai Corp., one of the largest trading firms in Japan, for their assistance in project promotion. Since the foreign currency allocation is the major obstacle for this project, the Participant was requested to investigate the priority of this project with respect to others.

#### Plastic Packaging Equipment and Plastic Containers

67. Natural Co., Ltd. was already in the process of negotiation with the Chinese side, and were waiting for a reply regarding technical details. They have already formulated a joint venture plan with Mizoguchi Tekkosho, an equipment maker.

68. The Participant was requested to urge the Chinese side to supply all necessary information upon his return to Shenyang.

#### Pressure Cooker

69. The Japan-China Economic Exchange Association had already signed a letter of intent in February, 1987. Based on the discussions at UNIDO, IPS, Tokyo, they sent a mission in early May 1987 to discuss the project details for technical assistance. They are facing the problem of foreign exchange allocation as the Chinese side now state that they can only cover 25% of the equipment cost. In view of the fact that they initially agreed to cover 100% of the equipment cost and the rest by compensation trade, the Japanese side feels they cannot continue discussions unless more concessions are made.

#### Poroplastic Adhesive Tape for Medical & Surgical Use

70. Nichiban and Taiho Chemicals Ltd. were contacted for this project, but their response was negative for the following reasons:

- a) Taiho Chemicals has had a joint venture project in Tianjin for ten years, and had considerable difficulties in remittance of their profits.

- b) Investment-related regulations in China change very frequently and they do not feel that the investment environment is sufficiently attractive.

71. The rest of the projects promoted in the first session are described in the following section. Most of them are temporarily suspended and will not be followed up unless requests are made anew from either the Japanese or Chinese side.

<u>Investment Project</u>	<u>Firms Contacted</u>	<u>Progress Made</u>
Aluminium Plating of Steel Plate	The Japan Iron and Steel Federation	Requested to modify the project scope. No response from China.
Zinc Plating of Steel Pipe	Nippon Kokan K.K.	Requested to refine project details. No response from China.
High Pressure Wire Braided Rubber Hose	Bridgestone Tire Co., Ltd.	Requested for further project details. No response from China.
High Tension Fasteners	Osaka Seiki Co., Ltd.	Letter of intent signed April 1986 prior to this programme. Slow progress due to technical problems.
Sebatic Acid	Chori Co., Ltd.	Negative response from two major companies contacted through Chori.
Fire Engines with Ladders	Daikyo Trading Co., Ltd. The Japan Machinery Co., Ltd.	Though there is some interest on the part of the Japanese parties, technical difficulties prevail. No immediate progress made.
Steel Rings	Itochu Co., Ltd.	No immediate progress made.
Towels	Toyo Menka Kanematsu Goshō	Negative response from Toyo Menka. Kanematsu proposed plant supply but was not accepted by the Chinese side.

Beverage

Suntory

Another company started production of the same product for the Japanese market. Project suspended as marketing prospects rather dim.

Garments  
Processing

Chori Co., Ltd.  
Gunze Co., Ltd.

Negative response from both companies.

SRI LANKA

72. Eighteen projects were brought initially by the Participant and eight more were added at later stages of the Programme as some of the initial projects were suspended for one reason or the other. Projects promoted in this session are listed below:

1. Cutting & Polishing of Granite Rocks for Export
2. Vibration-Isolation Rubber Parts
3. Printing and Off-shore Trading
4. Porcelain
5. Cutting & Polishing of Diamonds for Export
6. Wooden Furniture Components from Processed Rubber-wood
7. Designer Jewelry for Export
8. Work Gloves
9. Galvanized Sheets
10. Lace Manufacturing
11. Soft Toys for Export
12. Manufacture of Soya Milk and Tofu
13. Activated Carbon
14. Japanese Restaurant
15. A.C. Adapters/Transformers
16. Cultivation and Processing of Ramie
17. Manufacture of Pencil Leads
18. Assembly/Manufacture of Electric Bulbs
19. Surgical Rubber Gloves
20. Cultivation and Processing of Makino (Amacha-zuru)
21. Cultivation and Processing of Cathranthus Roses (Vinca Rosea)
22. Woven Labels
23. Frog Legs for Export
24. Provision of Financial Services
25. Operation of Data Entry Bureau
26. Expansion and Diversification of Tools and Agricultural Machinery

73. An investment promotion mission headed by the Minister of Finance and Planning was planned with assistance from the Japan Chamber of Commerce and Industry (JCCI) for 16 April to 4 May, 1987 with two investment promotion seminars, one in Tokyo (24 April, 1987) and the other in Osaka (30 April, 1987) as well as a small meeting in Nagoya. Several preparatory meetings were held with the JCCI, and the Participant actively participated in making detailed arrangements for seminars and preparing hand-outs. The List of Project Proposals prepared at UNIDO, IPS, Tokyo was distributed at the seminars, and announcements were made to draw attention to the UNIDO programme such that any follow-up action can be taken up by the Participant. Several positive reactions came through as a result of such coordination and were effectively dealt with by the Participant with assistance of the Consultant.

#### Cutting & Polishing of Granite Rocks for Export

74. Mizutani Construction Co., Ltd. was contacted, as Mizutani has serious business interest in Sri Lanka and had completed a marketing study for granite in Japan. Their investigation in Sri Lanka revealed, however, that the colour/shade of the available granite is not adequate for the Japanese market. Towards the end of the Programme, Mizutani came back with a new potential market for which Sri Lankan granite may be suitable. The Participant was requested to make arrangements such that quotations and samples can be obtained from relevant companies. Once the market link is established, Mizutani will seriously consider the possibility of a joint venture.

75. In the meantime, another company Yoshida Kogyo K. (YKK) was contacted as they are a late entrant to the granite importing business which was part of their diversification strategy. As they have just started joint venture production of granite for import to Japan in Brazil, and has other business links in Italy, they are not interested in taking up another joint venture project at this point. They showed serious interest, however, to obtain samples so that trading possibilities can be explored. The Participant was requested to contact the Sri Lankan companies which are interested in marketing their products in Japan.

#### Vibration-Isolation Rubber Parts

76. The project aims to establish a joint venture company for the manufacture of vibration-isolation rubber parts for industrial use. Yoshitani Co., Ltd. had already identified a suitable Sri Lanka partner and had started exchange of opinions. Two representatives from the local partner visited Japan in April, 1987, and discussions were held between the two parties at UNIDO, IPS, Tokyo. Initially they had disagreed on several issues such as equity ratio, composition of the board of directors and purchase of land. After several sessions of intensive negotiation, however, the two parties came to agree and a memorandum was signed on 17 April, 1987.

77. The application was submitted to the FIAC in May 1987 and the project was approved in June 1987.

#### Printing and Off-shore Trading

78. Chubu Printing Co., Ltd., a major printing company in Chubu region, is keenly interested in exploring joint venture possibilities in Sri Lanka. Two visits to their headquarters in Hamamatsu were paid and extensive discussions regarding possible areas for investment were held. At present, they are interested in the following two fields:

- 1) Printing based on special colour separation and scanning technology.
- 2) Off-shore trading of printing-related items.

They established a subsidiary company called "Sri Lanka-Chubu Planning Co., Ltd." in July, 1987 with a view to promoting various cooperation projects between Sri Lanka and the "Chubu-group". The second investigation mission from Chubu was sent to Sri Lanka late July 1987.

#### Porcelain

79. International Ceramic Inc. (ICI) was contacted for this project. ICI is a newly established ceramics company whose field of operation covers manufacturing as well as marketing mainly through direct marketing channels. Since they have no manufacturing unit at present, they are extremely keen to start a business relationship with the Sri Lankan partner with a long-term objective of becoming business associates through technical assistance.

80. As the first stage, negotiations on purchasing for the U.S. market were initiated. After the first set of samples was carefully tested, several ICI designs were sent and test samples fabricated. ICI expects to send a person to Sri Lanka in the near future to carry on the discussion and to exchange views on long-term cooperation.

#### Cutting & Polishing of Diamonds for Export

81. The Cooperative for Japan - Sri Lanka Economic Cooperation was first contacted, through which Hirako Co., Ltd. one of the two unprocessed-diamond import licence holders was introduced. In April, 1987 during the visit of the Sri Lankan partner, several sessions of negotiation took place and Hirako proposed to continue the dialogue with a view to establishing a business link on a subcontracting basis through stages of technical assistance whenever required.

#### Wooden Furniture Components from Processed Rubber-Wood

82. The project was introduced to Takeuchi Lumber Co., Ltd., which is a Nagoya-based lumber company presently diversified into the fields

of furniture manufacture and retail shops. They have extremely aggressive overseas strategies and have joint ventures in U.S.A. and Singapore, subsidiaries in Taiwan, as well as marketing agents in Hong Kong and China. They are in the process of establishing another factory in Malaysia for the production of rubber-based medium-density fiber board. They showed keen interest to obtain more information regarding the rubber industry in Sri Lanka. The relevant information was obtained from the Participant's office back in Sri Lanka, and was passed on to Takeuchi. After reviewing the above, it was decided that the Chairman of the company who is in charge of all the overseas operations will visit Sri Lanka for further investigation in August, 1987.

#### Designer Jewelry for Export

83. Goree Technology was contacted for this project. Goree is one of the major jewelry manufacturers with sixty jewelry shops within Japan, and has serious interest in overseas investment. After the discussion with the Participant and the Consultant, Goree pointed out that the Sri Lankan partner who submitted the proposal was too small to become their partner, though they are keenly interested in investment opportunities in Sri Lanka. It was therefore suggested that they formulate their own proposal such that the Participant can help them in identifying a suitable partner.

#### Work Gloves

84. Kansen Co., Ltd. which specializes in manufacturing as well as marketing various types of work gloves, was introduced through Tokyo Works Gloves Manufacturers Association. They have several Japanese and Korean subcontractors, and now is in search of a foreign partner who could undertake the manufacture of driver's gloves on a commission basis with materials provided by Kansen.

85. Samples and raw materials were handed to the Participant, and he was requested to initiate the negotiation upon his return to Sri Lanka.

#### Galvanized Sheets

86. C. Itoh Co., Ltd. was contacted for this project, and the dialogue between the two parties was initiated in Japan during the visit of Sri Lankan partner in April 1987. It was agreed that further negotiation shall be made on the basis of technical assistance and equipment supply from the Japanese side. C. Itoh is in the process of formulating a second proposal.

#### Lace Manufacturing

87. This project is essentially still at the stage of project formation. As there are four types of laces to be considered; namely

raschel, cotton, torchon and embroidery, and manufacturing equipment different for each case, Japan Mayers Co., Ltd., Hiraoka Kogyo Co., Ltd., Kosei Sangyo, and Tajima Industries Co., Ltd. were contacted respectively. Out of the four, Hiraoka's cotton lace seemed most promising in terms of cost and technology. Hiraoka is actually a group of companies covering equipment, lace manufacturing as well as trading of the produced lace, and in this regard, best suited for a project of this type. Though only indirect discussion on the possibility of a joint venture was made at this stage, the participant will encourage and advise the Sri Lankan partner to make a suitable proposal. Hiraoka's labour intensive lace manufacturing unit, most likely will consider the possibility of overseas production under the present yen appreciation environment.

#### Soft Toys for Export

88. The Japan Soft Toys Manufacturers Association was initially contacted to obtain an outline of the members' overseas strategies and to obtain a list of manufacturers. Among twenty companies contacted. Allagan Co., Ltd. showed interest, and consequently, the project information was forwarded to them. No further response could be obtained as the person in charge was out of Japan.

#### Manufacture of Soya Milk and Tofu

89. There are roughly two grades of soya milk produced in Japan: one produced by giant food processing companies which is highly flavoured to disguise the smell of soya beans and the other produced by local small to medium scale tofu (soya bean curd) makers. Since the project is based on marketing assumptions that soya milk could substitute imported milk or condensed milk, the project promotion was undertaken initially on the basis of information collecting in order to determine which type under the above classification would be suitable.

90. Nichimen Co., Ltd., a trading company, later showed interest to study the project and it is under review at present.

#### Activated Carbon

91. Toyoda Tsusho Co., Ltd. is one of the relatively large trading companies representing the Toyoda group. They are currently pursuing the possibility of establishing a tripartite joint venture company with another Toyoda subsidiary Catalar Industries Co., Ltd. specializing in activated carbon, and their Sri Lankan trade partner. Toyoda is in the process of conducting a feasibility study.

#### Japanese Restaurant

92. This project was in the final stage of promotion when it was brought into UNIDO, IPS, Tokyo. A Japanese restaurant was to be



established in a major hotel in Colombo and the application to the Foreign Investment Advisory Committee (FIAC) was made with advice and assistance from the Participant. The project was approved early June, 1987.

#### AC Adapters/Transformers

93. This is a joint venture project formulated by Suzuki Electric Co., Ltd. and one Sri Lankan staff engineer who had been working for them for five years. The prospective partner, a relation to the aforementioned engineer, visited Japan, and had several sessions of discussion with Suzuki with full support of the Participant and the Consultant. The project outline was agreed upon and a rough schedule was drawn up. Owing to conflicts regarding the position of the Sri Lankan engineer, however, the project was suspended at the end of July, 1987.

#### Cultivation and Processing of Ramie

94. Ramie needs special processing before spinning, and there are only a few companies which have the ramie processing technology. At present, all the major ones namely Tokyo Sen-i Co., Ltd., Teikden Sen-i Co., Ltd. and Tokyo Ramie Co., Ltd. have joint ventures/subsidiaries in other ramie producing countries such as Brazil and China, and no positive response was obtained. Tosco, in particular gave reasons as shown below:

- 1) ramie fibers from Sri Lanka too short
- 2) political instability
- 3) other large scale suppliers accessible.

95. Marubeni Co., Ltd., the only trader which deals with unprocessed ramie, was contacted, as their wide contacts with users in Japan as well as processors in Taiwan may help in building different forms of cooperation. Though they are not interested in the immediate joint venture, they are keen to contact the local partner to initiate trade relations. The Participant conveyed this to the local partner and advised to build good trade relations which can lead to further cooperation.

#### Manufacture of Pencil Leads

96. Pencil manufacturers, leads manufacturers as well as equipment makers and graphite refiners were contacted for this project. No positive response, however, was obtained. Most of the companies seem to have been approached by various Asian entrepreneurs for similar projects in the past. Apart from one equipment maker which already has business links with a Sri Lankan company, most of them had decided to go against overseas investment or technical assistance for the fear of future competition.

### Assembly/Manufacture of Electric Bulbs

97. The Japan Electric Bulbs Manufacturers Association was contacted and the project information was passed on to their members. No reaction was obtained however, from those or the ones contacted directly which include four manufacturers and a plant maker.

### Surgical Rubber Gloves

98. Japan Rubber and Vinyl Gloves Manufacturers Association was first contacted to obtain information in this business field and a list of companies. The relevant manufacturers as well as some traders were contacted for this project but no positive response was obtained.

### Cultivation and Processing of Makino (Amacha-zuru)

99. Various public food institutes, associations as well as the original manufacturer, Ikeda Toka Kogyo Co., Ltd. were contacted. Tea leaves made of the above plant, Amacha-zuru, was extremely popular as a kind of health tea in Japan three to four years ago. However, further experimentation revealed that beneficial effects cannot be proven and that there are some undesirable effects on human bodies. As a result, the market demand declined rapidly, and whatever the little market there is, is already saturated. This project was suspended as no positive reaction was obtained from the major processor.

### Cultivation and Processing of Catharanthus Roses (Vinca Rosea)

100. Various medicine related associations as well as companies were contacted. It was found that there is no company extracting alkaloids from vinca rosea and only two companies Shionogi Co., Ltd. and Kyorin Co., Ltd. import them in negligible quantities from the U.S.A. and Hungary. Both showed negative interest in the project. The local partner was suggested to contact the manufacturers, one in the U.S.A. and another in Hungary which seem to be the only producers of alkaloids of this nature.

### Woven Labels

101. Two associations related to woven labels manufacturing, namely the Woven Labels Industries Association, and Hokuriku Woven Labels Association were contacted. Most of the manufacturers are cottage industries concentrated in Hokuriku region. Both associations gave negative response. Two regional offices of the Woven Labels Traders Association were contacted with a view to tackling the project from the trader's side. No positive response, however, was obtained.

