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**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**

**Management Engineering Programme  
for  
Investment Promotion Officials  
from  
Developing Countries**

**FINAL REPORT**

**August, 1988**

**Engineering Consulting Firms Association, Japan**

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I. SUMMARY

1. The Engineering Consulting Firms Association, Japan (ECFA), provided consulting services for the UNIDO Project "Investment-Related Management Engineering for Officials from Developing Countries" to extend assistance to participating officials from China, Indonesia, Malaysia, Philippines and Thailand in promoting investment from Japan to their respective countries. This Final Report summarizes the consultancy activities undertaken during the period April to July 1988 by ECFA for this project.

Programme

2. The Management Engineering Programme was designed to provide the Participants with a guideline for their investment promotion work in Japan, and to give effective exposure to the Japanese business environment. It has been felt that investment promotion should be integrated with management engineering, or the application of appropriate software such as feasibility studies or technical assistance, including training and consultancy. Based on its experience in the field of engineering consultancy, ECFA was able to plan and organize an integrated approach to investment promotion for the benefit of participating officials.

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 to gain 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 Spring Course, the Participants undertook the promotion of a total of one-hundred and thirteen (113) projects originally identified in their own countries. These included thirty-four (34) from Nanjing, and ten (10) from Xiamen Special Economic Zone of the People's Republic of China, seventeen (17) from Indonesia, twenty-five (25) from Malaysia, seventeen (17)

from the Philippines, and ten (10) from Thailand. The activities of the Participants, however, were by no means limited to these projects, as dozens of other projects were identified in Japan, and in the case of Thailand, more than three-hundred and fifty (350) companies were identified as potential investors, as described later.

Although it is difficult to provide an evaluation of the stage of promotion for each project, the following table gives a glimpse of some of the projects successfully promoted.

**A. Projects Which Completed Initial Negotiation**

<u>Country</u>	<u>Title</u>	<u>Japanese Partner</u>	<u>Local Partner</u>	<u>Status</u>
1) Indonesia	Furniture	Shimizu Mokko (Tentatively 100%)		company opened a representative office in Indonesia as a first step in establishing a plant
2) Philippines	Chopsticks	IECC (100%)		approved by BOI
3) Philippines	Wire Harness	IECC (100%)		approved by BOI
4) Malaysia	Industrial Valves	Okumura Engineering Works (100%)		being finalized
5) Malaysia	Floppy Disk Drives	Appolo Seiki (100%)		approved by MIPA
6) Thailand	Packing Gasket	Nippon Valuqa	Krung Thai Equipment	approved by BOI

B. Projects at Substantive Negotiation Stage

<u>Country</u>	<u>Title</u>	<u>Japanese Partner</u>	<u>Local Partner</u>	<u>Status</u>
Indonesia	Diesel Engine Injector	Diesel Kiki	being identified	requesting Master Plan on machined parts from Indonesia
Philippines	Software	System FOR (100%)		recruitment of programmers planned in Aug.
	Package	Gimpo Pack	being identified	market study in Japan by Gimpo during July prior to F/S by JCI
	Aluminium Diecast	Sumisho Metallex for Tohoku Diecast (100%)		factory site in Export Processing Zone reviewed by Sumisho Manila
Nanjing	Motor Control Center	Toyo Denki	Nanjing Electric Control Equipment Factory	additional info. requested from Nanjing for preparation of F/S mission
Malaysia	Rubber Rollers for Office Equipment	Hokushin Ind. (100%)		preparing application to MIDA
	Decorative Glass ware	Asahi Glass	being identified	JCI F/S report completed; waiting approval by MIDA
	Injection Moulded Plastic Parts for TV	Daibo Kogyo (100%)		waiting approval by MIDA
Thailand	Stainless Steel Shelves	Erecta International	being identified	F/S mission by JCI planned late Aug. - early Sept.

**C. Number of Projects under Continued Consideration**

**Twenty-five (25)**

6. Out of a total of more than one-hundred-thirty (130) projects promoted, two projects reached the stage of establishment of joint-venture (the Floppy Disk project in Malaysia and the Packing Gasket project in Thailand), besides the two projects promoted by IECC which were successfully approved by BOI, Philippines. A feasibility study mission is being prepared for two projects, the Stainless Steel Shelves project from Thailand and the Package Project from the Philippines.

7. Nine projects have reached advanced stages of negotiation, namely, the Furniture project and the Diesel Engine Injector project from Indonesia, the Software Project and the Aluminium Diecast project from the Philippines, the Motor Control Project from Nanjing, the Rubber Roller project, the Industrial Valve project and the Injection Moulded Plastic T.V. Parts project from Malaysia, and the Stainless Steel Shelves Project from Thailand. One project has reached the stage of exchange of a letter of intent, the Motor Control Centre Project from Nanjing. Among the follow-up projects, a feasibility study report has been completed for one project, the Decorative Glassware Project from Malaysia.

8. During the Spring Course, it was observed that, foremost, the interest in off-shore investment by the Japanese private sector has greatly increased compared to the tendency experienced during the Autumn course. Because of structural changes of industry in Japan mainly derived from the drastic appreciation of the yen, more manufacturers are obliged to shift at least a part of their production to neighboring countries.

9. This implies that direct foreign investment in familiar countries for Japanese investors has become interlinked with Japanese manufacturing industries. The interest in investment has somewhat shifted since more companies consider NIES areas to be already developed and becoming rather expensive. Consequently, countries such as Indonesia, the Philippines, and Thailand have become the next focal points for investment.



## II. INTRODUCTION

11. The UNIDO Project "Management Engineering Programme for Investment Promotion Officials from Developing Countries", referred to as "the Programme", has been 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 in their respective countries. The detailed schedules of the courses are given below.

### Spring Course

12. For the spring course which took place between 22 March, 1988, and 24 June, 1988, six delegates were invited from five countries: the Kingdom of Thailand, Malaysia, the Republic of the Philippines, the Republic of Indonesia, and the People's Republic of China (Nanjing and Xiamen). The names of the delegates are given below:

Thailand	Mr. Anat Prapasawat	Chief of Project Development, Section 4, The Industrial Finance Corporation of Thailand (IFCT)
Malaysia	Mr. Chong Teek Lai	Deputy Director, Engineering Industries Division, Malaysian Industrial Development Authority (MIDA)
Philippines	Mr. Carl John Matriano	Chief Investments Specialist, Board of Investments (BOI)
Indonesia	Mr. Benny Rusbandi	Chemical Industries Division Head, Planning Bureau, Investment Coordinating Board (BKPH)
China (Nanjing)	Mr. Li Xiao Tian	Deputy Section Chief of Foreign Investment Management Department, Nanjing Municipal Foreign Economic Relations and Trade Commission
China (Xiamen)	Mr. Chen Lu Hong	Administrative Officer, The Construction and Development Corporation of Xiamen Special Economic Zone

Autumn Course

13. Preceding the spring course, an autumn course took place between 1 October and 31 December, 1987, and four delegates were invited from the following countries: the Republic of Indonesia, Mauritius, the Republic of the Philippines, and the Democratic Socialist Republic of Sri Lanka. The names of the Participants are given below:

Indonesia	Mr. Hamonangan Panggabean	Chief Section for Programme Preparation of Electrical Equipment and Metal Industries, Ministry of Industry
Mauritius	Mr. J.M. Won Sin Wai	Assistant Manager, Investment Promotion and Export Promotion, Mauritius Export Development and Investment Authority (MEDIA)
Sri Lanka	Mrs. Sujatha Sathkumara	Deputy Director, International Economic Cooperation Division, Ministry of Finance and Planning
Philippines	Mr. Francisco C. Chavez	Chief Investment Specialist, Board of Investments (BOI)

14. It might be noted that two countries, Indonesia and Philippines, were represented in both the spring and autumn courses, which provided for a continuity and close follow-up of projects from these countries.

15. The detailed schedules of the courses are described below:

<u>Autumn Course:</u>		<u>Duty Station</u>
1. Identification of Investment Projects in Home Country	Aug.-Sept., 1987	Home Country
2. Orientation Programme to Japanese Business Practices	Oct.-Nov., 1987	Japan
3. Sum-up of the Programme	Dec., 1987	Home Country

Spring Course:

- |   |                    |                  |
|---|--------------------|------------------|
| 1. Identification of Investment Projects in Home Country                              | Feb.- March, 1988  | Home Country     |
| 2. Orientation Programme to Japanese Business Practices                               | March - June, 1988 | Japan            |
| Investment Promotion Contacts with Japanese Firms                                     |                    |                  |
| 3. Briefing at UNIDO Headquarters, Vienna<br>Investment Promotion in Vienna and Milan | July, 1988         | Austria<br>Italy |
| 4. Sum-up of the Programme  | July, 1988         | Home Country     |

16. The Engineering Consulting Firms Association, Japan (ECFA) provided consulting services for a total of seven man-months for this programme during the period October, 1987 to July, 1988. In order to maximize the effectiveness of the use of the consultant, ECFA's consultancy services were arranged to coincide with the period of the autumn and spring courses, when the participants were 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: Yuriko SHOJI

Advisory Committee: Mr. Hitoaki YAMAGUCHI, Managing Director  
Mr. Ryuzo KOMATSU, Technical Advisor  
Mr. Masaaki NAGATA, Economist  
Mr. Yoshio KOYAMA, Economist  
Mr. Akira KUROKI, Industrial Engineer

17. The consulting services provided during the autumn course, 1987 are summarized in the Interim Report submitted by ECFA. This final report summarizes the activities undertaken and the consulting services provided by ECFA during the spring course, 1988 and provides the Consultant's overall observations of the Programme.