### Frog Legs for Export

102. Considerable difficulties were found to identify suitable companies for contacting. Importers, exporters as well as processors were contacted, but the Japanese market for frog legs is evidently diminishing and most of them viewed frog legs too minor a product to undertake a project of this sort.

### Provision of Financial Services

103. The Project information was insufficient at first, and despite the repeated requests, did not arrive in time to carry out significant investment promotion. In the meantime, brochures and company profiles of major financial services companies such as securities companies and credit banks were collected and dispatched to the local partner.

### Operation of Data Entry Bureau

104. The Database Promotion Centre was contacted. Their initial comment was that the information is insufficient for recommending any one company. When the additional information was obtained, it was pointed out that the market for English data entry is quite limited and that unless Japanese data entry is considered it would be difficult to find a suitable partner in Japan. The Participant was requested to discuss the project modification upon his return to Sri Lanka.

### Expansion and Diversification of Tools and Agricultural Machinery

105. The project proposal was originally made by a workshop which is, at present, not able to utilize their equipment fully. As little incentive could be found to encourage the Japanese party for a joint venture, the project was modified to technical assistance and relevant information regarding expert services was collected.

SENEGAL

106. Five project proposals initially brought by the Participant were all agriculture/fishery-based as shown below:

Cattle Feed Production

Processing of Tropical Fruit

Production of Salted, Dry and Smoked Fish

Fisheries and Maritime Products

Farming

107. Since it is generally difficult to attract investors for small scale projects of this type, especially when the local partner is not experienced in the field, the Participant was advised to have more industrial projects sent.

108. In the meantime, the Consultant selected two types of companies to approach:

- 1) trading firms with relatively strong trade ties with Senegal. This is because most of the Japanese manufacturers, when approaching culturally or geographically remote areas, show marked tendencies to rely upon assistance from the trading firms commonly called "Sogo shosha".  
Companies contacted are Kanematsu Goshu Ltd., one with the longest business ties with Senegal, Sumitomo Corp., and Marubeni Corp.
- 2) fisheries related organizations to obtain rough idea of J.V. possibilities in this sector as noble fish is one of the major import items from Senegal to Japan.  
Overseas Agrofiseries Consultants Ltd., and Overseas Fishery Cooperation Foundation, were visited. It was found that the latter is involved in sending ODA project finding missions to West Africa including Senegal for the Japan International Cooperation Agency. So far, most of their and their members' attention has been concentrated on the ODA projects rather than private-sector projects. Problems of excessive competition in the fisheries sector in Senegal was raised in the discussion, and we were informed that Kyokuyo Co., Ltd., a fishery company with a joint venture project in Senegal recently withdrew for that reason. Taiyo Fishery Co., Ltd., another company with a joint venture in Senegal was visited for more information, but no positive response to the fishery sector projects was obtained. Maekawa Co., Ltd., an aggressive refrigeration plant maker was also consulted but no positive response was obtained.

109. Considerable difficulties were found in arousing sufficient interest among the parties contacted to fix meetings in most of the cases.

110. After discussing with UNIDO, IPS, Tokyo as well as ECFA, the Consultant advised the Participant to deepen his knowledge on bilateral aid from Japan to Senegal, such that firmer ties be established between the two countries, which in turn would help in the long run to promote business relations in the private sector. Several meetings were held with the Senegalese embassy staff and the Japan International Cooperation Agency and information concerning Japanese aid to Senegal was collected.

111. Once the additional four industrial projects arrived in late May, 1987, all the projects were reviewed carefully. The list of these projects are as follows:

Manufacturing of Bolts and Nuts

Iron and Steel Bars

Plastic Containers

Industrial Gases

112. Since all four lacked pieces of information vital for project promotion, the Participant was assisted in requesting for additional information. As quick response for such inquiries could not be expected judging from the past cases of backstopping, the Participant in the meantime was given several additional advisory sessions on project preparation. In particular, the project idea from a Senegalese business man on production of industrial gases was selected as an example, and was compounded with information obtained from the equipment/gas producers such as Teisan Co., Ltd. and Nihon Sanso Kogyo Co., Ltd. in Japan. A factory visit to Teisan was arranged to further consolidate the Participant's understanding, and he took home all relevant information to be used for further project preparation.

113. In the final part of the Programme, after close discussion with the Participant, the Consultant tried to fix another group of meetings with other investment promotion agencies in Japan, so that the Participant can obtain a clear picture of promotional strategies of other countries. The places visited are the ASEAN Centre, Singapore Economic Development Board, and Malaysian Industrial Development Authority. Also the Japan Chamber of Commerce and Industries was visited to obtain an insight to organizing investment promotion seminars in Japan. The Consultant sees that strategies used by other Asian countries cannot be simply adopted by Senegal, but believes that the experience of seeing integrated efforts of other countries will help the Participant in the long term objective of formulating their own strategies.

OTHER FOLLOW-UP PROJECTS

114. For those who participated in the first session only, namely Indonesia, Egypt and Thailand, as well as other past Participants, attempts were made to assist them in their follow-up actions. In the following section, accounts on projects which had seen some progress after January, 1987 are given.

115. It should be noted, however, that there were little/no requests made by the Participants from Egypt and Thailand. Consequently, the Consultant could not take actions to promote these projects any further.

117. As mentioned before, various assistance schemes for developing countries are available through semi-government organizations, and can be effectively applied to investment projects.

115. It is therefore extremely important for UNIDO, IPS to channel through such services whenever needs for them are identified, and indeed in relation to several projects, this has been achieved:

INDONESIA

1. Cast Iron Pumps
2. Cocoa Processing
3. Rattan Furniture

Cast Iron Pumps

118. This project was first brought to UNIDO, IPS, Tokyo by the Indonesian Participant in Autumn 1984. Nippon Kokan K.K. showed interest, and sent an investigation mission with assistance from ECFA. The discussion was continued during the local partner's visit to Japan, which, again was materialized with the cooperation of ECFA. NKK formulated an implementation plan consisting of three stages: improvements based on the present production facilities, expert services with the introduction of cupola, and the joint venture establishment with a new factory. The project has now entered the second stage of the original plan whereby all the initial technical improvements have been made by the local partner with guidance of NKK. In addition from the Japan Overseas Development Corporation (JODC) a technical expert was sent to supervise the production for a year in July 1987 with cooperation.

### Cocoa Processing

119. This project was brought by the Indonesian Participant in the October - December 1987 session. As the Japan Chocolate & Cocoa Industries Association showed keen interest in this project, the local partner was invited to Japan with assistance from ECFA in March, 1987. During the visit, the local partner was introduced to the Japan Consulting Institute (JCI) an organization which extends assistance to implement small-medium scale plants in developing countries. Since this project needs considerable refining and vital details are still missing, the Consultant saw a feasibility study as the critical step for further promotion. In this regard, JCI's cooperation was sought and now it has been agreed that a feasibility study mission will be sent in December 1987.

### Rattan Furniture

120. Yamakawa Rattan Co., Ltd. came to seek assistance from UNIDO, IPS, Tokyo in November 1987 in order to promote their joint venture project. The Japan Overseas Development Corporation (JODC) was introduced and the Consultant assisted in paving the way for sending a technical expert for this project with JODC's cooperation. The first technical expert will be sent to Indonesia for a year in summer, 1987.

121. Follow-up actions on other projects are also described below:

INDONESIA

4. Power Transmission Towers
5. Rubber Hose
6. Activated Carbon
7. Animal Feeds

EGYPT

8. Electric Lamps

Power Transmission Towers

122. Two Indonesian companies were introduced by the former Participant to Tomoegumi as candidates for technical collaboration. Both of them are state-owned companies with experience in fabricating power transmission towers. Tomoegumi sent a mission to Indonesia in 1987, and is in the process of preparing a proposal and cost estimates based on the discussions held in Jakarta.

Rubber Hose

123. Ashimori Industries Co., Ltd. sent a mission to Indonesia in Dec., 1987, and they were assisted by the Participant during their visit. However, they came to the final conclusion that Indonesia is not the best option for their project.

Activated Carbon

124. Taihei Chemicals Co., Ltd. visited Indonesia to initiate the dialogue with several potential partners. They were decided against the joint venture establishment and are now in the process of formulating a proposal for technical cooperation for one selected company.

125. Amajin Co., Ltd. is in the process of negotiating terms with a view to establishing a form of cooperation with both equipment supply and buy-back of products in corporated.



Animal Feeds

126. Amajin Co., Ltd. is negotiating terms with a view to offer equipment supply as well as import the final products.

Electric Lamps

127. After many remainders, the Egyptian side finally responded to say that they are not interested in seeking for possibilities of technical assistance from Toshiba. The message was conveyed to Toshiba and the project was suspended.

## VI. COMMENTS

128. In undertaking the second session of the Programme, the Consultant further observed that the major four problem items, which have been the recurrent themes of discussion ever since the start of the Programme at UNIDO, IPS, Tokyo, are at least partially solved in the cases of some countries. Two Participants in the second session, demonstrated successful cases in all of the four issues discussed in the Interim Report, namely 1) inappropriate preparation of investment projects, 2) insufficient back stopping services, 3) plural channels of negotiation, and 4) language difficulties, and both of them achieved significant progress in their project promotion though the effects provide an interesting contrast.

129. In the following section, the Consultant will make further comments on these cases with a view to identifying basic factors common to them and to seeking constructive methods through which more success may be brought about in the future.

130. In one case, the Participant jointed both sessions this year. By the time he came for the second time, he had basic understanding of the Japanese businesses' reactions, on the basis of which he selected the six additional projects. Most of the nine projects he promoted in the second session had potential investors already identified, and therefore project details were already refined through the initial contact making. This saved considerable time as Participant did not need to go through the time-consuming procedures of waiting for replies from his country on minor issues, and time could be effectively used for analyzing in depth, the problems encountered in each case and concentrating on problem-solving. The case of the Kaoliang Board project demonstrates this to the point.

131. Since the major problem in this project was the lack of finer details such as the factory site and raw material supply, the assistance scheme from the Japan Consulting Institute in conducting a feasibility study was most effectively incorporated. The Participant spent a considerable amount of time in mobilizing parties concerned to achieve this, and such concerted efforts resulted in bringing up the level of commitment each party had for the project. This Participant, by weeding out unnecessary inquiries and minimizing demand made on the home office, succeeded in obtaining fairly efficient backstopping services. Such responsiveness owes much to the fact that considerable authority was given to the Participant. The Participant's linguistic ability in Japanese, polished through the first session also contributed, as all the Japanese partners could communicate directly with him, which again helped to foster a sense of security amongst the Japanese business people contacted.

132. The other Participant also had experience of attending the short course at UNIDO, IPS, Tokyo in 1985 and had a firm grasp of the Japanese business environment. Though some of the projects brought were

found unsuitable after some research, all the essential project information as well as company profiles and feasibility studies were well-prepared when he arrived. Credit should also be given to the most efficient and well-coordinated assistance from his backstopping officials, who made sure all the up-dated information as well as new projects were forwarded during his stay in Japan. This was possible because they had attached considerable importance to this programme and had strived to utilize the opportunity given to the fullest extent. Much owes to the fact that the Participant's home office had known this programme from their earlier experience. In this case too, the Participant was granted maximum liberty and authority in conducting negotiations with various parties. This helped to attract potential investors' attention, and resulted in aggressive initial-contact making.

133. From these cases, the Consultant feels that the following three factors are vital in solving aforementioned problems.

1) Multiple participation in the UNIDO Programme

Investment promotion activities of the Participants can contribute at all levels of business negotiation from initial-contacting to final agreement. Since the project span for each case often cover much longer than one year, it is expected that whoever can attend to it for the longest period of time, would have a better chance of providing more effective assistance.

It is most desirable that the same Participant attends more than one session as this enables him/her to obtain a much deeper grasp of the Japanese business environment, and to conduct effective investment promotion in the second time round. It also contributes to improve responsiveness of the backstopping offices, as they begin to see their own role in the Programme.

2) Selection of the institution from which the Participants are sent as well as selection of the Participants themselves.

UNIDO, IPS, Tokyo's aggressive policy to place more emphasis on the selection of the institution as well as the Participants, has contributed significantly to improve the effectiveness of the Programme.

3) Relationship between the backstopping office and UNIDO, IPS, Tokyo

Through the past Programme, UNIDO, IPS, Tokyo established successfully, firm communication channels with some of the relevant institutions in developing countries. In view of the fact that the participation of the office as a whole is what is really required in the programme, IPS, Tokyo should continue to emphasis their publicity especially with respect to newly participating countries.

134. In view of these factors inferred from the above two cases, it seems most constructive for UNIDO, IPS, Tokyo to establish semi-permanent links with all the past participating countries.

135. This concept was actually applied for Qingdao at the end of the Programme this year. A letter proposing to establish a firm communication channel between UNIDO, IPS, Tokyo and Qingdao Municipal Commission of Foreign Economic Relations and Trade was dispatched.

136. UNIDO, IPS, Tokyo is also exploring possibilities of receiving another Participant from Sri Lanka in the first session of the Programme. Since many of the projects for which the initial dialogues were achieved this time, need far more concentrated efforts for further progress, it would be ideal if this could be materialized.

137. While the other Participants demonstrated equally high potentials for the professional investment promotion work as individuals, some problems beyond their control often prevailed.

138. For some countries, it was extremely difficult to initiate the dialogue on a project basis. This was because there existed little business relations between these countries and Japan, and the country itself had to be presented before talks on projects could take place. The normal-type individual project promotion, therefore, is often unrealistic and far too ambitious for these countries. The Programme for these Participants should be modified accordingly to suit the individual needs of these countries, as attempted in this year's Programme. In addition, the Consultant saw that even more emphasis must be placed on developing the Participants' understanding on the Japanese industrial practices.

139. The Consultant would like to propose that several prototype module courses covering special topics are designed prior to their arrival. This will enable systematic construction of the overall Programme which essentially involve combining these modules tailored to the individual interest. The Participants should continue to undertake investment promotion work as the main-stream, but these structured sub-programmes, would greatly enhance the effectiveness of the Programme as a whole.

140. Topics recommended, based on the past experience, include:

- 1) Elementary lectures on the Japanese Industry
- 2) Special lectures on trade relations between the country of interest and Japan.
- 3) Promotion of ODA-linked projects
- 4) Country presentations to promote understanding among the Japanese business circles

141. The weight on these courses should be adjusted depending on the progress on the actual investment promotion activities.

142. In general, all the Participants performed their duties exceedingly well and showed improvements wherever attainable through their own efforts. The Consultant therefore believes that the Programme was satisfactory and that each of the Participants accomplished the objectives of the Programme skillfully and successfully.

**APPENDICES**

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**APPENDIX I**

**Terms of Reference**

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ANNEX C**TERMS OF REFERENCE FOR US/OLO/86/159  
"ON-THE-JOB ORIENTATION PROGRAMME FOR  
INVESTMENT PROMOTION OFFICIALS FROM DEVELOPING COUNTRIES"**BACKGROUND

The UNIDO Industrial Investment Division (IPCI/II) in Vienna has been promoting industrial development and helping developing countries to obtain financial and other investment resources for industrial projects. This activity was further expanded through the establishment of several investment promotion services in Europe and the USA. On request, these offices seek out investments for developing countries from the countries in which they are located. The offices act, in effect, as the investment promotion arms of developing countries.

Along this line, UNIDO established an office in Japan in early 1981 to undertake activity similar to those of the other offices. The Tokyo UNIDO Investment Promotion Service (UNIDO IPS Tokyo) provides government officials from interested developing countries with an opportunity to enhance the investment promotion activities of their countries through the On-The-Job Orientation Programme at IPS Tokyo.

It was widely recognized that the investment promotion officers should be given opportunities to strengthen their professional capacities not only in investment promotion but in project identification. In order to strengthen their project identification capacities, it is essential that the investment promotion officers be involved in actual project identification activities in their country and introduce the identified projects to an industrialized country. For this implementation, it is conceived as appropriate if there were to be two types of investment promotion programme courses, i.e. a long-term (twelve months) course and a short-term (2.5 months) course, depending upon their needs and readiness for launching actual business operation activities with Japanese industries.

For the long-term course, the officials will be given an opportunity to shuttle between their country and the industrialized country where they wish to promote their projects. This arrangement will facilitate the officials to ascertain technical and economic aspects with local project sponsors, as well as to identify additional projects and return for further discussions



with their potential partners. Therefore, it is believed that a "back-and-forth" mission could be very appropriate for both purposes of (1) ascertaining technical and economical aspects and (2) further identification of projects.

For the short-term course, the officials will be given a chance to initiate a country presentation and to contact Japanese industries and entrepreneurs in order to receive basic orientation on necessary tools and means for future full-fledge investment promotional activities.

Japanese business practice, particularly while dealing with rather small-scale enterprises, may be very different from that of which developing countries are familiar with. In addition, precise business negotiations in English in Japan, especially on sophisticated technical terms, is not easy and in some cases very difficult. Therefore, it should be stressed, from our previous experience, that carrying out this type of project requires a great deal of consultancy support specifically in Japan, e.g. supplying project questionnaires, selection of appropriate Japanese partners and advisory services, and how to approach relevant industries. Such support will be beneficial for the investment promotional officials to overcome the difficulties in carrying out substantial investment promotion activities in the Japanese business environment, as well as assisting in identifying viable projects in their country. The consultancy support will be made available by a consulting firm retained within the framework of this project.

Thailand and China (Qingdao) desire to avail themselves of the opportunity of participating in the one-year shuttle course by nominating one qualified candidate respectively. It is expected that Indonesia, Egypt and China (Shenyang) will participate in the 2.5 month short course through the same procedure mentioned above.

#### IMMEDIATE OBJECTIVES

The project aims at facilitating an operational vehicle to transfer financial and other investment resources from the industrialized countries to the participating developing countries with a view to increasing their

productive capacity through the establishment of joint ventures and other forms of efficient access to the pool of investment resources available in the industrialized countries. Specifically, the immediate objectives are as follows:

- a) to strengthen professional capacities of participating officers in the identification and promotion of investment projects through on-the-job orientation.
- b) to smoothen the information flow between the participating countries and Japan regarding transferable Japanese technology and potential investment partners and local promoters.
- c) to increase the awareness of the development needs of the participating countries among Japanese business communities.

#### SCOPE OF CONTRACTUAL SERVICE

The contractor will prepare a guideline for the convenience of the participating officials in preparing their investment projects, and the orientation programme, including the provision of the necessary materials. The details will be finalized, in consultation with UNIDO Investment Promotion Service (IPS) Tokyo, after the contract has been awarded.

The participating officials will be involved in the identification of viable projects and substantial investment promotion activities under the guidance of UNIDO and IPS Tokyo. The contractor is expected to assist the participating officials in the following activities:

- (1) To expose the countries' development needs and present general benefits of investment to the relevant Japanese business societies.
- (2) To introduce investment proposals prepared during the preparatory stage, to the Japanese business societies for their consideration.
- (3) To identify Japanese companies which may have interest in the investment proposals of the participating countries and develop contacts between the Japanese companies and the parties in the participating countries in order to facilitate reciprocal information exchange and expedite progressive business negotiations.

The breakdown of the expected scope of service is as follows:

- 2.5 m/m - Assistance to participating officials in the 2.5 months short course and the first round of the one-year shuttle course in promoting investment projects in Japan, including a briefing on the Japanese business environment after the participating officials arrive in Japan.
- 4 m/m - Assistance to participating officials in the second round of the one-year shuttle course in promoting investment projects in Japan, including a briefing on the Japanese business environment after the participating officials arrive in Japan.
- 0.5 m/m - Providing follow-up assistance to the participating officials in promoting the selected investment projects.

#### TIME SCHEDULE

It is expected that the contract be awarded preferably by middle October, 1986. Upon finalization of the contract, the team leader of the contractor shall discuss the detailed outline of the programme with the staff members of IPS, Tokyo.

After a briefing on the business environment in Japan, the consultant's assistance will be centered round the identification of potential Japanese partners and initiation of the first contacts with them. In the course of investment promotion activities by the participating officials, the consultants will provide them with necessary analyses on the current situation of relevant industrial sectors, such as production trends, technology, marketing, including foreign trade, etc.

A debriefing session will take place at IPS Tokyo toward the end of both courses.

**PROFESSIONAL AND LANGUAGE REQUIREMENTS**

The consultants should be individuals who have extensive knowledge of the identification and promotion of foreign investments. The consultants are also requested to be acquainted with policy measures and the situation of industries relative to the investment projects in the participating developing countries.

The consultants should be familiar with the existing governmental organizations and respective industrial associations in Japan, and maintain a good working relationship with these organizations and industries.

The official language to be used in this programme is either English or Japanese. Regarding direct business dialogues between the participants and relevant Japanese companies, the consultants should play a substantial role in smoothening the discussions which may include translating.

**REPORT**

The consultants shall submit to UNIDO Headquarters, as well as to IPS Tokyo, a final report summarizing the activities together with the relevant materials all prepared in English with five copies within one month after the completion of the one-year shuttle course, as well as the 2.5 month short course respectively.

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**APPENDIX II**

**Orientation Programme  
for the On-the-Job Orientation Programme**

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ORIENTATION PROGRAMME

27/Mar/87

	A.M.	P.M.
Apr. 1(Wed)	10:00 Introduction of IPS Tokyo 11:00 Manual for the Invitation Programme	14:00 Guidance on Living Arrangements Film: "Living in Japan"
2(Thurs)	10:00 Guide to Investment Promotion Activities	10:00 Project Preparation
3(Fri)	10:00 Project Preparation	"
5(Mon)	10:00 Introduction to Investment-related Organizations	"
7(Tue)	10:00 - 12:00 Lecture: "Japanese company's Experiences in Foreign Investment" (Mr. Okamoto)	"
8(Wed)	10:00 Japanese Overseas Direct Investment	"
9(Thur)	10:00 Visit: JETRO Library	"
10(Fri)	10:00 - 12:00 Lecture: "Japanese Business Management Practice: Decision Making" (Mr. Nagata MRI)	"

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**APPENDIX III**

**Informative Activities**

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INFORMATIVE ACTIVITIES

- 14 APRIL (TUE) Visit to Engineering Consulting Firms Association,  
Japan (ECFA)
- 24 APRIL (FRI) Visit to International Trade Fair at Harumi
- 14 MAY (THU) Visit to the Association for Overseas Technical  
Scholarship (AOTS)
- 26 MAY (TUE) Visit to Japan Overseas Development Corporation (JODC)
- 3 JUNE (WED) AM Visit to Murayama Fctory of Nissan Motor Co., Ltd.  
PM Visit to Tachiesu Co., Ltd.
- 9 JUNE (TUE) Visit to Japan Consulting Institute (JCI)
- 18 JUNE (THU) Visit to Japan Interntional Cooperation Agency (JICA)
- 19 JUNE (FRI) Visit to ASEAN Centre
- 26 JUNE (FRI) Tokyo Seminar of Investemnt Promotion Meeting of Warsaw



INFORMATIVE ACTIVITIES FOR INDIVIDUAL PARTICIPANTS

CHINA

23 APRIL (THU) Japan-China Association on Economy and Trade  
7 MAY (THU) Shandong Investment Promotion Seminar at Wakayama  
4 JUNE (THU) Japan-China Industrial Cooperation Conference at  
Tokyo Chamber of Commerce & Industry  
9 JUNE (FRI) China International Trust and Investment Cooperation  
(CITIC)

SRI LANKA

24 APRIL (FRI) Investment Promotion Seminar at Tokyo  
30 APRIL (THU) Investment Promotion Seminar at Osaka  
1 MAY (FRI) Investment Promotion Meeting at Nagoya  
4 JUNE (THU) Overseas Agricultural Development Association  
16 JUNE (TUE) Small Investment Promotion Seminar at Hamamatsu

SENEGAL

20 APRIL (MON) Overseas Fisheries Cooperation Fund (OFCF)  
19 JUNE (FRI) Singapore Economic Development Board (EDB), Tokyo Office  
23 JUNE (TUE) Malaysia Industrial Development Authority, Tokyo Office

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**APPENDIX IV**

**Preliminary List of Project Proposals**

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中国(青島市)プロジェクト表

CHINA (QINGDAO)

20/APR/87

No.	プロジェクト名	予定生産物	生産規模	投資規模 国内/ 国外別%	協力形式	現地会社	マーケット ( 国内/ 国外別%)
1.	ロックと金物製品 (Locks and other metal Products)	自転車用ロック以外の ロックと金具	協議決定	協議決定	委託加工、合資経 営、合作生産	青島市自転車用 ロック工場	協議決定
2.	急冷凍野菜 (Quick frozen vegetable)	急冷凍野菜	1T/hour	35万 US\$ 協議決定	補償貿易	青島緞結食品工 場	全部輸出 ( 国外100%)
3.	ハイブリット IC (Manufacturing Line for Hybrid IC )	ハイブリット IC	2 万枚/ 年	157 万 US\$ 国内 50% 国外 50%	合資経営、合作生 産	Qingdao Tran- sistor Experi- mental Insti- tute	協議決定
4.	液晶インディケータ (Liquid Crystal Indicator)	液晶インディケ ーター	協議決定	130万 US\$ 国内 50% 国外 50%	合資経営、合作生 産	Qingdao Tran- sistor Experi- mental Insti-	協議決定
5.	半導体ウェーハ (Semiconductor Wafer)	半導体ウェーハ	協議決定	未 定	合資経営、合作生 産	"	"
6.	漬物 (Pickles)	漬物	600T/Y	協議決定	輸入( 貿易)、合 資経営、合作生産	青島第一醸造工 場	協議決定

中国(青島市)プロジェクト表

CHINA (QINGDAO)

No.	プロジェクト名	予定生産物	生産規模	投資規模 国内/ 国外別%	協力形式	現地会社	マーケット ( 国内/ 国外別%)
7.	ガスこんろ (Gas Burner)	ガスこんろ	30万個/Y	協議決定	合資経営、合作生産	青島ガス用具工場	協議決定
8.	ペンタエリスリトル (Pentaerythritol)	ペンタエリスリトル	3000~5000T/Y	370 万 US\$ 国内 50% 国外 50%	合資経営、補償貿易	青島第一化学工場	協議決定

4 - 10

- 9. Multihead Electronic Embroidery Machine
- 10. Design & Manufacture of High Speed Dies
- 11. Polyethylene Rope & Suzuran Tape
- 12. Motor for Small Tape-recorder

中国瀋陽 プロジェクト表  
CHINA (SHENYANG)

NO.	プロジェクト名	予定生産物	生産規模	投資規模 国内/ 国外別%	協力形式	現地パートナー	マーケット 国内/ 国外別%
1.	自動車部品のテスト装置 (Testing Equipment for Automobile Parts)	カービュレーター 自動試験装置	年に100台	500,000 US\$	合併企業、補償貿易	国営新楽電気工場	主に国内
2.	琺瑯製品 (Enamel-coated Kitchenware)	琺瑯鍋	40万セット	2,500,000 US\$	合併企業、補償貿易	瀋陽琺瑯工場	国内 60% 国外 40%
3.	縫製加工 (Garment Processing)	各種類の服装 (含毛皮服装類)	13.5万着	1,000,000 US\$	合併企業	瀋陽高級ウール服装工場	それぞれ 50%
4.	プラスチック包装用機械及び容器の製造 (Manufacture of Plastic Packaging Equipment and Plastic Containers)	各種類の包装機械と 包装用容器	協議決定	1,060,000 US\$ それぞれ 50%	合併企業	瀋陽市研削盤工場	主に国内
5.	圧力鍋 (Pressure Cooker)	アルミとステンレス スチールの圧力鍋	アルミの場合: 100万個 ステンレス・スチール の場合: 50万個	協議決定	合併企業 補償貿易	瀋陽圧力鍋工場	主に国内 一部分輸出
6.	通気性粘着テープ (Poroplastic & Adhesive Tape for Medical & Surgical Use)	医薬用、外科用 ばんそうこう	300万ロール  サイズ 25x5000mm 25x1000mm	400,000 US\$	補償貿易 リース	瀋陽市管城製薬工場	主に国内 一部分輸出

**LIST OF PROJECT PROPOSALS (Industrial Projects)**

**SRI LANKA**

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKETING
1.	Manufacture of Surgical Rubber Gloves	Surgical Gloves	11,880,000 pairs	US \$825,000	Equity Participation Technology Marketing	Etoeteras Group	Export 100%
2.	Manufacture of Work Gloves	1) Nitrile Gloves 2) Rubber-coated Cotton Gloves 3) Fully Rubberized Work Gloves	1.5 Mn. pairs	US \$84,747	Equity Participation Technology Marketing	Etoeteras Group	Export 100%
3.	Assembly/Manufacture of Electric Bulbs	1) Tungsten Filament General Service Electric Bulbs	5,000,000 Units/year	US \$1,126,000	Equity Participation Technology	The Ceylon Trade & Investments Ltd.	Sri Lanka 100%
4.	Manufacture of Soft Toys For Export	Soft Toys (Stuffed Toys)	259,200/year	US \$100,000	Equity Participation Marketing	Playmate (PVT) Ltd.	Export 100%
5.	Processing of Frog Legs for Export	Processed Frog Legs	400 tons/year	US \$189,200	Equity Participation Technology	Ceylon Meat Products Ltd.	Export 100%
6.	Fabrication of Plain & Corrugated Galvanized Sheets	Galvanized Sheets	10,000 t/yr.	US \$ 3,250,000	Technology and Know How	Hunter & Co., Ltd.	Sri Lanka 100%

LIST OF PROJECT PROPOSALS (CONTINUED...)

SRI LANKA

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKETING
7.	Cutting & Polishing of Diamonds for Export	Diamonds	To be Negotiated	US \$326,000	Technical Knowhow Marketing Equity Participation	Hunter & Co., Ltd.	Export 100%
8.	Cutting & Polishing of Granite Rocks For Export	Granite Slabs	To be Negotiated	To be Negotiated	Technical Knowhow Marketing and Equity	Hunter & Co., Ltd.	Export 100%
9.	Manufacture of Designer Jewelry For Export	Jewelry Set with Precious & Semi-precious Stones in Silver & Gold 1) Brooches 2) Rings 3) Pendants 4) Necklaces, Etc.	1) Silver & 9 kf. Gold Jewelry 60,000-100,000 per year 2) 14 Kf. Gold Jewelry 1500 items per year	US \$31,250	Marketing Equity Participation	Scorpio	Export 100%
10.	Production of Wooden Furniture & Other Components From Treated Rubber Woods For Export (Expansion of Existing Unit)	Wooden Furniture Components/ Knocked Down Furniture Gift Items From Timber Off-cuts	Conversion of 2,000 cubic Meters of Sawn Timber Annually	US \$85,714	Marketing Equity	Chemwood Industrie Ltd.	Export 100%

LIST OF PROJECT PROPOSALS (CONTINUED...)