### **III. OUTLINE OF THE PROGRAMME**

18. 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.

19. The objectives are summarized 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 investment community.

20. Prior to their arrival in Tokyo, the Participants were asked to prepare project information based on their project identification activities, according to a guideline sent in advance. (see Appendix 1) It was designed such that the Participants are 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.

21. Before commencing investment promotion activities both for the Autumn Course and the Spring Course, a two-week Briefing Programme, starting on 23 March for the Spring Course, was organized for the Participants. The Management Engineering Programme for the Spring Course started on 23 March, 1988. During this Briefing, visits and 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.

22. After completion of the Briefing Programme, the Participants began actual investment promotion work under the guidance of the Consultant, the Advisory Committee, and UNIDO

IPS, Tokyo. During this period, the Participants spent their time reviewing and finalizing the information on the possible investment projects brought from their home countries and contacting potential investors for these projects with the assistance of the Consultant. 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 were aimed at helping Participants deepen their understanding of Japanese business and industrial societies. While the daily promotion 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.

23. The Participants spent most of the final week of the Spring Course, which finished on 23 June, 1988, completing their investment promotion activities in Japan. This consisted of informing the potential investors who had been contacted that they would be returning to their 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 for UNIDO Headquarters.

24. The Consultant also assisted the delegates to prepare for the promotional activities in Vienna and Milan, which were to take place during two weeks following briefing at UNIDO Headquarters in Vienna.

25. The consultancy services provided by ECFA can be summarized as follows:

- a) assistance in the preparation of guidelines for project information,
- b) briefing 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
- c) investment promotion
  - giving assistance and guidance in compiling information on proposed investment projects

- selecting prospective sectors for investment promotion
- identifying prospective firms
- giving assistance in approaching relevant firms and organizations, ranging from drafting introductory letters and 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 Participants' investment projects, needs, activities, and objectives to Japanese business circles
- advising on possible applications to financial assistance schemes for feasibility studies, training, and technical assistance

### Schedule of Activities

September, 1987	Preparation of the Guideline for the Participants' country papers and project papers
September 22-30	Preparation of the Briefing Programme
September 28-30	Arrival of the Participants from Indonesia, Mauritius, Sri Lanka and the Philippines
October 1-9	Briefing Programme
October 11 - November 27	Investment Promotion Activities in Tokyo
November 28 - December 1	Departure of the Participants from Indonesia, Mauritius and the Philippines
December 26	Departure of the Participant from Sri Lanka
February 1988	Preparation of the Briefing Programme
March 7	Arrival of the Participant from Indonesia
March 22	Arrival of the Participants from China, Malaysia, Thailand and the Philippines
March 23 - April 1	Briefing Programme
April 2 - June 24	Investment Promotion Activities in Tokyo
June 25	Departure of the Participants for Vienna
June 27 - July 8	Briefing at UNIDO Headquarters, Vienna Investment Promotion Activities in Vienna and Milan
July 9-12	Return of the Participants to their respective home countries

#### **IV. BRIEFING PROGRAMME AND INFORMATIVE ACTIVITIES**

26. The objectives of the Briefing Programme were to provide the Participants with a guideline for their investment promotion work at UNIDO IPS, Tokyo and to provide a basic understanding of Japanese business practices and the Japanese investment climate.

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

28. 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 quick review and 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 further data on individual projects for scrutiny by the potential partners. The Project Information Sheets of the on-going projects are shown in Appendix V.

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

30. 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)

31. Most of the investment-related organizations were visited and their assistance schemes for investment projects were introduced. Efforts were 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. Also, general information on agencies providing bilateral aid programmes was presented, and visits to selected agencies were arranged, so that Participants could also take into consideration the linkage of their projects to Government-based assistance.

32. Factory visits were arranged on the basis of individual project promotion, so that most of the Participants were able to observe industrial production related to investment projects which they brought. The types of factories ranged from small component



manufacturing factories to highly automated factories with robot-assisted control centers.

33. The Participants were encouraged to participate in investment promotion seminars for their own countries, in order to place their promotional activities in the context of general investment trends in Japan. Particular attention was paid to ensure that other informative visits arranged were tailored to the individual project interests of the Participants.

34. Close collaboration and dialogue were encouraged among the diplomatic and commercial representatives, as well as branches of offices in charge of investment promotion, of participating country governments in Japan, through formal and informal meetings arranged by UNIDO IPS and the Consultant.

V. INVESTMENT PROMOTION ACTIVITIES

THAILAND

35. During the Spring Course, IPS Tokyo received Mr. Anat Prapasawat as the first participant from the Industrial Finance Corporation of Thailand (IFCT). The last two participants received by UNIDO IPS from Thailand were from the Board of Investment (BOI). As a means of strengthening the industrial sector, IFCT was established in 1959 by the Royal Thai Government under its own Act of Parliament as a specialized private financial institution.

36. The main objectives of IFCT are to promote and finance privately held industrial enterprises. IFCT, in close collaboration with various government bodies such as BOI and the Ministry of Industry, has been instrumental in promoting foreign investments by means of joint-ventures.

37. Mr. Prapasawat's present post in IFCT is Chief of Project Development Department. In addition to his excellent personal capability in carrying out investment promotion activities, he has been armed with urbane boosters for his outstanding achievement. That is to say, some proficient Japanese consultants have been available throughout his programme. There were two consultants who have been on loan to IFCT under the Two Step Loan Scheme provided by the Overseas Economic Corporation Fund (OECF), engaging in investment promotion between Japan and Thailand.

38. Accordingly, superb supports were rendered by these Consultants in project selection and in identification of potential Japanese investors. Approximately three-hundred and fifty (350) Japanese firms were selected as having potential interest in investing in Thailand in a short while. A considerable number of these firms are, of course, relative to identified BOI projects. The Consultant is also grateful to BOI for introducing some Japanese investment focal points such as banks, trading houses, etc, through which a few promising industries were identified as potential partners for the selected projects.

39. The table below shows the investment projects which were aggressively promoted by Mr. Prapasawat during his stay in Japan.

<u>Project</u>	<u>Potential Japanese Partner including Company Contacted</u>	<u>Remarks</u>
1. Pharmaceutical Products	Nippon Shinyaku Co., Ltd	Under consideration
2. Sports Shoes	Bussan Creative Corp	Thai Partner will be selected soon.
3. Transformers	C. Itoh & Co., Ltd.	F/S in Sept/88
4. Silicium Monocrystal	Shin-Etsu Polymer Co., Ltd.	No immediate plan
5. Artificial Plants & Flowers	Calsonic Co., Ltd.	No immediate plan
6. Canned Foods	Hotei Canning Co., Ltd.	No immediate plan
7. Vinegar	Nakano Vinegar Co., Ltd	F/S mission under consideration
8. Shipping Container	Nippon Trailmobile Co., Ltd	Market Study is underway
9. Golf Gloves	Mizuno Co., Ltd	No immediate plan
10. Stainless Steel Shelves	Erecta International Corp.	F/S in Aug-Sept/88
11. Electronic Switches	Matsukyu Co., Ltd	Fact finding mission was sent
12. T.V. Electric Components	Shin-Shirasuna Electric Corp.	Under consideration
13. Rice Cracker Machinery	Ohyama Foods Machinery	Pilot plant will be established within this year
14. Packing & Gasket	Nippon Valqua Ind.	Factory will be erected within this year
15. Cutlery	Mitsuboshi Cutlery Co., Ltd	F/S mission in near future

40. At present, eight (8) projects are under serious consideration or at the threshold of materialization. The present status of these projects is described hereinafter.

#### Stainless Steel Shelves

41. This project was introduced by the International Trade and Investment Center of Sumitomo Bank. Erecta International Corporation is the leading Japanese manufacturer of metal shelving with products including wall brackets, wine racks, carrying carts, etc. The Consultant and Mr. Prapasawat visited Erecta factory in Yamanashi Prefecture, some 50 miles away from Tokyo. It is our observation that fabrication of some of the aforementioned products may not be very difficult as far as the welding process is concerned. According to the working staff of Erecta, the feasibility of establishing a joint venture factory in Thailand should depend on the availability of an appropriate local chrome plating factory which meets Erecta's quality standard.

42. Taking the above condition into consideration, we contacted the Japan Consulting Institute (JCI) about this project and requested they field a feasibility study mission to Thailand through their subsidiary scheme. As of the writing of this report, JCI and Erecta both agreed that a mission should be dispatched in late August or early September this year. An authorized letter of request to JCI was already issued by IFCT along with the Consultant's arrangements.

#### Packing and Gasket

43. The Overseas Project Management Consultants, Ltd (OPMAC) introduced this project. Nippon Valqua Industries Ltd., one of the major Japanese gasket manufacturers, has been pursuing the possibility of a joint venture with local partners from Thailand and/or other countries in the vicinity. The project has already reached a very mature stage thanks to its favourable market condition and Nippon Valqua's persistent efforts for materialization. An ideal site for this project was purchased in Bangpoo Industrial Estates. The official approval of the BOI is expected to be issued in a short time, which enables the project to be implemented. The total initial investment will be four hundred (400) million Japanese yen (approx. \$3 million) with a breakdown in Japanese yen as follows:

Land	30 million
Building	50 million
Equipment & machinery	270 million
Working capital	50 million
<u>Total</u>	<u>400 million</u>

44. The capital investment will be two-hundred (200) million yen which will be jointly shared by Nippon Valqua, Krury Thai Equipment Co., Ltd., and a couple of agent firms in Malaysia and Singapore. The rest shall be provided by IFCT as a long term loan, for which an application was already submitted.

#### Cutlery

45. The drastic depreciation of the U.S. dollar against the Japanese yen has caused a serious stagnation in the cutlery business in Japan due to its heavy dependency on exportation. As a result, quite a lot of cutlery firms are now obliged to consider shifting their business to foreign countries or rather to developing countries. This is true, even for a major cutlery producer like Mitsuboshi Cutlery Co. Ltd. However, unlike average cutlery firms which, until lately, still attached importance to artisanship and conventional ways of management, Mitsuboshi started eager exploitation of off-shore business fairly long ago and has successfully established five factories, including one in China.

46. According to the Small Business Finance Corporation (SBFC), of which Mitsuboshi is a client, the company is now seriously considering an investment in Thailand in the form of a joint venture. It is our expectation that a feasibility study mission shall be in view through the JCI scheme upon Mitsuboshi's agreement. Meanwhile, we are suggesting that IFCT should identify the most appropriate Thai partner for the project.

#### Vinegar

47. Thai Vinegar Co., Ltd had been soundly running the vinegar production business until recently when it was forced to close down the factory due to insufficient market conditions, mainly derived from public interference, in particular partial nationalization of vinegar production. Although the factory is not under operation, Thai Vinegar still maintains an authorized business permission/license issued by the government and is seeking an off-shore investor in order to revive the firm.

48. Nakano Vinegar Co. Ltd has shown a keen interest in this project. At present, however, Nakano is a little hesitant because it is not sure whether or not Thai Vinegar holds a relevant licence for dealing with alcoholic materials for vinegar production. The recent amendment of business regulations has prohibited Thai factories from vinegar production without the said licence. Mr. Prapasawat believes that Thai Vinegar is one of the licence holding companies.

### Highpower Transformer

49. This project was included in Mr. Prapasawat's original project list (of the Participant's report). Contacts were made with several firms, mainly trading houses. C. Itoh Co., Ltd., one of the leading Japanese trading houses has shown a keen interest in this project and its affiliated firm fielded a fact finding mission. The mission had a series of negotiations with the local Thai investor, Ekarat Engineering Co., Ltd on the possibility of a joint venture. A few other foreign companies have approached Ekarat for the same purpose, and negotiations are still continuing. In principle, a wait and see attitude ought to be applied for our further promotional activity until C. Itoh's final position is clarified.

### Rice Cracker Machinery

50. The Thai Department of Mitsui Bank introduced Ohyama Foods Machinery Co. Ltd as a potential investor for the captioned project. Rice crackers, conventional Japanese-style in particular, have been popular in Thailand. High rates of consumption have been recorded in major cities such as Bangkok where a sizable Japanese community is located. According to the managing director of the company, Ohyama has scrutinized a plan to erect a small scale factory as an experiment for manufacturing cardinal machinery. Thai-Wa Co.,Ltd, a reputable trading house may be a partner in this plan by providing its premises for the said pilot plant. Ohyama's goal is to establish a training center for Thai mechanics, which they hope will eventually lead to a self sustained commercial business in this sector. In case a thorough study should be required, IPS Tokyo will connect this project with JCI.

### Electric Switch

51. This project was also introduced by Mitsui Bank. A fact finding mission by Matsukyu Co., Ltd, was fielded to Thailand and negotiations are still continuing. While IFCT endeavours to identify a Thai partner, vigorous promotion both in Japan and Thailand is very much in need to enhance this project.

### Sport shoes

52. According to Mr. Prapasawat's observation, Bussan Creative Corp., an affiliated firm of Mitsui & Co., Ltd., has made a fairly firm commitment to make an investment in Thailand. The company manufactures various kinds of rubber goods including sport shoes. Six would-be Thai partners were introduced from IFCT's clients list. Mitsui & Co., Ltd. in Bangkok has contacted each Thai firm, and in consultation with IFCT it is expected in the near future that the most appropriate partner will be selected.

## **MALAYSIA**

53. During the three month period, the Participant from Malaysia who represented Malaysia Industrial Development Authority (MIDA) took full advantage of the opportunity for investment promotion activities. This was done mainly by developing new contacts and consolidating ties with companies having on-going projects with Malaysia. The efforts were facilitated by the fact that Malaysia has now become one of the focal points for investment, and a series of active dialogues was carried out.

54. A total of twenty-five (25) projects were brought by the Participant and numerous others were promoted, based either on initiatives by Japanese firms or on long-established relationships between the enterprises and MIDA. Among those, promotional activities were carried out for the following projects:

1. Manufacture of Stamped/Pressed Parts for Bicycles, Motorcycles, Other Metal Parts
2. Manufacture of Centrifugal Water Pumps and Ductile Iron Valves
3. Manufacture of Chrome-plated Brass Faucets, Shower and Bathroom Accessories
4. Manufacture of Precision Machined Parts and Stamped Parts for the Electrical and Electronics Industries
5. Manufacture of Laminated Wooden Table Tops and Other Timber Components for Industrial/Construction Uses
6. Manufacture of Plastic Moulds
7. Manufacture of Pipe Fittings, Valves, and Automotive Parts
8. Manufacture of Electrical Home Appliances Especially Washing Machines, Vacuum Cleaners, Toasters, Hair Dryers
9. Manufacture of Plastic Parts for Bicycles, Motorcycles, and Other Industrial and Consumer Products
10. Manufacture of Moulds and Dies
11. Manufacture of Latex-based Rubber Dipped Goods such as Surgical Gloves, Catheters, Prophyllactics, Toys and Sport Goods
12. Motor Vehicle Components Especially Engine Parts, Drive/Transmission and Steering Parts, Electrical Parts, Trims
13. Wooden Furniture
14. Manufacture of Industrial and Engineering Rubber Goods
15. Glassware
16. High Fructose Syrup
17. Bars, Rods, Shapes and Sections of Brass and Other Copper Alloys
18. Bicycles and Components
19. Wooden Doors

55. As a result of a very thorough and aggressive campaign which included contacts to participants of investment seminars for Malaysia, at least twelve (12) companies which may become potential investors to Malaysia, nine (9) other which may invest in a project with some active follow-up, and six (6) others with some interest to invest in Malaysia have been identified. These companies are hereby summarized according to the project interests.

Manufacture of Stamped/Pressed Parts for Bicycles, Motorcycles, and Other Parts; and Manufacture of Plastic Parts for Bicycles, Motorcycles and Other Industrial and Consumer Products

56. These two projects were promoted to Japan Bicycle Manufacturers Association and Tokyo Bicycle Manufacturers and Wholesale Trade Federation. Several companies were contacted based on references from these industrial associations. Shimano Industries Co., Ltd. has a subsidiary to produce bicycle components in Singapore with Matsuo Industries Co., Ltd., a manufacturer of precision dies, to export mainly to China and Taiwan. They were primarily interested in obtaining raw materials from Malaysia, but, upon discussion with the Consultant and the Participant, they agreed to field a survey mission to consider the possibility of a joint venture.

57. Murakoshi Screw Manufacturing Co., Ltd. are manufacturers of metal parts such as hinges for furniture. They are mainly interested in selling their products in Malaysia. Arrangements were made for the company to meet with the Malaysian partner of the captioned project for discussion or prospective cooperation.

Manufacture of Centrifugal Water Pumps and Ductile Iron Works

58. This project was presented by the Consultant to several manufacturers based on the participant list of the "Seminar and Workshop on Malaysia for Prospective Japanese Investors" organized by MIDA in 1986. From among these, UNIDO IPS was contacted by Okumura Engineering Works Co., Ltd., which was in the process of finalizing plans to establish a subsidiary in Malaysia to produce brass valves for air conditioners and engage in the assembly of related parts. The Consultant assisted the Participant in obtaining necessary information for the company's mission to Malaysia in June.



Manufacture of Chrome-plated Brass Faucets, Shower and Bathroom Accessories

59 Two companies were contacted for this project. Inax Co., Ltd., which ranks as the second largest manufacturer of bathroom fittings, showed positive interest in this project. Basic information on the investment environment was discussed with the company which plans to visit Malaysia to meet the Malaysian partner of this project. UNIDO IPS was informed that Tabuchi Co., Ltd., a manufacturer of taps, which is represented by Nippon Steel Corporation, is interested in an investment opportunity in Malaysia. The proposal was presented to Tabuchi and their response is awaited.

Manufacture of Precision Machined Parts and Stamped Parts for the Electrical and Electronics Industries

60. This project was presented to Sumitomo Corporation, which was carrying out research for joint venture partners on behalf of their client firms. Later Sumitomo informed IPS that they will visit Malaysia in July and discuss the project with the Malaysian partner, Loh Kim Teow.

Manufacture of Laminated Wooden Table Tops and Other Timber Components for Industrial/Construction Uses; and Wooden Furniture

61. Sumitomo Forestry Co., Ltd. is interested in investing in a project to manufacture laminated wood boards for export to Japan. As they are looking for a partner for a joint venture, Decor Wood Industries Ptd. Ltd., the Malaysian partner of the former project, was introduced to the company as a candidate.

Manufacture of Moulds and Dies

62. Two projects were promoted in this category; Manufacture of Plastic Moulds, and Manufacture of Moulds and Dies. These projects were presented to Japan Mould and Die Manufacturers Association and Association of Plastic Moulders for their advice. Also, the former project was discussed with the Research Institute for Plastic Technology, from which IPS was referred to Tsuda Plastic Industry Co., Ltd., which may be interested in establishing a subsidiary to manufacture plastic dies, but they informed IPS that they need more time.