SRI LANKA

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKETING
11.	Manufacture Soya Milk and Tofu	Soy Milk Tofu (Curd)	375,000 packs per month	US \$1,214,275	Technical Knowhow Equity	Dawsons, Ltd.	Sri Lanka-90% Export-10%
12.	Expansion and Diversification of Tools and Agricultural Machinery, Ltd.	1) Machinery and parts required for paddy, tea and rubber processing 2) Other light engineering work	1) Tea and Rubber Machinery -110 U 2) Farm Implements -550 U 3) Farm Machinery -350 U	US \$910,714	Technology Equity	Tools & Agricultural Machinery, Ltd.	Sri Lanka-100%
13.	Manufacture of Pencil Lead	Pencil Lead	192,000 gross of pencil lead	US \$71,000	License & Knowhow Access to Markets	State Mining & Mineral Development Corporation	Stage - 1 Sri Lanka 100% Stage - 2 Sri Lanka 50% Export 50%
14.	Manufacture of Woven Labels	Woven Labels for Garments	10,900,000 Label per yr	US \$ 242,000	Equity Participation Access to Markets	Galle Label Manufacturers	Stage - 1 Export 100% Stage - 2 Export 50% Sri Lanka 50%



LIST OF PROJECT PROPOSALS (Agricultural & Fishery Projects)

SRI LANKA

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKETING
1.	Cultivation and Processing of Gynostemma Phentaphyllum Makino (Amacha-Zuru)	Gynostemma Phentaphyllum Makino (Makino)	25 Acres/ 3 crops a year (Stage 1)	US \$20,000	Equity Participation Marketing	Lalini Enterprise, Ltd.	Export-100%
2.	Cultivation and Processing of Ramie Stage 11- Processing of Ramie	Ramie	25 Acres 100MT per Acre (1st Stage)	US \$34,000	Equity Participation Marketing	Lalini Enterprise, Ltd.	Export 100%
3.	Catharanthus Roses Cultivation and Processing	Catharanthus Roses (Vinca Rosa)	25 Acres (1st Stage)	US \$36,380	Equity Participation Marketing	Lalini Enterprise, Ltd.	Export-100%
4.	Aquaculture of Prawns	Prawns	150 areas 180/200MT/Year	US\$ 710,000	Equity Participation Technology	Vinitha Ltd.	Export 100%

LIST OF PROJECT PROPOSALS (Others)

SRI LANKA

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKETING
1.	Provision of Financial Services to Sri Lanka Clients	Financial Consultancy Services		To Be Negotiated	Technical Knowhow Equity	Forbes & Walkers Group	Sri Lanka 100%
2.	Operation of Data Entry Bureau to Service American, European and Japanese Clients	Data Entry Operations	To Be Negotiated	To Be Negotiated	Equity Marketing	Computer Tech' Ltd.	Export-100%

LIST OF PROJECT PROPOSALS

SENEGAL

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKETING
1.	Cattle Feed Production Units	Cattle Food	2,000 tons per year	FCFA- 143,000,000 = ¥ 71,500,000	Financial Partners Trade Partners	A private group supervised by Societe Nationale de Garantie: SONAGA	- Domestic, internal markets
2.	Industrial Society for the Processing of the Tropical Fruit "SITRAF"	- Mango Juice - Orange Juice - Lemon Juice - Syrup of "Bissap", a local product which tastes like Sorrel	151.2 tons 416.6 tons 416.6 tons 454.6 hl	FCFA- 210,000,000 = ¥105,000,000	- Furnishing credit type of investment - Participation - Technical Assistance	Societe Industrielle de Transformation de Fruits Tropicaux: SITRAF supervised by SONAGA	- local market - WAEC
3.	Industrial Unit for the Production of Salted, Dry and Smoked Fish	- Smoked Fish - Dry Smoked Fish - Salted Fish - Dry Salted Fish	About 2,500 tons/year	FCFA - 600,000,000 = ¥300,000,000	- Loans - Transfer of technology - Engineering and technical assistance	Societe Nouvelle Conserverie du of Senegal	Exports

LIST OF PROJECT PROPOSALS (CONTINUED...)

SENEGAL

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKETING
4.	Fisheries and Maritime Products	Fishing Products	220 tons	FCFA - 304,200,000 = ¥152,100,000	Financial and Trade Partners; Equipment is already identified	Societe Inter-Entreprises Africaines	- local market - exports
5.	Farming	A/ <u>Market-Gardening</u> Potatoes, Onions, Cabbage, Tomatoes, Sweet Potatoes, Cassava, Strawberries, Maize  B/ <u>Poultry Farming</u> Chicken: Eggs:  C/ <u>Milk Production</u>	722 tons   120,000 2,550,000  4,600 hecto- litres/year	845,000,000 FCFA = ¥423,000,000    (1US\$ = 350FCFA 1Japanese Yen = 2FCFA)	- Participation on the capital  - Financing  - Trade Partners	Mr. Mactar Ndiaye President Directeur General Societe Nouvelle Conserverie du Senegal	- Local Market  - Exports

LIST OF PROJECT PROPOSAL

(SENEGAL)

Industrial Projects

21 May, 1987

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCES)
1.	Manufacturing of bolts and nuts	bolts and nuts	Bolts: 1404 million per year Nuts: 1404 million per year	136.2 million FCFA or US\$454,000	Joint-Venture	National Corporation for Industrial Research and Promotion : SONEPI	West Africa Domestic
2.	Iron and Steel bars	iron and steel bars	4,000 Tonnes or 671,361 bars	567,259,795 FCFA or US\$1,922,914.5	Joint-Venture Equipment	Mr. Amadou Seye  Accountant in AFRICAUTO (Trading Company) from 1970 to 1983 Now tradesman in this field	Domestic/Export
3..	Plastic Containers	Plastic Containers such as: Plastic bags; bottles; cups	689 Tonnes of articles per year	565,630,000 FCFA or US\$1,917,390	Joint-Venture Equipment	Mr. Lakhmery born in 1942 Worker at ESSO branch in Dakar	Domestic/Export

APPENDIX V

Project Information Sheets  
for On-going Projects

## プロジェクト説明書

プロジェクト名： スズランテープとポリエチレンロープ

プロジェクトの  
予定設立地： 青島市台西五路

中国のパートナー： 青島市網用具工場

担当者 陳 子京 工場長

電 話 286775、284535

工場の概況： 当工場は1952年に設立され、漁業用製品を生産している。  
敷地面積は6,462m<sup>2</sup> で二階建の工場が二つある。 設備  
はプラスチック押出機 2台、燃り機械 5台、製縄機 1台  
製網機 3台である。 製品は漁業用ロープと網、ポリエ  
チレンロープ 3,000トン/年、網 4,000 枚/年がある。

プロジェクトの概況： 昨年和歌山県友好訪中団が青島を訪れた際、当工場は吉  
見化成（株）とスズランテープにつき以下の合意に達し  
た。 日本側から設備 2台、原料10トンを供給し、中国  
側はそれを無料で加工し日本へ送り返す。 しかし、吉  
見化成より以上のアクションがとられなかった。  
本年3月、当工場は和歌山市の東伸工業とスズランテー  
プとエチレンロープの案件において協議書を交わした。

合作方式： 委託加工

プロジェクト説明書

1. プロジェクト名: ガスこんろ
2. 中国パートナー: 青島ガス用具工場  
担当者 張 廣 武 工場長  
住 所 青島市小白千路163号  
電 話 332167、 334642  
ケーブル 2541
3. プロジェクト内容: 当工場は敷地面積27,000m<sup>2</sup>、建物面積12,000m<sup>2</sup>、従業員700人である。固定資産1,250万元で、製品にはガス用鋼瓶とガスストーブがある。1986年に日本高木産業(株)からガスコックの技術導入を受けたが、国内のガスコンロに合わない為、日本の企業と合作しガスコックに合うガスコンロを生産したい。
4. 原材料: 自給
5. エネルギー:  
電気 40kwh/月  
石炭 160T/月  
ガス 15kg/月  
水 45m<sup>2</sup>/月
6. 投資金額: 200万ドル
7. 合作方式: 合弁
8. マーケット: 国内 70% 国外 30%



## ECONOMIC COOPERATION PROJECT

No. 33

### 1. Project

Semiconductor wafer

### 2. Person in charge

Mr. Sun Ke Zheng, director of the project sponsor,  
Qingdao Transistor experimental Institute.

Address: 83 Tie Shan Road, Qingdao

Tel: 226957

Cable: 2533

### 3. Brief about the project sponsor

Built in 1966, the institute is mainly engaged in the research and production of semiconductor device, hybrid integrated circuit and parts of liquid crystal display.

### 4. Content of the project

It intends to bring in the production line and technology for making semiconductor wafer.

### 5. Raw materials

Raw materials are to be supplied from domestic channels.

### 6. Labour

There are 380 workers and 50 engineering and technical personnel in the institute.

### 7. Market

Some of the production are expected to be sold abroad.

### 8. Energy

All the energy needed can be supplied locally.

### 9. Location

The institute is located in North District of Qingdao with easy traffic and all kinds of required infrastructure facilities.

### 10. Investment

Total investment is USD 2.78 mil. Foreign investor may contribute 50%.

### 11. Cooperation form

Joint venture or cooperative production.

### 12. Economic analysis

It is estimated that the investment may be recouped in 3 years.

## ECONOMIC COOPERATION PROJECT

No. 35

1. Project: Hybrid Integrated circuits (IC)

2. Sponsor: Qingdao Transistor Experimental Institute.

Person in charge: Sun Ke Zheng

Add: 83 Tieshan Road, Qingdao

Tel: 226957

Cable: 2533

3. Information about the sponsor:

Built in 1966, it is mainly engaged in the research and production of semiconductor device, hybrid IC and parts of liquid crystal display.

4. Project content:

To intend to introduce equipment and technology to produce hybrid IC of 20,000 pcs per year.

5. Labour force:

The Institute now has 380 workers and staff members including 50 technicians.

6. Raw materials:

All shall be supplied locally.

7. Market:

The product shall be sold both at home and abroad.

8. Fuel and power:

9. Location and basic facilities:

Located in the center of the city, it has convenient transportation.

10. Investment:

Total investment shall be 1.57 million US\$, of which each party shall contribute 50%.

11. Form of cooperation:

Joint venture or co-production.

12. Economic analysis:

It is estimated that all the investment shall be returned within 3 years.

## ECONOMIC COOPERATION PROJECT

No. 34

1. Project:

Liquid crystal indicator

2. Sponsor: Qingdao Transistor Experimental Institute

Person in charge: Sun Ke Zheng

Add: 83 Tieshan Road, Qingdao

Tel. 226957

Cable: 2533

3. Information about the sponsor:

Built in 1966, it is mainly engaged in the research and production of semi conductor device, hybrid IC and parts of liquid crystal display.

4. Project content:

Intends to produce thin-film liquid crystal indicator using the form of joint venture.

5. Labour force:

The institute now has 380 workers and 50 technicians.

6. Raw materials:

All the materials shall be supplied locally except the special parts to be imported.

7. Market:

The product shall be sold both at home and abroad.

8. Fuel and power:

Ensured.

9. Location and basic facilities:

Located in the city, it has convenient transportation.

10. Investment:

Total investment shall be 1.3 million US\$, of which each party shall contribute 50%.

11. Form of cooperation:

Joint venture or co-production.

12. Economic analysis:

It is estimated that all the investment shall be returned within 3 years.

## プロジェクト説明書

1. プロジェクト名: ロックと五金製品(金物)
2. プロジェクト設立  
所在予定地: 山東省青島市登州路13号乙
3. 中国側パートナー: 青島市第二輕工業局五金公司  
青島市自転車用ロック工場  
責任者: 郭金城 工場長  
住 所: 山東省青島市登州路13号乙  
電 話: 226710, 227037  
ケーブル: 0934
4. 工場の概況: 当工場は1958年に設立され、30年の歴史がある。職員は678人、敷地面積17,881m<sup>2</sup>、建物面積8326m<sup>2</sup>、設備247台、そのうち汎用設備22台、ロック製造用設備225台である。自転車用ロック5種類を生産、年生産量は300万個である。
5. プロジェクトの背景: 近年らい、国内で自転車の売れ行きは年産300万台に達し、これ以上拡大する見込はない。故に、自転車用ロック以外のロックと五金製品を開発することにより新しい市場を開拓する必要がある。
  - 5-1. ロックの生産状況 現在、国内では50程の自転車用ロック工場がある。主要工場及びその生産量は以下の通り:

工場の名称	生産量
上海自転車用ロック工場	800万個/年
天津自転車用ロック工場	400万個/年
広州自転車用ロック工場	300万個/年
  - 5-2. ロックの輸出状況 当工場は1965年からロックを輸出し、輸出量は100万個/年。総生産量の三分の一を占めている。輸出地域は東南アジア、香港、マカオ等である。
6. 原材料の供給: 必要とするコイル、有色金属、例えば銅、アルミ等の原材料は国内で調達出来る。

- 7. 動力状況: 水、電気、石炭等は十分供給出来る。
- 8. 合作方式: 委託加工あるいは他の方式
- 9. 投資規模: 協議決定
- 10. 製品販売: 協議決定(国際マーケットを含む)

## コーリャンボード製造プロジェクトについて

国連工業開発機関  
UNIDO 東京事務所

(1) UNIDO東京事務所は途上国の要請に応え、投資・企業誘致担当官を招聘の上常駐させ、提示案件の実現について全面的な援助、協力を供している。今日迄十数ヶ国より延約30名が参加し成果を挙げつつあるが、うち中国からは天津及び重慶が参加し、現在は瀋陽及び青島が常駐している。

瀋陽市	田 曉 耕	瀋陽市対外経済貿易委員会
青島市	趙 英	青島市対外経済貿易委員会

(2) 田 曉耕氏提案のコーリャンボード製造案件については、現在最も将来性あるものとして関連企業及び協会と協力し実現を期待しているが、その骨子は次の如くである。

### (a) 関連企業

光洋産業は接着剤の開発について独自の技術を持つエンジニアリング企業で、例えば、最近開発・実用化をみた接着剤は我が国合板業界で圧倒的なシェアを持ち、同時に三井高圧、大日本インキ等の国内有力企業のみならず、先進5ヶ国の企業にもライセンスされている。光洋産業は接着材応用技術の一つとして、7～8年前からコーリャンを素材とする合板(以下コーリャンボード)の製造について多くの研究を進めてきた。コーリャンの外皮はパラフィンに富み、特殊な接着剤によらないかぎり成型は困難であるが、同社は長年の研究を通じこの程その実用化についての見通しを得た。

(b) 我が国合板の主な原料である南洋材は、遠からず(3～4年の内に)供給力の限界に至るものと予想される。これにかわって、北米、シベリヤ等の針葉樹も考えられるが、加工技術及び価格面で難点があり大幅に南洋材を代替することは困難である。

光洋産業は上記を考慮し、中国、なかんずく東三省に豊富なコーリャンに数年前から着目しコーリャンを素材とする合板製造に必要な接着材について前述の通り研究を重ね、実用化の見通しを得た。

コーリャンは中国の他、北米、インド、南米等にも産するが、ボードの製造には当面中国東三省産のコーリャンが最適であるとの調査結果を得ている。

コーリャンはその他木材資源と異なり、毎年収穫されるため回転が極めて早い。

中国のコーリャン資源(実)は推定約700万トン、莖量はその約2倍で、前者は家畜飼料に供されるが、後者は現在までのところ自家用燃料等の雑目的にしか使われていない。

コーリャンボードは主として合板の素材として使用されるが、外板との接着によって従来の合板に匹敵する需要分野が期待されている。既に成型、強度、耐性等についてはJAS規格(タイプNo.1)に準ずる規格にも合致しており、更に今後の改良も期待される。

- (c) UNIDO 東京事務所はコーリャンボード実用化にあたって必要なフィージビリティスタディー(F/S)の実施について、日本プラント協会と協議を進めてきたところ、この程同協会の全面的な賛意を得、F/Sの実施につき現在その詳細をプラント協会～光洋産業間で検討中である。F/S実施については現地瀋陽市対外経済貿易委員会が要請書を準備中で、近くプラント協会と正式に協定に至る見込である。(別添要請書参照)

F/Sの実施には、光洋産業の技術スタッフが当たり、実施時期は今年秋を計画している。尚、F/Sにかかわる経費は日本プラント協会が全面的にこれを負担することになっている。(推定5～600万円)

瀋陽市は光洋産業の協力を得てコーリャンボードプロジェクトの実用化を強く期待しており、差し当たってその為のF/Sを早急に実施することを要望している。この為には、中国関連当局の理解と支援が必要で、特に原料となるコーリャンの品質、供給力等の調査が不可欠で瀋陽市に加え中央政府当局の支援が是非望まれる。

## プロジェクト説明書

プロジェクト名: 自動車部品のテスト装置  
予定生産物: カーブレター(carburetor)自動車試験装置  
中国側パートナー: 国営新楽電気工場

当工場は国家の航空宇宙工業部に属し、色々なロケット人工衛星等の部品とテスト計器を製造する専門工場である。近年来、この工場は国家機械工業部から自動車部品のテスト装置を製造する専門工場に定められている。現在、当工場は多種の自動車部品のオート・テスト装置を開発し、設計している。それらに加えて、環境保護の為の多種の計器類を開発している。

合作方式: 合弁企業、補償貿易  
投資規模: 投資総額: 約500,000US\$  
中国側提供: 敷地、設備、資金等  
日本側提供: 設備、技術等  
製品販売: 国内市場と国際市場へ販売する



## プロジェクト説明書

- プロジェクト名: プラスチック包装用機械及び包装容器
- 予定生産物: 各種類の包装機械と包装用容器
- 中国側パートナー: 瀋陽市研削盤工場
- 当工場は52,000M<sup>2</sup>の敷地と9,000M<sup>2</sup>の建物をもっており21名の高級技術者を含めて426名の従業員が働いている。現在、各種類の研削盤を製造しており当工場の機械加工の能力は高レベルにある。工場への交通は便利であり、水電力等の供給には全く問題がない。
- 合作方式: 合弁企業
- 投資総額と投資比例: 投資総額は約1,060,000US\$、それぞれ50%を負担する。
- 中国側提供: 機械設備13台、建物等
- 日本側提供: 機械設備、技術、主要部品、資金等
- 原材料: 鋳鉄、鋼材及びPVC,OPS等のプラスチック材料は国内で調達出来る。
- 製品販売: 外貨バランス獲得の為に、出来るだけ国際市場へ販売する。一部分の包装容器は中国から日本へ輸出する製品の包装に使われる。