63. Daiel Co., Ltd. is engaged in license manufacturing of automobile components with a company in Malaysia called Teck See Plastic Co., Ltd., but they contacted UNIDO IPS since they are interested in a joint venture in the future. The Consultant assisted

the company in discussing the details of equity participation arrangements under current Malaysian foreign investment regulations. The projects were presented to the following companies which indicated some degree of interest; Tsuruoka Co., Ltd.; Sumitomo Corporation; Chu Ken Kogyo; Kawai Steel Co., Ltd.; and Dainichi Mould Manufacturing Co., Ltd.

64. Fujitsu Automation Co., Ltd., a subsidiary of Fujitsu Co., Ltd., is planning an expansion of a joint venture plant in Johor to produce electronic parts. The Consultant learned that the company will visit Malaysia at the end of June and advised them to visit Malaysian companies based on a list obtained from the Participant, and recommended that the company contact an expert from the Japan International Cooperation Agency (JICA) stationed at the MIDA office in Kuala Lumpur.

65. Sumitomo Corporation is representing several companies and will hold separate negotiations based on the information. Other companies with active interest are Kawai Steel Co., Ltd., a manufacturer of plastic moulds and press dies, Matuso Industries Co., Ltd., a die casting die producer, and Dainichi Mould Manufacturing Co., Ltd. which is a sub-contractor of Daiho Kogyo Co., Ltd., and planning to invest in Malaysia in plastic parts for television sets and videos. Project proposals were presented to all the companies, and relevant information was given.

Manufacture of Automotive Parts and Motor Vehicle Components, Especially Engine Parts, Drive Transmission and Steering Parts, Electrical Parts, Trims

66. Toyo Light Alloy Co., Ltd. is in the process of planning for a plant to produce aluminium alloy wheels in Malaysia for supply to Japanese automobile manufactures, and asked IPS for assistance on their feasibility study in the near future.

67. Also, Daiei and Co., Ltd., referred to in the previous section, is interested. Tokyo Buhin Kogyo Co., Ltd., a manufacturer of brake pumps, water pumps and drums, indicated that they may be interested in making an off-shore investment in the future. Also, Sanyo Press Kogyo Co., Ltd. wished to obtain information on foreign investment in Malaysia for future consideration.

Manufacture of Electrical Home Appliances Especially Washing Machines, Vacuum Cleaners, Toasters, Hair Dryers

68. This project was presented to Toshiba Corporation, which is interested in a sub-contract agreement or a joint venture to produce

household appliances. Upon the reference of East Coast Electronics Pte. Ltd., the Malaysian partner for the project, Toshiba indicated that they will conduct a study through its representative office in Malaysia.

Manufacture of Injection Moulded Plastic Parts for Bicycles, Motorcycles and Other Industrial and Consumer Products

69. Koto Plastics Co., Ltd., a manufacturer of precision plastic parts for television sets, videos, camera, office automation equipment and home appliances, is considering an investment in Malaysia. General advice on the investment climate in Malaysia was given and the proposal of Acplas Industries Ptd. Ltd., the Malaysian partner company, was presented.

70. UNIDO IPS was also contacted by Daisei Industry Co., Ltd., a manufacturer of precision plastic parts for electronic equipment. They are interested in establishing a subsidiary in Malaysia to supply their products to Sony Co., Ltd., their client, which has a manufacturing plant in Malaysia. The Consultant helped provide information on tax and training incentives and the general situation for foreign investment.

Rubber Projects

71. There were two projects under this category: Manufacture of Latex Based Dipped Goods; and Industrial and Engineering Rubber Goods. While there already were some contacts established through MIDA, the Consultant pursued contacting manufacturers through the Japan Rubber Manufacturers Association. No positive response was obtained at the time of writing.

Glassware

72. This project was presented to Soga Glass Co., Ltd., which is a producer of decorative glassware for household use. The company is interested in identifying a suitable location for off-shore production. The Consultant explained to the company the general investment climate as well as the availability of silica sand, the raw material, and the costs of employment, factory and transportation.

High Fructose Syrup

73. CPC International Japan, Ltd., which has a joint venture in corn oil production in Malaysia, has made a pre-feasibility study of the production of high fructose syrup. They reported to UNIDO that, because of the low price of sugar and the shortage of raw materials, the project is not feasible.

74. For the project Bars, Rods, Shapes and Sections of Brass and Other Copper Alloys, reference should be made to Project No. 3. For Bicycles and Components, refer to Project No. 1, and for the project Wooden Doors, refer to Projects No. 5 and 13.

#### PROJECTS IDENTIFIED IN JAPAN

75. The following projects were identified based on initiatives by Japanese companies and are hereby summarized.

##### Teflon Coated Frying Pan

76. UNIDO IPS was contacted by Fujimaru Industries Co., Ltd. through Japan External Trade Organization (JETRO). Fujimaru Industries Co., a manufacturer of teflon coated frying pans and pots, is interested in establishing a subsidiary in Malaysia. The Consultant helped clarify inquiries from the company concerning investment regulations, tax incentives, costs of factory, etc. The company had plans to visit Malaysia in July.

##### Precision Dies, Precision Machining Services (Die-Casting of Floppy Disk Drives)

77. Apollo Seiki Co., Ltd., a manufacturer of precision equipment, has been planning to establish a joint venture to produce precision machinery in Malaysia for some time, and this project is close to conclusion. After identifying a partner, they contacted the MIDA office in Malaysia, from which they were referred to UNIDO IPS. The Consultant assisted with several discussions with the company in order to finalize the company's application for approval as a pioneer status company by the MIDA office. They plan to start production by October of this year.

##### Nylon/Leather Sports and Leisure Bags

78. Vanguard Corporation is interested in establishing a joint venture in Malaysia to manufacture sports or leisure bags made of nylon and leather. UNIDO IPS cooperated with MIDA to furnish the company with a list of industrial sewing firms and other information relative to foreign investment. The company will visit Malaysia in the autumn of 1988 to meet with potential partners.

## THE PHILIPPINES

79. The following seventeen projects were brought by the delegate from the Philippines, who represented the Board of Investment (BOI). In addition, as the delegate was the second of two successive representatives from BOI, follow-up to all nine projects brought by the delegate in the Autumn Course was made, and several other projects were identified in Japan.

1. Jointed Wood Products (*Albizzia Falcattaria*)
2. Communication Equipment
3. Log Processing
4. Marble Tiles
5. Automotive Rubber Parts, Rubber Rollers, Rubber Gloves, Household Rubber Products or Shoes & Parts
6. Surochemicals
7. Rubber Prophylactics
8. Fabric Knitting/Dyeing & Finishing (Textile)
9. Handtools
10. Automotive Spare Parts Manufacturing
11. Sanitary Wares and/or Electrical Insulators
12. Ramie Fiber Degumming/Cottonizing
13. Alumina Refractories Project
14. Dried and Baled Sugar Cane Top
15. Software Packaging and Distribution for International Market
16. Custom Processing and Packing of Specialty Food Products
17. Shrimp Farming Integrator Project

80. During the Spring Course, there were two strategies for promotional activities undertaken for the projects from the Philippines. The first approach was to present all, or a part of the projects as a group to trading companies with particular interest in the Philippines, or to small companies with multiple fields of specialization, and the second approach was to promote the projects on an individual basis.

81. The first approach solicited some favourable responses, as it was observed that the interest to look at the Philippines as a potential target for investment has definitely increased. During the discussions with trading companies, many questions were raised as to the current economic situation and the Government's policy vis-a-vis foreign investments. Some projects which attracted trading companies such as Marubeni Corp., Mitsui, and Sumitomo Corp. are Ramie Degumming Project, Fabric Knitting Project, and Automotive Rubber Project. The promotional activities for selected projects are summarized below:

### Communication Equipment

82. This project was introduced to Uniden Co., Ltd., which has recently begun an aggressive expansion of their production in the Philippines. They responded that due to rapid transfer of their business activities to the Philippines in other products, they cannot consider investing in this project at this point.

### Automotive Rubber Parts

83. This project was presented to the Japan Rubber Manufacturers' Association and has been presented to several companies, but obtained no positive interest. Also, it was presented to Bando Chemical Corporation which has a branch in the Philippines. They responded that the products proposed are not in line with their product, but they will relay the information to other companies.

### Sucrochemicals

84. Among the trading companies where this project was promoted, Toymenka Co., Ltd. showed interest in this project, and indicated that they will study it further.

### Rubber Prophylactics

85. This project was presented to two of the four major manufacturers of prophylactics. The first, Sagami Rubber Co., responded that a project to produce prophylactics is difficult to undertake unless it is a funded aid project. They pointed out that due to a weak domestic market in the Philippines and difficulty to transfer the technology, this project will not be competitive as an export-oriented project. Instead, a project to package imported condoms may be feasible.

86. The second company, Sawatani Rubber Co., represented by Kosan Trading Co., Ltd. had a similar response. They suggested that they may be able to consider a business in medical rubber products such as disposable syringes.

### Fabric Knitting/Dyeing and Finishing

87. This project was presented mainly to trading companies. Among them, Marubeni Corporation and Kanematsu-Gosho Ltd. showed interest and are studying if there are potential investors among their clients. Some active communications are underway between UNIDO IPS and BOI to further promote this project.

### Handtools, Alumina Refractories and Dried and Baled Sugar Cane Top

88. All three projects had been studied as rehabilitation projects by a recent UNIDO mission. The Consultant contacted members of the mission to learn about the recommendations for a follow-up. For Alumina Refractories Project, the investment necessary to rehabilitate the company appears to be too enormous to be feasible. With the Handtools Project, there are requests to consider fielding an expert to implement the rehabilitation, which was closely discussed with the Participant. After studying the project for the Sugar Cane Top, the Consultant suggested to the Participant that perhaps this project should be promoted as a government based assistance project.