## プロジェクト説明書

プロジェクト名: 圧力鍋  
予定生産物: アルミとステンレス・スチールの圧力鍋  
サイズ: 18" 20" 22" 24" 26" 等  
中国側パートナー: 瀋陽圧力鍋工場

当工場は中国で圧力鍋を製造する創始工場であり、20余年の圧力鍋生産の経験をもっている。“ダブル・ハイピニス”というトレードマークの圧力鍋は全国でナンバー・ワンであり、何回も軽工業部と国家から表彰されており、大変良い評判を得ている。国内での売れ行きが良いばかりではなく、40余りの国と地区へ輸出している。

当工場は19500M<sup>2</sup>の敷地、11200M<sup>2</sup>の建物、21名のエンジニアを含めて915名の従業員を持っている。主な職場はアルミプレート圧延、圧力鍋製造、プラスチック製品、機械修理等の四工場から成っている。その他に、当工場は2000KVAの変電所、12トンのボイラ、12M<sup>3</sup>の圧縮空気ステーション、300M<sup>3</sup>のオイル・タンクを持っている。主な設備は150台にものぼる。

現在の主な製品は20" 22" 24" 26"の一般用圧力鍋と医療用電力圧力蒸気消毒器である。

より高級な圧力鍋生産ラインを導入することを希望している。

合作方式: 補償貿易或いは合弁企業  
生産規模: 年生産量 (一日2 シストによって)  
アルミの場合: 100万ヶ  
ステンレス・スチールの場合 50万ヶ  
原材料: 大部分国内で調達する。  
製品販売: 主に国内で販売、 一部分輸出

PROJECT INFORMATION

--SRI LANKA--

- 1) **PROJECT TITLE:** Cutting & Polishing Granite Rock
- 2) **PROPOSED PRODUCTS AND CAPACITY:** Polished Granite slabs in various sizes and colour.
- 3) **LOCATION:** Colombo, Sri Lanka
- 4) **PROJECT LOCAL SPONSOR:**

Name of Company: Hunter & Company Limited

Name of President: Furquan Dossa

Adress: 130, Front Street, P.O. Box 214,  
Colombo 11, Sri Lanka

Telephone: 28171/5, 540989

Telex: 21691 Hunter Ce
- 5) **PROJECT BACKGROUND:**

The country exports a large volume of both bulk granite and polished granite slabs. At present there are 3 companies which are engaged in the production of polished granite rock.

Future Market Demand:  
The availability of rough granite rock in Sri Lanka is substantial and is by no means exploited for granite rock in the local market, mainly in the construction industry. Therefore it is envisaged that whatever quantity that could be produced could be easily disposed of in the local market. However some assistance will be required in locating foreign markets.
- 6) **PROPOSED PROCESS:**
- 7) **PROPOSED SOURCE OF RAW MATERIALS & PARTS:** All raw material, bulk granite rock, is to be sourced locally

- 8) **REQUIRED UTILITIES:** Lard, Workshop Building, Stores & Despatch, Electricity, Water, Others.
- Land - 1 hectare
  - Workshop - 3000 sq. meters
  - Stores & Despatch - 7000 sq. meters
  - Others - 1000 sq. meters
  - Electricity & Water - freely available
- 9) **REQUIRED MANPOWER:** 200 persons
- 10) **PROPOSED INVESTMENT COSTS:** A pre-feasibility study has not been carried out and at present we are unable to ascertain the cost of machinery and equipment and working capital requirements. However, the sponsor company is prepared to invest in the range of US \$500,000 - 600,000 by way of equity participation.
- 11) **FINANCIAL STRUCTURE:** Equity (40%): Sourced locally  
Loan (60%)
- 12) **SOURCE OF FINANCE:** Will be discussed
- 13) **PROPOSED TYPE OF COLLABORATION:** Technology
- The sponsor company requires transfer of related technology and technical assistance during the construction, setting up and operation of the Plant.
- 14) **MARKET:** Domestic - 50%  
Export - 50%

PORCELAIN PRODUCTS FROM SRI LANKA

- PROPOSAL:** Marketing of Porcelain TABLE-WARE, Hotel-ware, Wall Plaques, Figurines, Vases, Ash trays, etc.
- COMPANY:** Dankotuwa Porcelain (Pvt) Ltd. is a Sri Lankan company manufacturing porcelain products. The total capital subscription of the company is US 5.8 million.
- The Company owns one factory situated approximately 28 miles north of the capital city of Sri Lanka, Colombo. The factory was originally established in 1983 as a subsidiary of the Ceylon Ceramics Corporation which has a long history in manufacturing tableware in a separate joint venture with Noritake of Japan (Nippon Toki). When commercial production commenced in 1984, the Dankotuwa factory was incorporated as a separate private company. This is presently a 100% Sri Lankan company.
- CAPACITY:** The total installed capacity of the factory is about 1,800 metric tons per year. It can produce about 4,500 dinner plates and about 6,500 cups and saucers per day, in addition to other items.
- MARKETS:** The Company presently markets its products in the UK, USA, CANADA, SWEDEN and ITALY.
- COOPERATION DESIRED:** Dankotuwa Porcelain (Pvt) Ltd, seeks a Japanese collaborator primarily for MARKETING its products overseas. The company will also consider collaboration in management, equity participation and technology transfer.

Technical Data

Factory : A) The factory is situated approximately 28 miles north of Colombo on a 48-acre land served by a main transport route.

Buildings - Production Area - 9800 sq. meters  
Stores, Offices etc. - 2600 sq. meters.

Power supply - installed power supply capacity is 2000 KVA. (There are two stand by generators with a combined capacity of 1800 KVA).

Water - Installed supply capacity is over 200,000 gallons (900 tons) a day. Storage Capacity is 55,000 gallons).

Fuel Storage Capacity - 66,000 Lts.

B) Machinery - A complete range of machinery has been supplied and installed by M/S Netzsch Maschinenfabrik GmbH & Co. West Germany.

(a) Machinery :

Clay Preparation Department

Jaw Crusher	-	4	tons/Hour x 01
Roller Crusher	-	2	tons/Hour x 01
Ball Mills	-	5	tons x 2
	-	1.5	tons x 2
	-	0.75	tons x 2
Filter Presses	-	1.8	tons x 2
Pug Mills	-	4000	Kg/Hr. x 01
	-	3000	Kg/Hr. x 01

Sieving equipments, Ferro Filters, Blungers,  
Storage Tarks etc.

(b) Forming Department

1. Automatic two head cup making - Lines - 01
2. Automatic Jiggering Lines for large Dishes - 02 Nos.
3. Automatic Jiggering Lines for medium and small size dishes - 02 Nos.
4. Novoroll type Jiggering Machines - 01 No.
5. Drain Casting Lines - 10 Lines.
6. Solid Casting Racks with casting slip pressure tank etc. - 06 Nos.
7. All related equipment such as trimming machines, dryers, casting slip preparation blungers, sieving & ferro filtering and storage tanks, dryers for white and leather hard drying etc.

C) Mould Making Plant -

1. Complete Plaster mixing plant with de-airing arrangement - 01 No.
2. Modelling Whirlers Complete - 03 Nos.
3. Dryers for moulds etc.

D) Biscuit Kiln Make : Reidhammer of West Germany.  
Electrically fired, 80 meters long with fully automatic controlling capability of temperature, pressure, kiln car movement etc.

Capacity - 60 Cans of effective volume,  
1050 mm H x 800 mm W x 1800 mm L, per 24 hrs.  
temperature - 950°C

E) Glost Kiln : Make-Reidhammer of West Germany.

Length - 80 meters  
Fuel - Auto diesel  
Effective Volume/Car - 1020 mm (W) x 1100 mm (H) x  
1800 mm (L).

Maximum firing scheule - 44 cars/day.

Extent of Automation -

1. Kiln room pressure controlling.
2. Primary & Secondary Air Supplies.
3. Oil Supply & Oil Pressure.
4. Temperature & Pressure recording.
5. Car Pushing.
6. Atmospheric analysis & recording.

F) Glazing Department - Companies of 5 glazing lines with Dusting booths, glaze trimming machines etc. Biscuit brushing Department is equipped with biscuit brushing equipments, dusting hoods etc.

Whiteware Department is equipped with foot grinding machines - 03 Nos.

Cup Lip grinding & polishing machines - 01 No.

G) Decoration Department :

Complete with Decoration Conveyer system.

Decoration Kiln - Make : Reidhammer of West Germany.

Length - 24 Meters.

Capable of firing at a schedule of 4 minutes per basket of effective volume, 420 (H) x 600 (W) x 600 (L) at 850°C

H) Decal Printing Department :

1. Fully Automatic Silk Screen Printing Machine with wicket dryer - 01 No.
2. Complete Dark Room equipment comprising a camera, processing bath, contact printer, vacuum printing down frame etc.
3. Complete equipment for making silk screens etc.



I) Maintenance Department : is equipped with a lathe, drilling machine, gas & Arc welding equipments, wood working machines and electrical maintenance equipment and is staffed with experienced fitters, Welders, Electricians etc.

Personnel - Senior Technical & Production Executives have been recruited from Lanka Porcelain (Pvt) Ltd., which is a joint venture of Ceylon Ceramics Corporation with Noritake of Japan (Nippon Toki). The executive staff has undergone training at Lanka Porcelain (Pvt) Ltd. as well as at Noritake Factory in Japan.

At present total direct work force is around 350.

Dankotuwa Porcelain (Pvt) Ltd.  
April, 1987.

PROJECT INFORMATION

--SRI LANKA--

- 1) **PROJECT TITLE:** Cutting & Polishing Diamonds from rough sawn Diamonds
- 2) **PROPOSED PRODUCTS** Cut & Polished Diamonds
- 3) **LOCATION:** Free Trade Zone, Si Lanka
- 4) **PROJECT LOCAL SPONSOR:** Hunter & Co., Ltd.  
130, Front Street,  
P.O. Box 214,  
Colombo 11,  
Sri Lanka  
  
Contact person: Furqan Dosza  
Telephone: 28171/5 and 540989  
Telex: 21691 Hunter Ce
- 5) **PROJECT BACKGROUND:** There are only two companies presently engaged in this type of Industry. The rough diamonds are imported under allocation from the DTC or purchased in the open market at places like Antwerp, cut and polished locally and re-exported.
- 6) **PROPOSED PROCESS:** We are seeking technical help in installing the equipment in Sri Lanka, which shall be purchased on the recommendation of foreign party.  
  
Also the foreign party shall train our labour and design the manufacturing process in such a way that it is the "least economical unit".
- 7) **PROPOSED SOURCE OF RAW MATERIALS & PARTS:**  
Raw Materials : Rough Diamonds to be imported  
Power & Water : Ample power and water without interruptions  
Manpower : Educated manpower available in all grades, that is, skilled, semi-skilled and unskilled.
- 8) **REQUIRED UTILITIES:** Industrial land is available in the Free Trade Zone on 99 year government leases.  
  
The Free Trade Zone has all the infrastructural facilities such as telephone, telex, electricity, water, roadways and the airport to support this type of Industry.

9) **REQUIRED MANPOWER:** 200 persons

10) **PROPOSED INVESTMENT COSTS:**

	Local currency (in US \$)	Foreign currency (in US \$)	Total (in US \$)
<b>Fixed investment:</b>			
Land - Rs. 200,000	6,896	-	6,896
Buildings - Rs. 331,000	11,413	-	11,413
Machinery & Equip. - Rs. 700,988	-	24,172	24,172
<b>Working capital</b>			
- Rs. 7,250,000	9,162	240,838	250,000
Pre-operational expenses - Rs. 18,000	620	-	620
Interest during construction - Rs. 93,000	3,000	-	3,000
Provision for contingencies	<u>15,000</u>	<u>15,000</u>	<u>30,000</u>
<b>Total</b>	<u>46,091</u>	<u>280,010</u>	<u>326,101</u>

11) **FINANCIAL STRUCTURE:**

	Local sources (in US \$)	Foreign sources (in US \$)	Total (in US \$)
Equity	130,440	-	130,440
Long-term loans	65,220	-	65,220
Medium-term loans			
Short-term loans	<u>130,441</u>	-	<u>130,441</u>
	<u>326,101</u>		<u>326,101</u>

12) **SOURCE OF FINANCE:** To be discussed

13) **PROPOSED TYPE OF COLLABORATION:** Choice of machinery, setting up, transfer of technology, training of personnel and sourcing of export markets.

14) **MARKET:** 100% Export

## PROJECT INFORMATION

--SRI LANKA--

1) **PROJECT TITLE:** Production of Wooden Furniture Components from Treated Rubber Woods

2) **PROJECT SPONSOR AND LOCATION:** (Please specify)

Name of Company: Chemwood Industries Ltd.

Name of President: Mr. L. D. Wanniatchi  
Chairman, Managing Director

Address: 26, Vajira Road, Colombo 4, Sri Lanka

Phone: 587461

At an industrial site located 28 km South of the city of Colombo.

3) **PROPOSED PRODUCTS AND CAPACITY:**

- a. Wooden furniture components
- b. Knock-down furniture
- c. Gift items made of timber off-cuts supplemented with other materials such as brass, felt, plastic, fabric, etc.

Production Capacity:

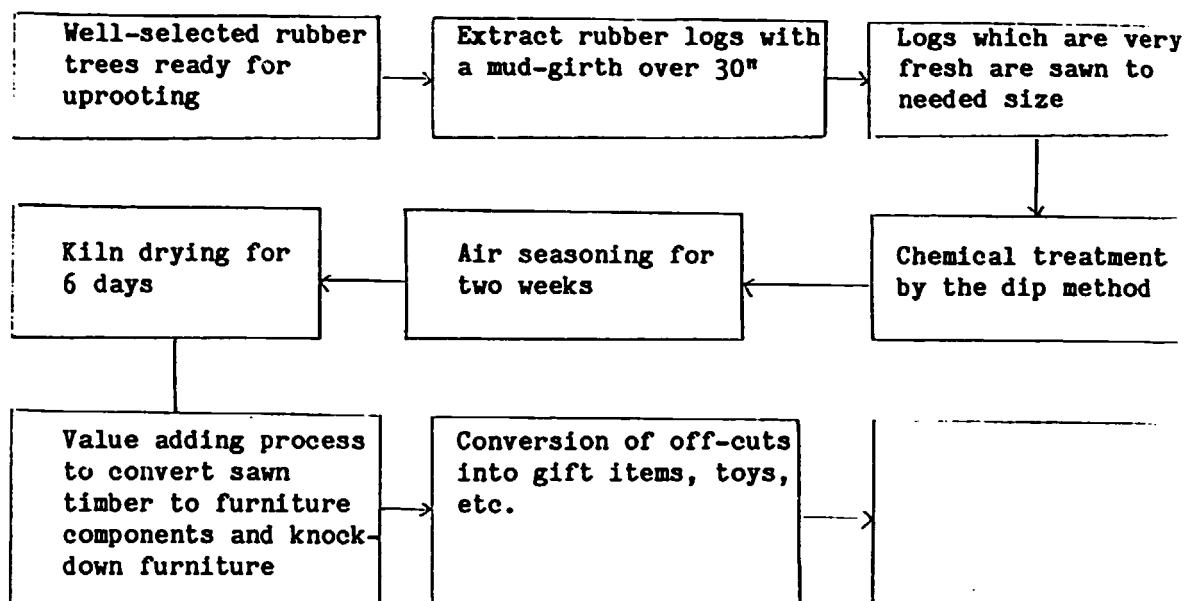
Conversion of 2000 cubic meters of sawn timber annually into a healthy mix of above products.

4) **SUPPLY AND DEMAND SITUATION:**

There is only one company in Sri Lanka geared for the supply of the said product range. The promoters have amply mastered the technology of converting rubber wood into excellent furniture timber by chemical treatment and kiln drying. At the moment the promoters indirectly export their timber and simple furniture components would be exported to Taiwan within the next 3-4 months.