### Automotive Spare Parts

89. As the investors are aware of the high priority placed on the auto parts industry by the Philippines Government, some active responses were obtained on this project. Marubeni Corporation is one of the companies with keen interest.

90. Also, as this was one of the two main themes of an investment seminar organized by the Japan Chamber of Commerce and Industry (JCCI) and the ASEAN Promotion Centre on Trade, Investment, and Tourism in July, reactions by Japanese industrialists are awaited.

### Ramie Fiber Degumming/Cottonizing

91. This project was discussed with the Overseas Agricultural Development Association which provided their experience on this subject. Kanematsu-Gosho Co., Ltd., Marubeni Corporation and Seibu Department Store are studying the proposal for presentation to their clients. Together with the Fabric Knitting project, investigations in cooperation with BOI are underway for this project.

### Software Packaging and Distribution of International Market

92. System For Co., Ltd. which is represented by Sanwa Koki Co., Ltd. has a subsidiary in Taiwan to produce software programmes for Japanese companies. They were looking for a suitable location to start another overseas subsidiary to counter rising costs of skilled labour in Japan. They have decided to establish a subsidiary in the Philippines after a preliminary survey showed that the level of manpower with computer knowledge available in the Philippines is satisfactory.

93. The Consultant and the Participant held several meetings with the Company to discuss their proposal, which has a strong training component, as the Company is eager to be involved in technology transfer.

#### Custom Processing and Packing of Speciality Food Products

94. This project was identified in Japan during the Autumn Course, 1987. For the Spring Course, a proposal was brought by the Participant from BOI designating potential partners in the Philippines interested in undertaking an operation of packaging food products, i.e. fruits and nuts, produced in the Philippines. After repeated discussions, it was decided that Gimpo Pack Co., Ltd. shall be the main focal point of this project. A very thorough survey is being undertaken by Gimpo Pack to develop a marketable product in Japan, which may be produced using Philippine products. Upon completion of the survey, Gimpo Pack will organize a feasibility study mission to the Philippines.

#### FOLLOW-UP PROJECTS

95. Among projects handled by previous delegates from the Philippines, follow-up was made on the Tropical Fruit Juice project brought by the delegate in Autumn Course, 1987. After learning that there are recent movements among juice manufacturers to start off-shore trade and investment due to prospective deregulation of food import restrictions, the Consultant contacted several companies. Because of higher production cost, the trend to lift restrictions on imports of fruit and fruit juice products, and the change in consumers' tastes, many companies are turning to overseas production.

96. Suntory Co., Ltd. has several subsidiaries abroad, but in South East Asia the only activity related to production is license production of a sports drink with an Indonesian company, for which they are exporting the raw material from Japan. They are already importing raw materials, especially calamansi from the Philippines and are exploring other overseas supply sources. Upon their request, the Participant promised to provide them with the names of manufacturers.

97. Pokka Co., Ltd., Calpis Co., Ltd. and Sapporo Beer Co., Ltd. gave similar responses, that they are still in the process of studying the possibility, and need comprehensive data. It is the Consultant's understanding that through consolidation of raw material supply sources, joint venture possibilities may materialize in the future.



## ADDITIONAL PROJECTS

98. During the programme, several inquiries were received from Japanese enterprises, and the following ideas for business materialized into investment projects: Aluminium Die Cast; Medium Density Fiber; Chopsticks; and Wire Harness.

### Aluminium Die Cast

99. Tohoku Die Cast Kogyo-sho and Co., Ltd., which is represented by Sumisho Metalex Corp., sought assistance from UNIDO IPS since they were considering establishing a subsidiary in the Philippines to manufacture aluminium die cast for floppy disk drive chassis to be supplied to a Japanese manufacturer in the Philippines. The Consultant and the Participant assisted in preparation of their fact-finding mission by obtaining detailed information about the availability of components, costs for factory construction, labour, and utilities.

100. The company visited the Philippines in early June, and is now searching for a suitable location among export-processing zones (EPZ) with assistance from Sumitomo Corp. in Manila.

101. For the Medium Density Fiber, Chopsticks, and Wire Harness projects, the investors had been identified by International Economic Corporation Center (IECC), which is a joint ventured company of S.G.V., a consulting firm based mainly in Asia and TKC CO., a Japanese company providing computerization and consulting services to Japanese accounting firms. The Consultant and the Participant cooperated with IECC to facilitate the application of these projects to be approved by the Board of Investment in the Philippines.

### Medium Density Fiber

102. Toyo Sash Co., Ltd., a leading manufacturer of home building materials, has a subsidiary to produce delux shutters and sash materials in Thailand. They are seeking to import medium density Fiber (MDF) board materials from the Philippines. The Participant introduced the Company to Davao Timber Corporation, which has the technology to produce MDF, but are in need of financial assistance. With the Consultant and Participant's assistance, Toyo Sash Co., Ltd. visited the Philippines to meet with the Davao Timber Corporation in July.

### Chopsticks

103. A new enterprise called San Sikat Corporation to produce chopsticks for export to Japan has been established in the Philippines by a Japanese investor named Mr. Mizoguchi. The Consultant and the Participant assisted IECC to prepare and submit an application to the Board of Investment, which has been approved in June, 1988.

### Production of Wire Harness

104. Takahashi Denki Co., Ltd., which supplies wire harness to be used for connection of electronic components such as stereo sets to manufacturers, especially in the Sumitomo Group, planned to establish a factory in the Philippines. With assistance from the Consultant and the Participant, their application has been approved by the Board of Export Processing Zone Authority (EPZA) for establishment in Macatan Export Processing Zone.

105. During the Participant's stay, the Consultant received several inquiries which required providing information or requesting some data from the Participant's backstopping office. One such request was made by Matsukyu Co., Ltd., a manufacturer of precision switches, which visited several countries including the Philippines for a preliminary survey of a location for investment. Another request was made by Sun-O International Cooperation to look for a supplier of fire resistant plywood panels.

### Wooden Furniture Factory Visits

106. Some visits to factories manufacturing wooden furniture were arranged by the Consultant upon discussion with the Participant in the context of projects related to wood materials. The dates and factories visited are listed below.

10 June, 1988

T.O.F. Co., Ltd., Yubari-city, Hokkaido  
Mr. Sato (President)  
Manufacturer of dining tables and chairs

11 June, 1988

Hasegawa Furniture Manufacturing Co., Ltd,  
Sapporo-city, Hokkaido  
Mr. Yano (Chief of Factory)  
Manufacturer of cupboards, drawers, tables, chairs, etc.

11 June, 1988

Numata Chair Manufacturing Co., Ltd., Sapporo-city,  
Hokkaido  
Mr. Hirai (Executive Director)  
Manufacturer of sofas

11 June, 1988

Nishi-Sapporo Woods Industries Co., Ltd. Sapporo-city,  
Hokkaido  
Mr. Otsubo (General Manager)  
Manufacturer of cupboards and drawers

20 June, 1988

Fosuga Furniture Co., Ltd., Jo-etsu-city,  
Niigata Prefecture  
Manufacturer of rattan furniture

21 June, 1988

Takeuchi Mokuzai Co., Ltd.  
Factory in Yamamoto-Gun, Akita Prefecture  
Manufacturer of rubber wood furniture

107. At the above factories, active discussions were held with mediation by the Consultant concerning production capacity, equipment utilized, technology, and company's policy toward foreign trade and investment. Most of the companies visited seemed to be interested mainly in trade with foreign countries, and they are turning to Asia for supply of deluxe models using rattan, which is gaining in popularity as an exotic material.

108. Through the factory visits, the Participant was able to study the trends for furniture consumption in Japan. A close survey of the furniture industry was extremely useful for the Participant to further his knowledge about usage of wood and pulp resources which is an area of priority for the Philippines.

## INDONESIA

109. The following seventeen projects were brought by the participant from Indonesia, and a further six (6) were identified on initiatives by Japanese companies.

1. Manufacture of Salicylic Acid
2. Manufacture of Refractory Bricks
3. Manufacture of Epoxy Resin
4. Manufacture of Ultramarine Blue (Pigment)
5. Manufacture of Conveyors & Component Plant
6. Production of Electric Welding Machine
7. Manufacture of Precision Die & Mould
8. Manufacture of Precision Jigs & Fixtures
9. Manufacture of Cutting Tools for Metal Working
10. Manufacture of Electric Motor & Control Gear
11. Manufacture of Electric Motor
12. Manufacture of Industrial Valves
13. Manufacture of Injectors and Injection System for Diesel Engine
14. Production of Tropical Fruit Juice Concentrate & Puree
15. Production of Tropical Fruit Packing House
16. Processing of Dehydrated Vegetables
17. Processing of Dehydrated Vegetables

### Manufacture of Salicylic Acid

110. This project was presented to Yoshitomi Co., Ltd., a producer of salicylic acid, through a trading company, Chori Co., Ltd., which is marketing their salicylic acid in Indonesia. Yoshitomi Co., Ltd. is considering the proposal.

### Manufacture of Refractory

111. Japan Ceramic Engineering Co., Ltd. (JCE) expressed keen interest in this project. It was found out, however, that the local partner was no longer interested in this project, and an alternative partner is being sought by the Indonesian Investment Coordinating Board (BKPM).

### Manufacture of Epoxy Resin

112. Before promoting this project to manufacturers, it was determined that there are wide ranges of types and grades of epoxy resin. After discussion with the Participant, the Consultant obtained and gave some information on the breakdown of epoxy resin types to the Participant in order to assist his communication with the Indonesian partner to select the product which should be promoted.

113. The project was presented to Tohto Kasei Co., Ltd., which has seven affiliated companies manufacturing epoxy resin in Japan and a subsidiary company in Korea. They showed interest in this project and pointed out that the project should start with the manufacture of conventional type resin and that the investment cost should be estimated higher.

114. It was recommended to inform the company of the possibility of conducting a feasibility study with the assistance of the Japan Consulting Institute. BKPM, in the meanwhile, was requested to conduct a survey concerning the three local partners already identified for this project.

#### Manufacture of Ultramarine Blue

115. Some companies producing ink, pigment, or chemical products were contacted for this project which elicited no positive response. Okawara Co., Ltd., a manufacturer of dehydration and granulation equipment, commented that this project may be feasible in the sense that it should be easier to transfer production of pigment rather than food stuff using similar equipment, and agreed to search for an investor among their clients.

#### Manufacture of Conveyors and Components

116. Names of twenty-two companies manufacturing conveyors and components were obtained through Mitsui Engineering and Shipbuilding Co., Ltd. with which the project's importance was discussed, given the large market for cement and steel industries in Indonesia. Two of the manufacturers of rubber conveyor belts showed interest in this project, Bando Chemical Co., Ltd. and Mitsuboshi Belt Co., Ltd.

117. Conveyors are usually produced under customized Original Equipment Manufacture (OEM) by the component manufacturers for conveyor manufacturers. The rubber belt manufacturers as an example, produce the components to be used by such manufacturers. Bando Chemical Co., Ltd. has been producing conveyor belts in a joint venture with another Japanese company and an Indonesian company in Indonesia since 1987, and contacted Nikko Co., Ltd., which shows interest in the captioned project. A definite response is awaited.

118. Mitsuboshi Belt Co., Ltd., which has begun operation of a joint venture project for power transmission belts in Indonesia, also expressed interest in this project if their own project becomes profitable.

### Production of Electric Welding Machines

119. Through ECFA's Advisory Committee, Matsushita Industrial Equipment Co., Ltd. (hereafter referred to as Masushita) was contacted. At the moment, Matsushita is exporting electric welding machines through marketing dealers, and has 70% of the importation market share in Indonesia, but the business is not profitable and they will seriously consider opportunities for off-shore investment to produce them locally. The Consultant and the Participant visited the company, and some questions were raised as to the quality of labour and production management, which were discussed.

120. The various types of cooperation which are possible, as well as schemes by governmental and public agencies were explained to Matsushita Co. The company requested profiles of the two local partner companies and wished to study the project, after which they may be able to prepare a counter-proposal.

### Manufacture of Precision Dies and Moulds and Manufacture of Precision Jigs and Fixtures

121. These projects were presented to the Japan Mould and Die Manufacturers Association, which also takes part in organization of technical assistance programmes for Asian countries. The former project seems difficult to promote because it is capital intensive and the market in Indonesia is small. For the latter project, the demand seems to be met locally. Fujitsu Automation Co., Ltd., a manufacturer of precision parts for electronic components, was contacted. They are planning to expand a joint venture company in Malaysia, and consider that the captioned project may be feasible in the future.

### Manufacture of Cutting Tools for Metal Working

122. Amada Co., Ltd., a major manufacturer of metal working tools, was contacted for this project. They are mainly interested in trading, and not in off-shore investment and, taking into account the large scale of investment needed, consider investment in this project difficult.

### Manufacture of Electric Motor, Electric Motor and Control Gear

123. Narashino Works, Hitachi Ltd. was contacted for this project. They are planning to produce small air compressors in Indonesia and will need motors. The scale of motor which they need will be smaller than those proposed in the project, and they will provide IPS with product specifications after studying the project document.

### Manufacture of Industrial Valve

124. First, the Japan Valve Manufacturers' Association was contacted to obtain general information on the valve industry. Ebara Corporation, a manufacturer of pumps which has joint venture companies in Indonesia as well as in the USA and Brazil, appeared to be interested in this project. They are planning to establish a joint venture to produce valves in Indonesia in addition to the already established production of pumps. The company wishes to conduct a study of valve production and then prepare a plan for internal negotiations. They wish to estimate the facilities needed for valve production, and a product list and data about capacity of Indonesian partner company was obtained on their request.

### Manufacture of Injectors

125. This project was presented to Diesel Kiki Co., Ltd. which showed an interest in it. Deisel Kiki Co., Ltd. is producing injection pumps under license from Bosch Co., Ltd., which places limitations on their production and off-shore investment in the aforementioned product. They have a distributing contractor in Indonesia, C.V. Alliance Enterprises Indonesia, but may be interested in establishing a production plant as a joint venture to meet the demand domestically and will study the proposal.

### Production of Tropical Fruit Juice and Concentrate

126. This project was presented to the following juice manufacturers: Pokka Co., Ltd., Suntory Ltd., Calpis Co., Ltd., and Sapporo Beer Co., Ltd., but no positive response was obtained. Pokka Co., Ltd. is recently developing an aggressive move to transfer some of their production activities overseas. They declined this project since they are meeting their present requirements for export to Japan and the Middle East through a subsidiary company in Singapore, and believe the market demand in Indonesia is too small.

127. Suntory Ltd. also has a license production in Singapore. Although they are interested in studying other markets, they said a more detailed proposal would be necessary. Calpis Co., Ltd. also declined this project since they handle fruit juice but not so much tropical fruits. All companies commented that a more specific proposal would be needed for closer survey of this project.

### Production of Tropical Fruit Packing House

128. This project has been presented to several companies for study, but has received no firm answer. Some of the companies and trading houses contacted include Fuji International Co., Ltd., Amajin Co., Ltd., C. Itoh and Gimpo Pack Co., Ltd. The market for fresh tropical fruits is controlled by laws concerning food sanitation and plant quarantine, as well as by the Washington Treaty. Since the environment concerning the controls on fruit import is changing, this project requires close monitoring.

### Production of Dehydrated Vegetables

129. This project was presented to some trading companies which handle food. One of them, Tokyo Trading Co., Ltd., commented that they are interested in shifting their production from their joint venture project in Taiwan because of high labour costs, but no firm response to this project was obtained. From other companies it was learned that this project, like other food manufacturing projects, will be subjected to extremely severe hygienic requirements.

### PROJECTS IDENTIFIED IN JAPAN

130. In addition to the projects which were brought by the Participant, the following projects were identified in Japan upon the initiative of Japanese firms: Soft Drinks; and Power Generator Installation and Management

#### Soft Drinks

131. Yakult Co., Ltd., a major manufacturer of lactic acid beverage, contacted UNIDO IPS for some information on yogurt production in Indonesia, because they are interested in starting production of yogurt there. The Consultant provided some information on investment in Indonesia and introduced an expert on investment from the Japan International Cooperation Agency (JICA) stationed at BKPM, Indonesia. The company visited Indonesia in June, and a report on their activities is awaited.

#### Power Generator Installation and Management

132. Fujimoto Kiko Co., Ltd. wishes to establish a joint venture company in Indonesia to handle large-scale projects dealing with power generator installation. They are experienced in installation and management of power generators manufactured by Toshiba Co, Ltd. in



Indonesia. Based on their pipeline projects from 1991 onward, they expect to be involved in at least five large scale projects and need to give technical training to a large number of Indonesian personnel. The Consultant briefed the company about priority advantages under Indonesian investment law as well as programmes of UNIDO IPS and related organizations.

#### FOLLOW-UP PROJECTS

133. The following projects were identified and promoted by earlier participants, but required further follow-up during the period covered by this report.

##### Wooden Furniture Parts, Textiles, and Gloves

134. These projects had been identified during the UNIDO Investors Forum in Jakarta, in November, 1987. Shimizu Mokko Co., Ltd. plans to establish a joint venture company to produce furniture parts and building materials in Indonesia in 1989. Kuroda Co., Ltd. a manufacturer of leather gloves and sports gloves, has a joint venture company in China, but they also wish to establish a joint venture in Indonesia. Wako Textile Co., Ltd. plans to start a joint venture to produce textiles. The Consultant learned that Shimizu Mokko and Wako Textile are contacting the Indonesian Chamber of Commerce and are actively searching for partners.

##### Department Store (Off-shore Trading)

135. Seibu Saison Group and its affiliate, the World Import Mart Co., Ltd., are interested in establishing a venture project in Indonesia in trading or manufacturing, and in cooperating with a large Indonesian store such as Sarina Department Store. Because of the diversity of the group's interests, selected project information was transmitted, in order to help the group identify viable projects, and relevant information on the investment climate was provided.

##### Production of Rattan Furniture

136. This project was identified during the Autumn Course, 1987, within the framework of a project brought by the Participant from Indonesia. Seiwa Interior Co., Ltd., an interior branch of Seibu-Saison Group, is discussing the possibility to utilize Sarina Department Store's storehouse for storage of rattan furniture for marketing in Japan. Further contacts were made with the Japanese partners to follow-up on this project.

### Activated Carbon

137. This project was initiated by the Indonesian Participant in autumn, 1986. The discussions were reopened during the UNIDO Investors Forum in Jakarta in November, 1986, when Indonesian company P.T. Tansal, requested UNIDO IPS for assistance in identifying a Japanese company who can supply equipment and buy back the products. Their proposal was transmitted to Amajin Co., Ltd., which had been studying this project for some time. Amajin Co., Ltd. made some suggestions to simplify the production process, such as estimating lower production costs and higher prices and communicated these to P.T. Tansal. Amajin Co., is also communicating with another Indonesian company, P.T. Mapaulus Makawanua.