There have been enquiries from Europe, USA and Taiwan for the said product range. The planned capacity is relatively low and the supply by the proposed unit is lower than the demand. However, the promoters wish to tie-up with a collaborator who will handle the marketing functions subject to negotiated terms and conditions.

5) PRODUCTION PROCESS:



Designs and product specifications are expected from a foreign source.

6) ESTIMATED INVESTMENT COSTS AND FINANCIAL ARRANGEMENTS (Figures in US\$):

	<u>EXISTING US\$</u>	<u>PROPOSED US\$</u>
Land 5,100 Sq. m	21,429	--
Buildings	35,714	10,714
Power	10,714	1,786
Infrastructure	3,571	1,786
Machinery	71,429	35,714
Office Equipment, etc.	3,571	--
Working Capital	35,714	35,714
<b>TOTAL CAPITAL</b>	<b><u>US \$5,100,000</u></b>	<b><u>US \$85,714</u></b>

Short-term working capital up to Rs 1 mn would be arranged against established L/C.

The existing factory is geared for the export of 3-4 containers of simple furniture components. Further value adding to the timber is expected by the infusion of Rs. 2.4 mn along with foreign marketing arrangements.

Of the above finances Rs.1,7090,000.00 is a loan from a state bank @ 14% interest Rs. 14 mn anticipated for the expansion is sought from a foreign collaborator.

**7) SOURCES OF RAW MATERIALS  
AND PARTS:**

Over 80% of the raw materials needed are locally available. The principal raw material is timber which is available in the country. It is expected that reasonable effort will have to be made in time to come to re-locate the production process up to chemical treatment in the rubber growing areas around 50 km from the existing factory. Two small units will suffice requirements and finances for such a step would be locally found.

The greatest asset the promoter has in regard to this proposed business is the ability to procure the required timber in ample quantities.

**8) OTHER PRODUCTION FACTORS:**

This is a highly labour intensive industry. The country has ample resources of trainable and dependable labour force.

Provided the marketing and financial strategies are properly controlled, the production is very manageable and benefits for all those participating, from the least skilled workers to the investors, are very attractive.

**9) TYPE OF BUSINESS  
COLLABORATION:**

Equity                      Rs. 2,400,000

The marketing arrangement is even more important than the equity participation.

## PROJECT INFORMATION

1. PROJECT TITLE: Manufacture of Designer Jewellery in sterling silver and carat gold for export to Europe, Canada and U.S.A.

2. PROPOSED PRODUCTS AND CAPACITY:

Jewellery set with semi precious and heat treated stones in 92.50% silver and 375 and 585 gold.

Targeted capacity about 60,000 to 100,000 items per year in silver and 9Kt. gold and about 1500 items per year in 14Kt. gold

3. TYPE OF PRODUCT AND SPECIFICATIONS:

Pendants: in silver only supplied with machine made chains in silver & 9Kt. gold combined, supplied with machine made or hand made chains - both types of pendants to be set with semi precious stones and opals.  
in 14Kt. supplied with machine made or hand made chains and set with cheap diamonds, heat treated blue sapphires and semi precious stones.

Brooches: in silver only and silver and 9Kt. gold combined fitted with machine made clasps and rivets all set with semi precious stones.

Rings: in silver only and silver & 9Kt. gold combined set with semi precious stones conforming to US and European std. ring sizes.

in 9Kt. gold only set with heat treated and natural blue sapphires of the cheaper variety and other semi precious stones.

in 14Kt. gold only set with cheap diamonds and pearls as trim stones and combined with semi precious and precious stones.

Necklaces: in 14Kt. gold using very cheap stones of the semi precious variety and also more expensive necklaces using cheap diamonds and heat treated blue sapphires, rubies and emeralds.

Earrings: in silver only with semi precious stones.  
in silver & 9Kt. gold with semi precious stones  
in 14Kt. gold with semi precious stones.

Bracelets: in silver only without stones with a lot of labour utilisation cut work of different designs.  
in silver & 9Kt. gold combined set with semi precious stones.

in 14Kt. gold with cheap diamonds, other trim stones and semi precious and precious stones.

Also bracelets for men with and without stones.

PROPOSED SOURCE OF RAW MATERIALS: Precious metals 98% silver and 24Kt. gold imported into a bonded warehouse.

Cheap diamonds, and certain semi precious stones like Amethyst, Blue Topaz, Citrine, Kunzite, red tourmalin, peridot and aquamarine imported into a bonded warehouse.

Machine made components like brooch catches, rivets, brooch pins, earring sticks and spring clasps for earrings imported under bonded warehouse system.  
Local raw materials are semi precious stones like Moonstone, garnet, Zircon, star Sapphire, Cats eyes et

5. LOCATION: Sri Lanka Piliyandala or Katunayake.

6. PROJECT LOCAL SPONSOR: SCORPIO,  
104, Templers Road. Mount Lavinia. Sri Lanka.  
Partners: MS. S.M.S.E. Pereira Boning resident in  
West Germany. (Sales)  
(Technical) Ms. A.W.A. Pereira resident in Sri Lanka  
(Accountant) MR. J.L.C. Pereira resident in Sri Lanka.

7. PROJECT BACKGROUND: Scorpio has been exporting jewellery of this type to West Germany since 1982 on an average of 100 items per month in silver & 9Kt. gold combined. We believe there is an unexplored potential of 500 items per month for West Germany alone and also a market in France, Switzerland and the Scandinavian countries. Also there have been trade inquires from Canada for this type of jewellery. To USA the 14Kt. exports lie at about 50 items per month there is potential for about 500 items per month.

8. PROPOSED PROCESS OF MANUFACTURE: Flow chart provided.

- (a) Melting and Alloying
- (b) Forming into sheet & wire in double roller machine.
- (c) Processing hand done by craftsmen.
- (d) Pre polishing done by polishing staff
- (e) Stone setting done by setting staff
- (f) Final polishing done by polishing staff
- (g) Checking and stamping.

9. REQUIRED UTILITIES: Land and Buildings about 3000 sq. ft. in area.

Building incorporates the following:

Large workshop room with plenty of natural lighting and ventilation.

Small furnace room or furnace situated in part of workshop room.

Room for polishing motor and double roller machine and die stamping machine.

Rest room for craftsmen who will live on the premises, Kitchen, Toilets and lunch room.

Administrative office room

Machinery: Electrically operated double roller machine for sheet and wire making.

Polishing Motor with double shaft and variable speed well cooled.

Die stamping machine (hand operated) with dies and stamps.

Electricity: 60 amp. 3 phase supply.

Water: Well with overhead tank and water pump.

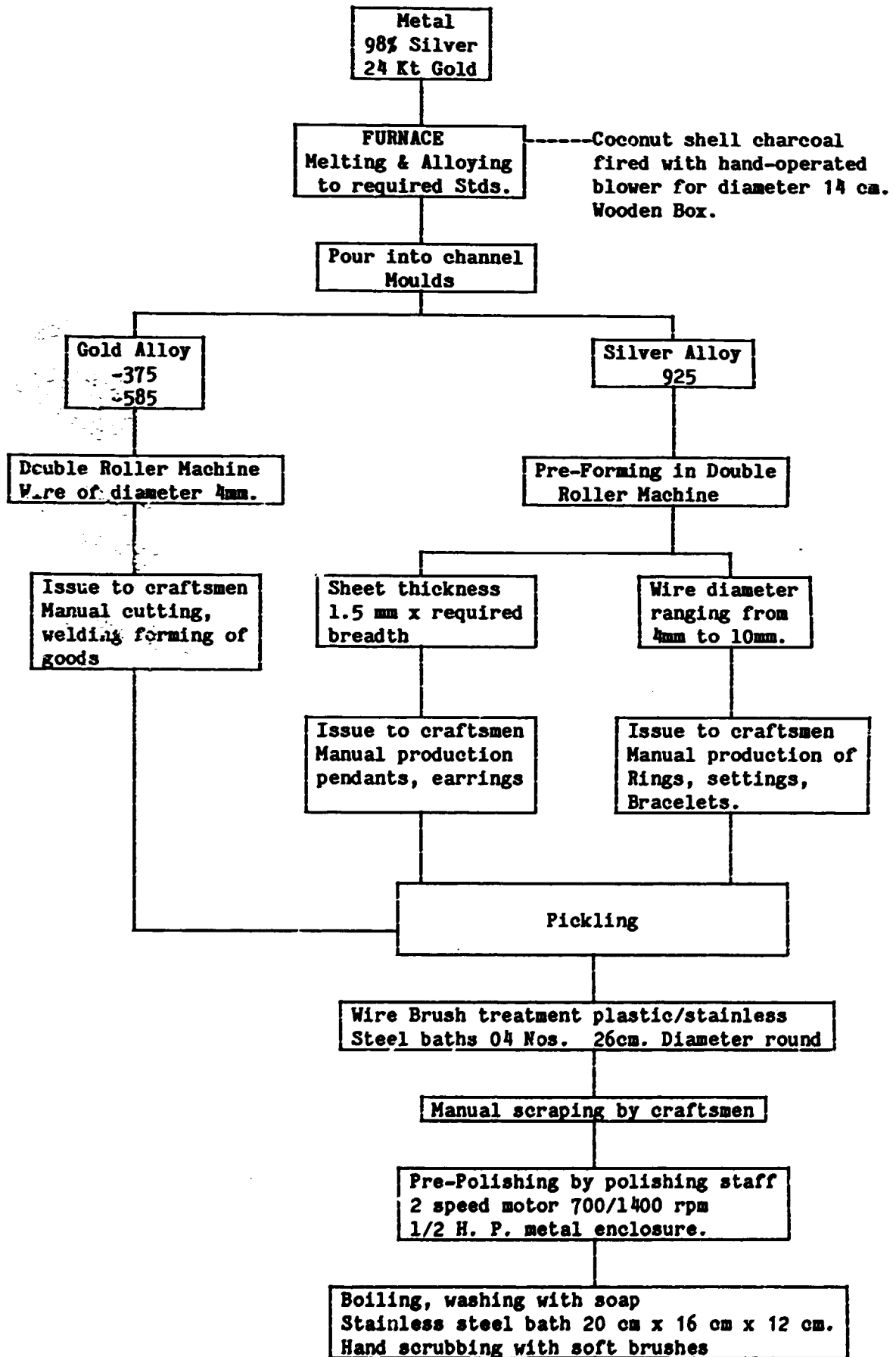
PROPOSED INVESTMENT COSTS: (in Sri Lanka Rupees)

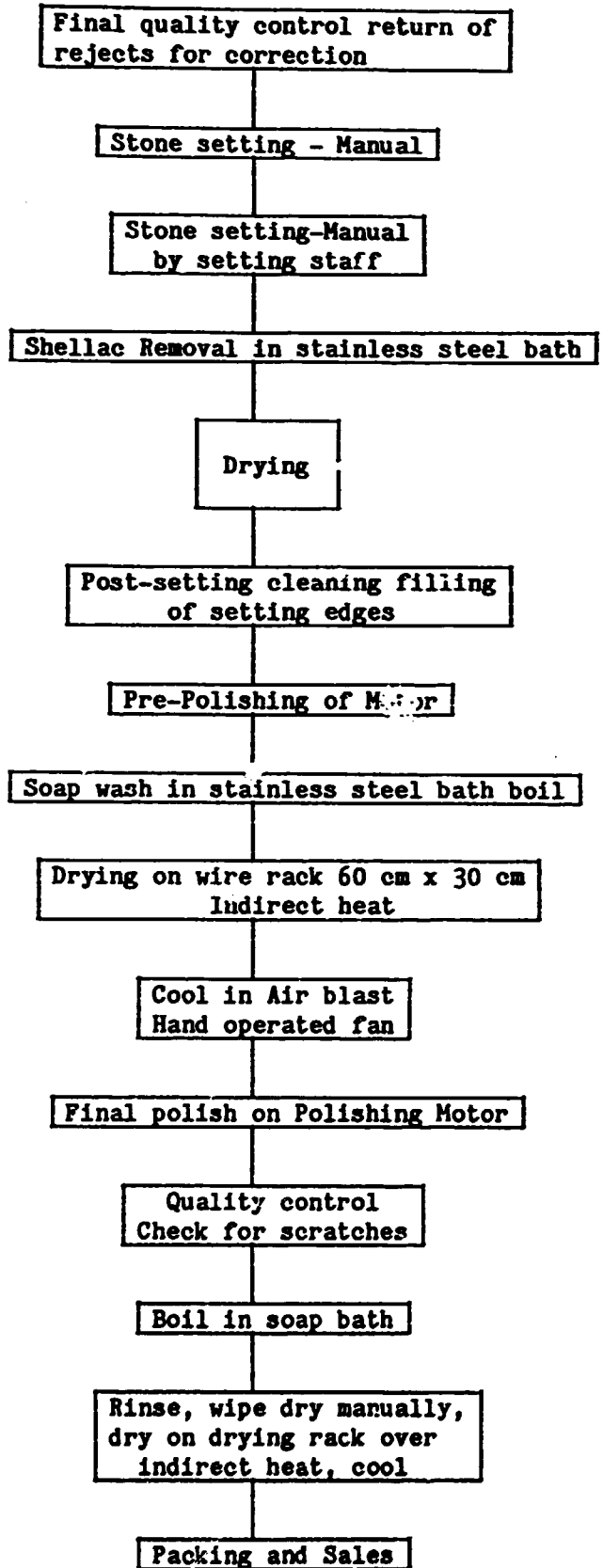
Land	150,000.00
Building	500,000.00
Utilities	25,000.00
Working Capital	200,000.00
Total Investment	<u>875,000.00</u>



11. REQUIRED MANPOWER: Estimated 40 craftsmen  
05 polishing staff  
02 setting staff  
04 Administrative staff
12. FINANCIAL STRUCTURE: Equity 40%  
Loan Capital 60%
13. PROPOSED TYPE OF COLLABORATION: Equity sharing  
Loans  
Technology possible training facilities  
Sales and new markets
14. MARKET : 100% Export oriented.

**PRODUCTION FLOW CHART**





Appendix 1

PROPOSED TOOLS & MACHINERY & ESTIMATED COSTS

	USD
1. Double Rolling Mill: 3 phase motor with reversing switch for forward & backward running. Rollers diameter 64mm. width of rollers 130mm. Capacity Sheet upto 5mm. Wire 1 - 8mm.	5000.00
2. Hand lever press	750.00
3. Wooden workbenches and chairs	1500.00
4. Blower hand operated (14cm. dia. fan)	35.00
5. Weighing scale	100.00
6. Gas fired blow torches with bladder	100.00
7. Ancillaries: Files, Hack saw frames, Dapping dies & punches, cutting shears, testing stone, forging blocks, Hammers, Anvils, Anvil logs, Drill stocks, Emery stones and oil stone, Pliers, Cutting shears, clamps	2000.00
	<u>9485.00</u>

ESTIMATED NET PROFIT: Judging by present performance, we would expect an average of 20% on every item manufactured.

**Company:-** Scorpio  
**Type** Partnership  
**Chief Executive:-** Wendy Pereira

**Contact Person:-** Wendy Pereira **Designation:-**

**Business Address:-** 104, Templers Road,  
Mount Lavinia

**Tele:-** 717633

**Telex:-**

**Paid-up Capital:-**

**Annual Sales Turnover:-**

**Bankers:-** Hatton National Bank  
City Office  
Colombo 1.

**Present Line of Business:-** Manufacture of Silver 9 kt and 14 kt. Jewellery set with semi-precious stones for export.

**Affiliated Companies:-**

**Outline of Project:-**

**Foreign Collaboration Desired:-**

PROJECT INFORMATION

**PROJECT TITLE:** Manufacture of Work Gloves

**PROJECT SPONSOR:** Graetian Gunawardhane  
Managing Director  
Etceteras Group  
120, Galle Road  
Colombo 4. Sri Lanka

**PROPOSED LOCATION OF FACTORY:** Kelaniya - 3 miles from the Colombo Harbour and 20 miles to the International Airport.

**PROPOSED PRODUCT:** Manufacture of :  
a) Nitrile Gloves  
b) Natural Rubber Coated Cotton Gloves during the second stage

**CAPACITY:** (1) Nitrile Gloves

**PRODUCTION PROCESS:** Import of Nitrile material to Sri Lanka, Cutting, Sewing, Packing and shipping to be done in Sri Lanka.  
Production of 124,800 dozen pairs of Nitrile Gloves.

**ESTIMATED INVESTMENT COST:**

Cost of purchase of 20 Industrial Sewing Machines which are sufficient to manufacture the 10,400 dozen pairs of Gloves per month @ U.S.\$ 820/	... = US\$ 16,347.82
Cost of land to be purchased in Seeduwa or Kelaniya	... = US\$ 7,317.07
Cost of building a Factory to house the 20 machines and Stores, Toilets, Office facilities which is estimated at Rs.300/ a Sq. foot inclusive of all amenities	... = <u>US\$ 20,869.50</u>
Total	... = <u>US\$ 44,534.45</u>

**WORKING CAPITAL PER MONTH:** Salaries for 40 girls working on 2 shifts on 20 machines at Rs. 1,000/ each ... US\$ 1,391.30

2 Supervisors at Rs. 3,000/	US\$	209.05
1 Accountant at Rs. 5,000/	US\$	174.21
1 Project Manager	US\$	700.00
Managing Director	US\$	750.00

Cost of material to produce 10,400 Doz. pairs of Nitrile Gloves on the basis that 18 pairs of medium size can be made from 1 meter of Nitrile material and cost per meter is 70 French Francs per meter  
 $(577.77 \times 70 = 40,444.40 \text{ FF})$  US\$ 6,679.79

Other expenses per month including Electricity, Medical Transport, Welfare facilities etc. US\$ 3,500.00

Total US\$ 13,404.35

Therefore:

Monthly expenses	=	US\$ 13,404.35
Interest at 13% on loan (monthly payments)	=	US\$ 482.45
Repayment of installment	=	<u>US\$ 371.12</u>
Total	=	<u>US\$ 14,257.92</u>

To make 10,400 dozen pairs cost	=	US\$ 14,257.92
01 Dozen pairs	=	US\$ 1.37
01 pair	=	US\$ 0.11

(US Cts.)  
 FOB Colombo

Since the above working is based on the production of only Nitrile Gloves and once the rubber coated gloves unit is put into operation, most of the expenses incurred will be overlapping and a considerable saving is expected and thereby with less overheads we will be able to produce a pair of Nitrile Gloves at a cost of less than US\$ 1/=per dozen pairs.

The total infra structure cost	=	US\$ 44,534.45
Total working capital (3 months)	=	<u>US\$ 40,213.05</u>
Total	=	US\$ 84,747.50

## Natural Rubber Coated Gloves

### CAPACITY:

Minimum production target during  
1st year = 124.800.- Doz. pairs

### ADDITIONAL INVEST- MENT:

Estimated cost of a Mini  
Dipping machine = US\$ 256,210.00  
(Including Glove formers,  
Ball Mill for chemical compounding, a  
weighing scale, Latex Storage tanks, Coagulant  
Tanks, Alkaline Tanks, Vulcanisers, Chlorina-  
tion plant, Roiler, Chiller, Compressor and  
Test Equipment, Tumbler Dryer, Trimmer,  
Maintenance and Lab equipment etc.)

Purchase of additional 20 machines = US\$ 14,000.00

Cost of additional land  
(Same land will be utilised)

Cost of 2,000sq. foot of Building space  
to house the Dipping machine and stores  
at Rs.200/= per sq. foot = US\$ 13,937.00

Cost of cotton material necessary to make  
one pair of Gloves on the basis on the basic  
of the cost of one yard of cotton material  
is 0.78 U.S.Cents per yard and 2.7 yards are  
necessary to stitch one dozen pairs of Gloves  
and the price of knit material is US\$ 2.38  
per 2.2 Ibs. and .45 Ibs are required to make  
of Gloves = UScts. .21

Cost of Rubber necessary to make one pair  
of Gloves = UScts. .005

Electricity and other energy cost per month = US\$ 500.00

Salaries to 40 Machine Operators = US\$ 1,391.30

Salaries for Operators of Dipping Machines = US\$ 1,000.00

Salaries of 2 Chemists (Supervisors) = US\$ 209.05

Salaries of store keepers and Administrative  
Staff = US\$ 1,000.00

Total Working Capital required for 3 months = US\$ 12,301.05

Total capital required for 2nd stage to be  
operative = US\$303,000.00

Monthly commitments to make 10,400 doz. pairs  
of Rubber coated Cotton Gloves  
Cost per 12 pairs (1 doz.) of Cotton Gloves  
Coated with Rubber (Approximately) = US\$ 6.00



PROJECT PROPOSAL

1. PROJECT - Manufacture Soft Toys for export.
2. PROPOSAL - Sri Lanka party to finance 50% of equity by way of Cash.  
Foreign collaborator to finance 20% of equity by way of Cash.  
Foreign collaborator to be offered 20% of equity for Technical Know-How and Marketing of production.  
Local collaborator to be offered 10% of equity for setting up Company, Factory Administration and Financial Services.

3. Capital Requirements - Production Target 1800 Dozen per month.

Machinery Cost Imported US\$ 20,000

Factory Buildings 5000 ft<sup>2</sup> US\$ 55,000

including Electricity Connection and wiring excluding Air-Conditioning

Fixtures & Fittings (Locally purchased) US\$ 7,500

Installation of Machinery US\$ 2,500

Total Capital required for Fixed Assets US\$ 85,000

Estimate of Working Capital for Local expense US\$ 15,000

Total Cash Requirement US\$100,000

Procurement of Cash Requirement - Share Capital US\$ 70,000

Loan Capital US\$ 30,000

US\$100,000

Local Collaborator could arrange for loan of US\$ 30,000.

Composition of Share Capital.

	<u>LOCAL</u>	<u>FOREIGN</u>	<u>TOTAL</u>
By Cash	US\$ 50,000	20,000	70,000
By Services	<u>US\$ 10,000</u>	<u>20,000</u>	<u>30,000</u>
	<u>US\$ 60,000</u>	<u>40,000</u>	<u>100,000</u>

4. Working Expenses per month.

<u>Employee</u>	<u>Cost SL RS.</u>
Plant Manager	8,000
Local Production Supervisor (2)	
Quality Control (1)	10,500
Local Administrative & Financial Supervisor	3,500
Office Staff (2)	5,000
Maintenance Staff (4)	6,000
 <u>Machine Operators</u>	
Cutting - 2	
Sewing - 10	
Eyes/Nose Attaching - 2	
Prepare Stuffing	
Material	
(Shred/Fluff) - 2	
Stuffing - 2	
Grooming - 2      20 x 1500	30,000
Warehousing/Production - .      5 x 1000	<u>5,000</u>
Helping	
Total Salaries & Wages      Say	68,000
Other benefits - Provident Funds 15%, Gratuity etc 5% + Other	15,000
Electricity	20,000
Customs clearing/Forwarding/Transport of Material and Finished Product	25,000
Rates & Property Maintenance	8,000
Stationery/Telephone/Telex/Postage	20,000
Local Travelling	12,000
Insurance	2,000
Depreciation of Machinery	10,000
Bank Interest - 16%	<u>12,000</u>
Total Expenses	<u>192,000</u>
	Say US Dollars      7,000

5. Cost per hour US\$  $\frac{7000}{25 \text{ days} \times 8 \text{ hours}}$  US\$ 35.00

6. Cost per Dozen at full capacity US\$  $\frac{7000}{1800}$  US\$ 3.89

7. Market - The foreign Collaborator is required to obtain an export market and develop it further.
8. Raw Materials - Fabric and Accessories will be required to be imported from Taiwan or South Korea or Hongkong. Filling Material can be obtained locally and provision is made in the Plans/Costs to Cut/Shred/Fluff waste fabric for filling purposes. Cotton waste for the purpose could be obtained at around Rs.400/- per 50 Kg. "Polyfil" used as padding for Winter Jackets is also available. Raw Materials would be purchased on Bank Finance or supplied by the Buyer. If Raw Materials are to be purchased on Bank Finance the Cost of Finance is 2% per month should be added to Material Cost.
9. Taxation - Profits and dividends are free of Tax under present regulations.
10. Return on Capital - If a return of 40% on Capital is expected a profit of US\$ 40,000 per annum would require a recovery of US\$ 1.85 per Dozen of production in addition to a Cost recovery of US\$ 3.89 per Dozen based on full capacity production of 1800 Dozen per month of Soft Toys about 10" size.
11. The above Cost figures would vary on the basis of complication in manufacture of the toys ordered.

**NAME OF COMPANY:** PLAYMATE (PVT) LIMITED  
(under incorporation)

**ADDRESS:** 2 TUDELLA, KURUNDUWATTE, JA-ELA,  
SRI LANKA.

**DIRECTOR:** G.T. RANASINGHE B Sc. (Hon) A.T.I.,  
M.C.F.I.  
Over 15 years experience in general  
management and specially in Garment  
Manufacture

**CONTACT PERSON AND  
CHIEF LOCAL SHAREHOLDER:** S.T.R.B. RATNAYAKE, F.C.M.A.

**BANKER OF CHIEF SHAREHOLDER:** 1) STANDARD CHARTERED BANK, COLOMBO.  
2) BANK OF CEYLON - 5th City Branch  
COLOMBO.  
3) COMMERCIAL BANK OF CEYLON, NEGOMBO

**BACKGROUND OF CHIEF  
SHAREHOLDER:** Professional Accountant with 20 years  
extensive experience in Financial and  
General Management, in Sri Lanka and  
overseas, in Zambia, Libya and  
United Kingdom.  
Interested in investing in a sound  
export oriented venture.

**TELEPHONE:** 536516 Colombo

**TELEX: (temporary  
Bureau Facility)** 21494 GLOBAL CE  
ATTENTION: ANIL RATNAYAKE  
Universal Trading Co./428

PROJECT INFORMATION

- 1) **PROJECT TITLE:** COCOA PROCESSING U-490 (2)
- 2) **PROPOSED PRODUCTS AND CAPACITY:** -COCOA BUTTER AND COCOA POWDER  
-INPUT OF 3,000 TONS COCOA BEANS PER YEAR

(Remarks)

- 3) **LOCATION:** (Please specify place) UJUNG PANDANG, South Sulawesi Province

- 4) **PROJECT LOCAL SPONSOR:** (Please specify)

**Name of Company:** PT DINAMIKA SULAWESI

**Name of President:** Mrs. Merry Tiony Tuntomo

**Address:** Jl. Nusantara 256B, Ujung Pandang

**Phone, Telex:** 22683 and 3889  
Telex No. 71499 Dinamis UP

- 5) **PROJECT BACKGROUND:** (Importation, Production and Future Demand)

For the last 10 years this company has been exporting raw rattan and cocoa beans. The Government of South Sulawesi has a program for developing zoning areas for certain estates. 15 zoning areas for cocoa plantations will be developed and for that purpose, there should be a close linkage between the exporters and cocoa farmers.

The production of cocoa beans from the 3 nearest provinces were 9,000 tons in 1985.

The company will move forward from exporting cocoa beans to cocoa products.

**6) PROPOSED PROCESS:**

The production process will follow the cocoa product process as introduced by BUHLER-MIAG 6, a machine supplier from Switzerland or any other type suggested by the foreign partner.

**7) PROPOSED SOURCE OF  
RAW MATERIALS AND PARTS:**

The raw materials (cocoa beans) will come from the 3 nearest provinces. These are: SOUTH SULAWESI  
MALUKU  
SOUTH EAST SULAWESI

Total production of cocoa in 1985 for these provinces were 200 tons, 5,500 tons and 3,960 tons respectively.

**8) REQUIRED UTILITIES:**

All utilities (Fuels, water, electreicity) are available locally.

All equipment imported can be from the foreign partner's country - Japan.

- 9) **REQUIRED MANPOWER:** About 70 men
- 10) **PROPOSED INVESTMENT COSTS:**
- |                         |                         |
|-------------------------|-------------------------|
| Capital Costs:          | Rp 2,200 million        |
| Working Capital Costs:  | <u>Rp 1,900 million</u> |
| Total Investment Costs: | Rp 4,100 million        |
- 11) **FINANCIAL STRUCTURE:** The project will be financed through
- |                |       |
|----------------|-------|
| Equity Capital | = 35% |
| Bank Loan      | = 65% |
- 12) **SOURCE OF FINANCE:** BANK PEMBANGUNAN INDONESIA
- 13) **PROPOSED TYPE OF COLLABORATION:**
- Marketing of the product
  - Technical assistance in production
- 14) **MARKET:**
- Cocoa butter and cocoa powder will mainly be exported abroad.
- |          |              |
|----------|--------------|
| (Butter: | 100% export  |
| Powder:  | 90% export   |
|          | 10% locally) |

PROJECT INFORMATION

- 1) **PROJECT TITLE:** RATTAN FURNITURE U-499 (8)
- 2) **PROPOSED PRODUCTS AND CAPACITY:**
- Semi-knock down rattan furniture without upholstery
  - About 360 tons/year rounded

(Remarks)

- 3) **LOCATION:** (Please specify place)

Jl. Langgau, Komplek Tugu Korban, Ujung  
Pandang, South Sulawesi,  
Phone: 28364 (Possible other Province  
in Indonesia)

- 4) **PROJECT LOCAL SPONSOR:** (Please specify)

**Name of Company:** PT. DINAMIKA SULAWESI  
Rattan Furniture Factory

**Address:** Jl. Nusantara No. 256 B  
South Sulawesi, Indonesia

**Phone, Telex:** Phone: 22683 - 3889  
Telex: 71499 Dinamis Ujung Pandang.

- 5) **PROJECT BACKGROUND:** The owner has experience in rattan exports, in rattan furniture factory (in Ujung Pandang, for local market) and in general trade. He proposes to establish a new factory in Ujung Pandang for taking advantage of the proximity of raw materials (price and quality) and the situation of Ujung Pandang in the East Indonesia Inter-island.

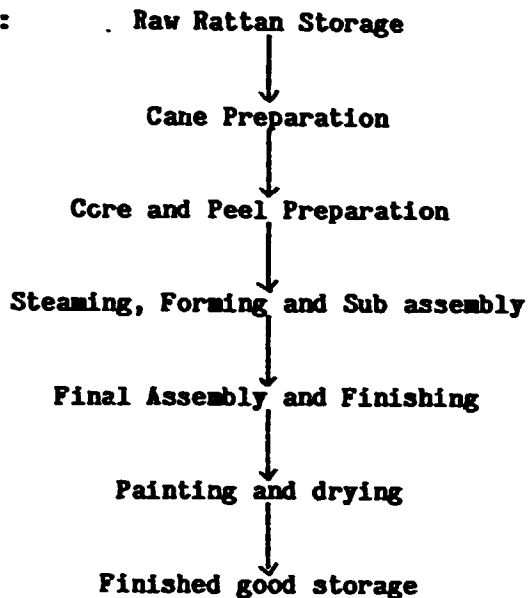
The products will be exported in order to fulfill the objectives of the government. The BPEN, national export promotion agency has stressed the point that the main weaknesses of Indonesia rattan furniture producers are in the field of calculation and production capacity. The present project is paying special attention to the latter points = the capacity of the equipment has been carefully calculated.

Another obstacle in exporting rattan furniture is the cost of international freight rates from Indonesia to Europe (or Japan) compared with the freight rates from other Asean countries (Singapore, Taiwan or Philippines).

We have tried to overcome this handicap in making the FOB price as low as possible.



6) **PROPOSED PROCESS:**



7) **PROPOSED SOURCE OF RAW MATERIALS AND PARTS:**

U. Pandang town is a trading centre for rattan. Rattan collected from hinterland and neighbouring islands is bought by middle men and locally prepared (preservation against mould) and sent for future preparation (peeling and rounding) to local traders in Ujung Pandang.

<u>QUALITY OF RATTAN</u>	<u>PRICE IN UGUNG PANDANG</u> <u>Rp. per ton</u>
TOHITI A.B. 24/30mm	350,000 - 500,000
TOHITI QUALITY No. 5	400,000
TOHITI QUALITY No. 6	160,000
MANAU SULAWESI	
JERMASIN	180,000
URMULU	210,000

Summary of rattan requirements for furniture is presented in Table 4.1. Moreover, there will be better utilization of the equipment in the factories that prepare Rattan TOHITI for export.

The rod-sanding machine and the automatic rounding machine have a capacity of 200 kg of raw rattan per hour which means a capacity to treat 200 kg/hour x 7 hours/shift x 2 shift/day x 250 days/year = 700 T/year.