## CHINA - NANJING

138. Originally, twenty (20) investment projects with full project information and fourteen (14) additional project ideas with some preliminary background information were brought by the Participant who represented the Nanjing Municipal Foreign Economic Relations and Trade Commission. The following projects were promoted:

### Original Project Proposals

1. Storage Battery
2. Drilling Machine, Tapping Machine
3. Bicycle Chain
4. Motor Control Center
5. Film Dielectric Variable Capacitor
6. Varistors and Thermistors
7. Medium and High Voltage Ceramic Capacitor
8. Thick Film Hybrid IC's
9. Chip Inductors
10. Electronic Scales
11. Shuttlecock and Leather Balls
12. Precision Rubber Seal
13. Leather Shoes and Sport Shoes
14. High Grade Ball Pen
15. Bone Blue, Gelatin, and Calcinated Bone Ash
16. Inositol

### Additional Projects

1. Knitting Machine
2. Metal Furniture
3. Fishing Gear
4. Pure Silk Textile Fabric
5. Sodium D-isoascorbate
6. Sucralfate
7. Self-adhesive Paper
8. Sport Shoes
9. MBS Resin
10. Diode

139. At the stage of preliminary review, it was recognized that a few of the projects may need careful consideration from the viewpoint of the COCOM treaty which also applies to those proposed by Xiamen Special Economic Zone.

### Storage Battery

140. Two companies were initially contacted for this project. Yuasa Battery Co., Ltd., represented by Yuasa Trading Co., declined the project after a survey visit to the Nanjing Storage Battery Factory. They pointed out that there is a problem of raw material supply in China. Furukawa Battery Company was also contacted, but no response was obtained.

### Drilling Machine, Tapping Machine

141. The only company which showed interest in this project was Minamiguchi Bearing Manufacturing Co., Ltd., which is mainly looking for sales of their products in China.

### Bicycle Chain

142. This project was presented to the Japan Bicycle Manufacturers' Association and Tokyo Bicycle Manufacturers and Wholesale Traders' Federation for possible reference to their member companies who might be interested. The Consultant contacted Daido Kogyo Co., Ltd. through an introduction by Yagami Co., a trading company.

143. Daido Kogyo's response to the proposal was that they could not make an investment, since they can meet their production requirement in their factories in Japan, but they will consider technical assistance and license trade. They will, however, require further data such as the proposed plant use, process, budget, and a detailed plan to increase the production capacity. The Consultant advised the Participant to obtain the above data, as well as a sample, for further review by the company.

### Motor Control Center

144. Toyo Denki Co., Ltd., a producer of electronic control systems, has a long-standing relationship with Nanjing, and is providing technical assistance to Nanjing Electric Control Equipment Factory (Nanjing Factory) in the framework of the friendship agreement between the two sister cities of Nanjing and Nagoya. The Consultant accompanied the Delegate on a visit to Toyo Denki Co., Ltd. and several discussions were held. One of the suggestions made by Toyo Denki Co., was to decrease the capital investment and streamline production using existing machinery which they have seen. After some exchange of information, Toyo Denki informed IPS that a letter of intent for agreement has been signed between two parties during the company's annual technical cooperation visit to Nanjing in May, 1988.

145. According to the letter of intent, the Nanjing factory will produce 200,000 units of metal parts as a license trade with Toyo Denki Co., Ltd. and obtain technical training for the production. Besides the above agreement, both parties will conduct separate feasibility studies as a preparation for the establishment of a joint venture to produce motor control center (MCC) units. Upon completion of a feasibility study, the Nanjing factory will file an application for a joint venture to the Nanjing Municipal Government. The Consultant is discussing with Toyo Denki Co., Ltd. the possibility of incorporating the project's foreseen feasibility study mission into the funding scheme provided by the Japan Consulting Institute (JCI).

#### Electronic Projects

146. The following projects all deal with electronic components, and are hereby summarized; Film Dielectric Variable Capacitor; Varistors and Thermistors; M & H Voltage Ceramic Capacitor; Thick Film Hybrid IC's Chip Inductors; and Diodes.

147. Several companies were contacted, including Hitachi Co., Ltd.; Sony Co., Ltd.; Murata Manufacturing Co., Ltd.; Matsushita Electric Industries Co., Ltd.; Taiyo Yuden Co., Ltd.; Ishizuka Electronic Co., Ltd.; Mitsumi Co., Ltd.; and Halco Co., Ltd. Among the companies contacted, Matsushita Electric Industries Co., Ltd. which has a joint venture company producing television tubes in Beijing, responded that they will study the proposal for chip inductor production. Murata Manufacturing Co., Ltd., a ceramic based electronic company with business experience in Nanjing, indicated that they are interested in studying terms of conditions regarding raw materials, foreign currency balance, etc. Regulations concerning joint ventures in China were obtained and communicated to them.

#### Cold Rolled Steel Strip Sheet and Tin Plate

148. Considering the large investment which will be involved in this project, the Consultant undertook several discussions with the Participant, and it was agreed to reconsider the project as a government to government aid project.

#### Electronic Scale

149. Although Kubota Co., Ltd. first declined involvement in this project, indicating that they already have a joint venture in Beijing, the IPS office was recontacted by Kubota requesting further background information, since they are interested in studying this project.

### Shuttlecock and Leather Balls

150. Mizuno Co., Ltd., a large manufacturer of sports equipment and sports wear was contacted but they declined, explaining that they do not produce shuttlecocks. Kanematsu Gosho Co., Ltd. indicated interest in this project, and they are discussing the proposal among their clients.

### Precision Rubber Sealings

151. Yokohama Rubber Co., Ltd., one of the leading manufacturers of rubber, advised the Consultant that they do not produce sealings for automobile use. Upon their reference, Cemedine Co., Ltd. and Konishi Bond K.K. were contacted, but they cannot consider investment. Two other companies, NOK Co., Ltd. and Fuji Industries Co., Ltd. were contacted. NOK Co., Ltd. is interested in eventually entering a joint venture, but do not consider the current investment conditions suitable. No response was obtained from Fuji Industries Co., Ltd.

### Leather Shoes and Sports Shoes

152. Although this project originally proposed production of the above products, the targeted products were changed when a proposal to manufacture work shoes and gloves was made by Simon Co., Ltd., which was introduced by Kasho Co., Ltd., a trading company. The Consultant and the Participant sent a sample work glove from Simon to Nanjing and arranged for another company which was more appropriate for the proposed products to meet the mission of Simon in Nanjing on 20 May, 1988. After their return, however, Simon informed IPS that they have chosen another company in China as their partner.

### High-grade Ball Point Pen

153. First, the Consultant had a discussion with the Participant concerning the exact type of product indicated by high-grade ball point pen. It was determined that the range was quite wide, from something just above the regular disposable pen to rather deluxe ones. Next, the project was presented to Zebra Co., Ltd., a leading manufacturer of pens in Japan. They were interested in off-shore investment, but needed a more detailed proposal for consideration. Also, Sugata Co., Ltd., which has trade relationships with Taiwan, Korea, and Hong Kong, was contacted. Although they would be interested in expanding their business cooperation to China, they are not considering investing in ball point pen production at the moment.

### Bone Glue, Gelatin, and Calcinated Bone Ash

154. Daikyo Trading Co., Ltd. once showed some interest in doing a business in these products. As a matter of fact, the Managing Director of Daikyo made a trip to Nanjing recently for fact finding. Unfortunately however, Daikyo has decided, based on his findings, that it is not in a position to initiate this project, due mainly to inefficient supply and quality of raw materials.

155. A contact was also made with Nitta Gelatin, Inc., which has a trade relationship with photograph film manufacturers in China. They showed interest in a preliminary survey of the Nanjing Bone Glue Factory.

### Inositol

156. Inositol, a chemical usually extracted from rice bran oil, is known as a vitamin activator. The Consultant was introduced to Tsuno Rice Fine Chemical Industry Co., Ltd., the largest importer of rice bran oil from China and exporter of inositol to the United States and Europe through Kowa Co., Ltd., a trading company.

157. From Tsuno Co., Ltd. it was learned that the market (C.I.F.) price of inositol in China is U.S. \$15. as compared with the international market price of U.S. \$25. Unless the market price of the Chinese product can be adjusted to the international standard, this project will not be financially feasible for them. Also, they commented that there is a gap in technology, that they estimate the productivity of the Chinese factory could increase up to 20% if technology and equipment development by Tsuno Co. were introduced. The Consultant recommended conducting a full feasibility study, possibly applying for programmes such as those funded by the Japan Consulting Institute.

### Textile and Knitting Machines

158. There were several projects in this category, including those prepared by the Participant which were Knitting Machine; and Pure Silk Textile Fabric. In addition, two projects were identified while the Participant was in Japan: Production of Rapier Loom Knitting Machine; and Production of Silk Sash (Obi).

### Knitting Machine (Circular Weft Knitting Machine)

159. The Consultant presented this project to the Japan Textile Machinery Association, from which a list of their member firms and

advice about manufacturers of circular weft machines who might be interested in cooperation with China were obtained. Fukuhara Sangyo Boeki Co., Ltd. responded to the inquiry from the Association that they are not considering starting production in China at the moment.