As 300 tons a year of raw rattan is required for furniture, there will be a capacity of 400 T/year for rounding and sanding TOHITI rattan. The purchase price of raw rattan is 350,000 Rp/T.

With a 10% waste factor, it can produce 360 tons of TOHITI Rattan for export.

8) **REQUIRED UTILITIES:**

- 1) Land, Building,  
Electricity and water - Available
- 2) Equipment - Easy to manage
- 3) Technical know-how - Required from Japanese exports

9) **REQUIRED MANPOWER:** 116 persons: 8 Administrative  
105 Production Section  
3 Marketing

10) **PROPOSED INVESTMENT COSTS:**

Land, Building, etc.	US \$500,000
Machinery & Equipment	400,000
	<u>US \$900,000</u>
Working Capital	100,000
Total Investment	<u>US \$1,000,000</u>

11) **FINANCIAL STRUCTURE:** Equity 40%: 70% Foreign Partner  
30% Local Partner

Loan 60%: 70% Foreign Partner  
30% Local Partner

12) **SOURCE OF FINANCE:**

1) Supplier's credit	US \$400,000
2) Long-term Loan	500,000
3) Other Credit	100,000

13) **PROPOSED TYPE OF COLLABORATION:**

- Equity Sharing
- Loan
- Technology
- Marketing Abroad

Direct participation of Japanese companies in the partnership includes the transfer of related technology and technical assistance during the construction and operation of the plant.

14) MARKET: The Furniture Market

The study has been designed with a view to supply the European market, as well as Japan. Export Indonesian Rattan during 1985 was as follows:

	<u>KILOGRAMS</u>	<u>FOB US\$</u>	<u>KILOGRAMS</u>	<u>FOB US\$</u>
- Rattan & Cane-whole washed To Japan	210,093	\$277,674	31,506,379	\$27,043,731
- Rattan & Cane - whole cut To Japan	7,180	\$16,854	427,478	\$360,130
- Rattan other whole To Japan	413,785	\$756,890	36,557,111	\$35,305,275
- Rattan Cares To Japan	183,392	\$416,919	10,977,486	\$12,916,557
- Rattan Bark To Japan	33,136	\$67,988	8,460,084	\$10,977,121
<b>TOTAL KG/FOB</b>	<b>847,586</b>	<b>\$1,536,325</b>	<b>87,928,538</b>	<b>\$86,602,814</b>
<b>Average FOB/KG</b>		<b><u>US \$1,812</u></b>		<b><u>US \$0.98</u></b>

Till now the European market (mainly the European Economic Community) has been supplied with rattan furniture through Taiwan, Singapore and Hong Kong, which were in turn supplied with raw rattan from Indonesia.

In 1980, EEC imported US \$35,7 million worth of finished products and US \$31,7 million worth of raw materials. Those raw materials were transformed into finished products for intra-EEC consumption. So it is likely that the EEC rattan furniture market amounts to about 36,7 + (31,7 x 3) = 130,8 million US Dollars.

The value of production will amount to US \$530,000 (FOB value), that will represent about US \$1,6 million (Final product) which represents 2% of the market.

The EEC market can be reached through specialized importers who know the features of the market and who are equipped for assembling semi-knocked down furniture.

The freight rates system in force makes it necessary to export in knocked-down form (tarriffication by volume and not more by weight) and the relative complexity of assembling rattan furniture parts (attractive wrapping, etc.) makes it necessary to work with specialized partners if the market is to be successfully penetrated.

SALES FORECAST IN MIO Rp.

Years	I	II	III	IV Onward
Sales (Rattan)	108.3	216.5	216.5	216.5
(Furniture)	<u>129.-</u>	<u>412.8</u>	<u>516.-</u>	<u>516.-</u>
Total Sales	237.3	629.3	732.5	732.5

Major Market: Japan (nearest)  
Europe (Later On)

In 1985 Japan imported rattan from Indonesia as shown below:

	<u>KGS (NET)</u>	<u>FOB VALUE (US\$)</u>
-Rattan & Cane, Whole, Washed and Sulfurous	210,093	277,674
-Rattan Cut in short/small sticks of 50 cm	7,180	16,856
-Other Whole Rattan & Cane	413,785	756,890
-Rattan Core	183,392	416,919
-Rattan Bark	<u>33,136</u>	<u>67,988</u>
TOTAL	847,586	US \$1,536,327

Table 4.1

Rattan Requirements

Description	No. Pieces per yr.	Unit Ton/ft kg	Total Tphiti kg	Unit Rattan Wgbbing m	Total Rattan Wgbbing m	Manau No. Canes/Unit	Total Manau 24/30 mm	Total Manau 30/35 mm	Total Manau 35/40 mm	
Chair, Canes Seat	1600	5	8.000							
Armchair, Canes Seat	300	6	1.800							
Square Table	300	7	2.100	0.8	240	35/40 2			600	
Rectangular Table	300	9	2.700	1.2	360	35/40 2			600	
Rocking Chair	1.200	6	7.200			35/40 2			2.400	
Rocking Chair	450	1	450			35/35 10		4.500		
Armchair	750	5	3.750							
Table	250	1	250			30/35 5		1.250		
Folding Armchair	1.500	-	-			30/35 4		6.000		
Armchair	300	2	600			30/35 6		1.800		
Sofa	100	5	500			30/35 12		1.200		
Table	250	1	250			30/35 5		1.250		
Armchair	1.500	2.5	3.750			24/30 5	7.500			
Shelf	600	6	3.600	0.8	480				10.000	
Double Bed w/o Spring	900	6	5.400			35/40 12			8.100	
Single Bed w/o Spring	900	4	3.600			35/40 9				
Bedside Table w/o glass	2.250	1	2.250			30/35 2		4.500		
Table (Base only)	225	-	-			30/35 7		1.575		
Chair	1.425	1.5	2.138			35/40 3			4.275	
Bookshelf	600	-	-	0.6	360	30/35 4		2.400		
Bookshelf	600	-	-	0.9	540	30/35 6		3.600		
Bookshelf	600	-	-	1.2	720	30/35 8		4.800		
Bookshelf	700	-	-	1.5	1.050	30/35 10		7.000		
Armchair	300	7	2.100							
Sofa	150	17	2.550			30/35 23		3.450		
Table	300	1	300	0.8	240	35/40 3			900	
Screen ( 3 elements )	750	13	7.500							
Armchair	750	7	5.250					1.800		
Table (Base only)	150	-	-			35/40 10				
			66.038			7.500 pc		44.925	27.765	
20.000				3.990		x1.46/pc		x2 kg/pc	x1.725 %/pc	
				x2 kg/m <sup>2</sup>						
				<u>x1/0.5 waste factor</u>		<u>x1/0.5 waste factor</u>		<u>x1/0.5 waste</u>	<u>x1/0.5 waste</u>	
				82,5 T		15,95 T		13,7 T	112,1 T	98,9 T
Unit Cost of Rattan				350.000 K/T		175.000		175.000	175.000	
Total Cost of Rattan				28.875.000		2.377.500		19.617.500	15.732.500	69.335.700 K

PROJECT INFORMATION

1) PROJECT TITLE: Production of Activated Carbon U-486 (1)

2) PROPOSED PRODUCTS  
AND CAPACITY : Activated Carbon from Coconut Shells  
7,200 Tons/annual

(Remarks)

3) LOCATION: Please specify the place : (Desa Manembo-Manembo)  
Middle Bitung, KOTIF Bitung, North Sulawesi

4) PROJECT LOCAL SPONSER:

Please specify;

Name of Company (PT MAPALUS MAKAWANUA Charcoal)  
Industry

Name of President ( Mr. M. Aris Patanghari)

Address (JL Sugiono No.2 Manado, North Sulawesi)  
Indonesia

Phone, Telex (Phone : 3488, 3823 Tlx. : 74224 MMI-MO)  
Manado.

5) PROJECT BACKGROUND: (Importation, Production and Future Demand)

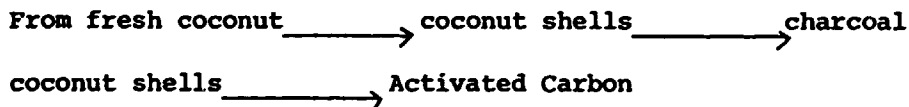
This Market Study of Activated Carbon is part of the LKI-UNIDO project to be completed in the year 1986.

The Raw Material of Activated Carbon is Coconut Charcoal based on the data that Indonesia will soon become the biggest coconut producer in the World. The use of coconut charcoal for Activated Carbon means to increase the economic value of coconut charcoal which normally people only use it for burner if not thrown away. Among the biggest coconut procedure countries only Indonesia until today has not extended the utilization of this waste to make an activated carbon. Other countries like the Philippines, Sri Lanka and India have made a good and proper use of coconutshell waste into Activated Carbon.

From Central Bureau of statistics we were informed that during 1984 Indonesia has only able to export 372 tons coconut shell charcoal to Japan, France and Germany. There were few entrepreneurs have asked us to prepare the study of Activated Carbon from coconut shell since 1983 but they always failed with the market and finance problems. Now a days there are 11 (eleven) applicants to BKPM requesting to build an Activated Carbon Plants, among them one is PT. MAPALUS MAKAWANUA from Manado who already obtained SPT NO. 23/1/PMDN/1986 dated February 17, 1986 from BKPM to build an Activated Carbon with plant capacity of 7,200 tons/year and have visited LKI-UNIDO twice on 20 November, 1985 and 3 July, 1986 respectively and by their letter of 7 July, 1986 under ref : 042/MMCI/II/86 requesting us to carry out a Market Study on this product with Plant Location is in Desa Manembo-Nembo, Bitung Tengah, KOTIF BITUNG, North Sulawesi

Indonesia until to day is still importing Activated Carbon from Europe, Singapore and other countries for the use in Palm Oil Plants, Sugar Mills, Pharmarceuticals and other important usage.

- 6) PROPOSED PROCESS: To be chosen one of the below process;
- 6.1. by using steam
  - 6.2. by using chemicals process
  - 6.3. the combination of above two system as Japan is using now in the Philippines.



- 7) PROPOSED SOUCER OF RAW MATERIALS AND PARTS: Charcoal from Coconut shells that available in the Plant site.

- Indonesia in 1984 produced 8,655 million coconuts.
- North Sulawesi share of production between 12 to 14% annually.
- To produce IMT Activated Carbon will require 92.000 fresh coconuts.
- North Sulawesi annual production on coconut is about 1.038.6 million fresh coconuts, it means this region is able to produce at least 10,818 Ton Activated carbon from coconut shells annually.

- 8) **REQUIRED UTILITIES:**
- 1) Land, Building, Electricity and Water.
    - available or easy to manage
  - 2) Equipment
    - required advise to enable to choose the right and suitable equipments.
  - 3) Technical Know-how
    - from Japan

9) **REQUIRED MANPOWER:** Estimated manpower requirement is 200 local labours and one foreign expert.

10) <b>PROPOSED INVESTMENT COSTS:</b>	:	Land, Building & Godown etc.	US\$1,000,000
		Equipment etc.	US\$1,000,000 (import)
		Working capital	US\$ 500,000
			<hr/>
			<u>US\$ 2,500,000</u>

- 11) **FINANCIAL STRUCTURE:**
- Equity (40%) : 70% Foreign Partner  
30% Local Partner
  - Loan (60%) : 70% Foreign Partner  
30% Local Partner

12) **SOURCE OF FINANCE:** To be discussed

- 13) **PROPOSED TYPE OF COLLABORATION:**
- Equity sharing
  - Loan
  - Technology
  - Market abroad

Direct participation of Japanese companies in the partnership includes the transfer of related technology and technical assistance during the construction and operation of the plant.



14) MARKET: First Stage : Domestic 100% for below consumers

Consumers of Activated Carbon in Indonesia

1. Palm Oil Plants (end users)
2. Sugar Mills (end users)
3. Cigarette Factories (end users)
4. Drilling Oil Companies (end users)
5. Pharmaceutical (end users)
6. Puspitek for NU clear (end users)
7. Unilever Plants (end users)
8. Water treatment Companies (end users)
9. Pertamina (end users)
10. Others

Imported Activated Carbon by Indonesia during last 5 years

Country	(— Kg —) US\$				
	1981	1982	1983	1984	1985
Japan	<u>6,449,199</u> 1,943,216	<u>8,233,609</u> 2,645,685	<u>5,783,798</u> 2,541,675	<u>5,419,645</u> 1,766,439	<u>5,032,468</u> 2,001,019
Other countries like Taiwan, Singapore, China, USA, Malaysia, Europe, etc.	<u>10,485,468</u> 6,151,867	<u>7,975,764</u> 3,454,879	<u>7,366,364</u> 5,780,809	<u>5,709,494</u> 2,880,081	<u>6,682,999</u> 3,065,351
<b>Total</b>	<u>16,934,667</u> 8,095,083	<u>16,209,373</u> 6,100,564	<u>13,150,162</u> 8,322,484	<u>11,129,139</u> 4,646,520	<u>11,715,467</u> 5,066,370

There is one Activated Carbon Plant in operating now but the quality is not acceptable by oil companies which consumer regularly requires about 10,000 tons annually.

Japan has imported from Indonesia in 1985, coconut shell charcoal of 1,518,191 Kgs (net) with FOB value US\$244,302 and Mangrove charcoal 110,000 Kgs with FOB value US\$16,500.

(Total Import of Japan in 1985 from Indonesia was 38,206,145,676 Kgs(net)-  
FOB value US\$8,593,522,293)

PROJECT INFORMATION

- 1) PROJECT TITLE: CATTLE FEED MILL M-467 (6)
- 2) PROPOSED PRODUCTS AND CAPACITY: Semi-finish Cattle Feed product from sugar cane top
- (Remarks) None such factory available in the region
- 3) Location: BINJE, NORTH SUMATRA  
where sugar plantations are available and sugar cane top just thrown away
- 4) PROJECT SPONSOR: C.V.TUNAS KARYA UTAMA  
JALAN MEDAN No.5 BINJE  
Phone 21396 BINJE  
512846 MEDAN  
NORTH SUMATRA
- 5) PROJECT BACKGROUND: There are two Japanese companies importing semi-finish cattle feed product made from sugar cane top, namely
- 5-1) AMAJIN COMPANY LTD  
3-3 Kanda Kajicho Chiyoda-ku,  
Tokyo  
Phone 254-5403
- 5-2) NIPPON FORMULA FEED MANUFACTURING  
COMPANY LTD (NIPPAI)  
3-9 Morija-cho, Kanagawa-ku, Yokohama
- Both importing from P.T.USAMA TANI MAJU at  
KEDIRI, EAST JAVA
- The project sponsor was an inspector in the sugar plantations and retired in 1984. Therefore he knows much about sugar cane top and now as supplier to sugar cane plantation.
- 6) PROPOSED PROCESS: The sugar cane top leaf being raw material in producing semi finish cattle feed product.
- 7) SOURCE OF RAW MATERIAL: There are big sugar plantation in the region own by Government and also several small sugar plantations own by private.

- 8) **REQUIRED UTILITIES:** Land - Available about 3,000 SQM  
 Equipment - To be supplied by foreign partner  
 Engine/Machineries - ditto  
 Technical Know-How - ditto
- 9) **REQUIRED MANPOWER:** 120 local labours  
 1 Japanese expert
- 10) **PROPOSED INVESTMENT COST:**
- |                           |                     |
|---------------------------|---------------------|
| Land 3,000 SQM            | US\$ 5,000          |
| Equipment and Machineries | US\$ 800,000        |
| Working capital           | <u>US\$ 150,000</u> |
| Total investment          | US\$1,000,000       |
- 11) **FINANCIAL STRUCTURE:** All machineries and equipments shall be supplied by foreign partner and local partner only provide land and labour required which will be paid by foreign partner on behalf of joint venture company (As has been done by above two Japanese companies)
- 12) **SOURCE OF FINANCE:** Investment capital by foreign partner  
 working capital by local partner
- 13) **PROPOSED TYPE OF COLLABORATION**
- Equity sharing
  - Loan
  - Technology Know-How
  - Market in Japanese
- Direct participation of Japanese companies in the partnership includes the transfer or related technology and technical assistance during the construction and operation of the plant
- 14) **MARKET:** 100% export to Japan  
 All semi-finish cattle feed products will be marketed by Japanese foreign partner into Japan