160. Another company, Tsudakoma Corporation, the leading manufacturer of circular weft knitting machines, was contacted upon reference from the Association. Tsudakoma has a cooperation agreement with a weaving factory in Xianyang and has been engaged in co-production since two years ago. It also has some experience in technical cooperation with the Nanjing government textile division. They consider production of parts and assembly production for the domestic market to be technically feasible in a joint venture project, since it is less subject to competition than the production of finished products ready for export, but are hesitant to consider involvement in this project. A third company, Fukuhara Sangyo Co., Ltd., agreed to review the proposal.

Pure Silk Textile Fabric; Rapier Loom Knitting Machine; and Production of Silk Sash (Obi)

161. The projects were discussed with Iwama Loom Works Ltd., a manufacturer of rapier loom knitting machines introduced by the Tokai Japan-China Trade Center in Nagoya. They currently have a technical cooperation agreement with a factory in Yangzhou. They reviewed the explanation for the Rapier Loom project and commented that the productivity in the Nanjing factory seems to be low for the number of workers, and that a larger number of pattern designers might be needed. They will require more information about the factory's technical outfit, forms of agreement, and means of securing foreign currency, as well as general information on joint ventures with China.

162. Using equipment produced by Iwama, silk fabric quite similar to the kimono sash, commonly called "obi", can be produced, but it will not be acceptable on the market because the finishing at the edges is different. Obi, which is a deluxe, traditional product, are manufactured mainly by small scale traditional manufacturers in the Nishijin district of Kyoto, and they will be quite difficult to approach because of the conservative market structure.

163. Other companies which are interested are Cherry Trading Co., Ltd.; Matsumura Co., Ltd.; Kawamura Textile Co., Ltd.; C. Itoh Co., Ltd.; and Acishoji Co., Ltd. Their responses are awaited.



### Metal Furniture

164. The Consultant held discussions with Okamura Seisakusho Co., Ltd. They had participated in a mission to study the situation of furniture manufacturing in China, which was dispatched by the "Specific Trade Expansion Programme" (STEP) of the Ministry of International Trade and Industry (MITI) in 1987. Okamura Co., believes that the time to invest in the Chinese furniture industry has not yet arrived. They also consider that the proposed annual production of 500,000 pieces is unrealistic.

### Fishing Gear

165. Contacts were made with three leading Japanese manufacturers of fishing gear: Daiwa Seiko Inc.; Olympic Co., Ltd.; and Shimano Industrial Co., Ltd. The responses were all negative. Fishing gear has become a surplus commodity in Japan and is often sold at bargain price. Besides, it is overwhelmingly expected that Korea and Taiwan will soon penetrate the Japanese market as they have already done with other fishing commodities such as glass fiber and carbon rods. According to some experts, it may be more practical for Nanjing to study the possibility of establishing a joint venture firm with a country like Sweden, which specializes in producing heavy-duty gears for trawling or deep-sea fishing.

### Sodium D-Isoascorbate; and Sucralfate

166. These projects were presented to Kowa Co., Ltd., together with the Inositol project. The Kansai section of the Japan-China Association of Economy and Trade might be able to find a potential partner. Some individual pharmaceutical companies, such as Takeda Chemical Industries Co., Ltd. were contacted but they declined involvement in this project.

### Self-Adhesive Paper

167. Some Japanese firms, such as Daiei Paper Co., Ltd.; Oji Seishi Co., Ltd.; and Kanzaki Paper, were approached, but no positive response was obtained.

### Sports Shoes

168. Tsuki-Boshi Chemicals Co., Ltd., a leading comprehensive manufacturer of sports, utility and casual shoes, was contacted for this project. Tsuki-Boshi Co., which has a license agreement with seven shoes manufacturers in China, said that they will seriously

consider license trade of simple black rubber boots, although a joint venture is not possible. The Consultant advised the Participant to ask the factory in China to send samples based on the catalogue obtained from Tsuki-Boshi Co.

#### MBS Resin

169. This project was presented to three of the four major producers of MBS resin in Japan, namely Kureha Chemical Industry Co., Ltd.; Nippon Zeon Co., Ltd.; and Kanegafuchi Chemical Industry Co., Ltd. Nippon Zeon responded that they may be interested. After several discussions, it was determined that the proposed investment cost is too low (about one quarter of the requirement), technology and equipment needs are underestimated, and that a thorough restructuring of the industrial infrastructure such as petrochemical supply will be required.

170. Due to the very complex nature of the technology involved and the differences in point of view regarding the question of license purchase and technology transfer, Nippon Zeon communicated to IPS that they decided to withdraw from immediate involvement in this project. The Consultant advised the Participant of the above and that it was yet premature to establish contact by means of a mission composed of representatives of Nanjing Yong Feng Chemical Factory and the Government of Nanjing in July, as had been suggested.

**CHINA - XIAMEN SPECIAL ECONOMIC ZONE (S.E.Z)**

171. The following eleven (11) projects were brought by the Participant representing the Construction and Development Corporation of Xiamen Special Economic Zone (S.E.Z.), and another project was identified during his stay in Japan.

1. Optical Lenses
2. Cosmetics
3. Applied TV System & Hifi Equipment
4. Helium Airship
5. Telephone Set & Integrated Circuit for Telephone Set
6. CO2 Gas Protective Welding Filament
7. Quartz Crystal Resonator
8. Mini Bulb
9. Medium & Small Size Precious Mechanical Press
10. LLDPE/LDPE Shopping Bag
11. Electric Power Semiconductor Device

**Additional Project**

12. Precision Press Work for IC and Electronic Parts

172. Xiamen S.E.Z. is one of the cities designated under China's new policy in the last decade as coastal special economic zones where efforts to develop the economy are concentrated by attracting foreign investment. To encourage this investment, additional tax incentives and advantageous conditions of business are offered, with the purpose of re-vitalizing the country's economy. Since its approval by the State Council of the People's Republic of China in 1980, it has been active in promoting economic and scientific development by restructuring its economy and developing new management policies. In addition, the municipality of Xiamen offers a unique geographic advantage for foreign investors because of its proximity to Hong Kong, Macao, and Taiwan.

173. Unfortunately, these advantages are yet to be appreciated by Japanese investors, as experienced by the Participant from Xiamen. After a few visits to Japanese firms, the Participant discovered that the general background knowledge of most discussion partners about Xiamen S.E.Z. was negligible and a very basic presentation about Xiamen and its environment was necessary. In this regard, the Consultant discussed the strategy of investment promotion with the Participant, and besides promotion on a project-to-project basis, several approaches were developed as follows:

1. General discussion and exchange of information with Chinese and overseas Chinese trading firms in Japan.
2. Preparation of a comprehensive introduction to Xiamen S.E.Z., including its geographic and climatic conditions, industrial development policies, and investment regulations.
3. Systematic visits to major banks having a China Division or Research Section on China to obtain general advice about promoting investment in Xiamen S.E.Z. The banks visited with the Consultant included Mitsui Bank Ltd., Mitsubishi Bank Ltd., Bank of Tokyo Ltd., Industrial Bank of Japan, Yasuda Trust and Banking Co., Ltd., among others.
4. Publicity in special-interest association periodicals such as the Japan-China Association on Economy and Trade, and Mitsui Research Institute, and close liaison with the Embassy of the People's Republic of China in Tokyo.
5. Presentation of all the projects to China sections of trade firms. Companies including C. Itoh Co., Ltd. and Marubeni Co., Ltd. were visited and detailed discussions were held concerning costs of land, price of plant and operation and the general investment environment. Discussion also touched upon the infrastructure which is fairly developed in Xiamen, and the transportation system which still leaves much to be desired.

#### Optical Lenses

174. The Consultant contacted Kyocera Corporation and Asahi Optical Co., Ltd., which have camera assembly plants in China. In the case of Kyocera Corporation, lenses are made by a subcontract factory in Hong Kong and Asahi Optical Co., Ltd. buys lenses from Hoya Corporation. Because both companies consider domestic production of optical lenses in China difficult with respect to technology at the present time, the response to this project was negative.

#### Cosmetics

175. Several of the leading cosmetics manufacturers were contacted for this project, including Kao Co., Ltd., Pola Toiletries Co., Ltd., Papilio Co., Ltd., Kose Co., Ltd., and Menard Co., Ltd.. As it was discovered that Shanghai Household Chemical Factory, which is a joint ownership partner of the partner company in Xiamen, has entered a license contract with Kanebo Co., Ltd. to produce lipsticks, this project was suspended. The

Consultant explained to the Participant that although the Xiamen Factory may not be restricted legally from entering into cooperation with other factories, such double cooperation is not feasible in terms of Japanese business practices.

#### Applied TV System and HI Fi Equipment

176. This project was discussed in detail by the Consultant and the Participant before being presented to the Japan Electronics Association, to be included in the Association's periodical to call for interested investors. Because of the advanced down-stream nature of production, it was determined that it is yet premature for promotion.

#### Helium Airship

177. This project was presented to Japan Airship Service Ltd. which is now a separate company after being a part of Japan Air Lines Co., Ltd.. The Japan Airship Service Co., Ltd. imports human-operated helium airships from a British company, Airship Industries Ltd., which assembles parts produced by French, German, and British companies. The technology is extremely complicated, and they observed that production costs estimated by the Xiamen company are too low, about one-fourth of what will be needed. They are involved in a \$60 million project to assemble one of the latest models of airships and cannot invest in another project.

178. The second company, Airship Network Co., Ltd., is the only company manufacturing radio-operated airships in Japan based on their own research at the moment. Both companies are represented by Nissho Iwai Co., Ltd., and further discussion will be made between the Consultant and Nissho Iwai, in view of the delicate nature of the product.

#### Telephone Set and IC for Telephone Set and Electric Power Semiconductor Device

179. Products of the above projects may be manufactured in the same electronic company, which enabled the Consultant to promote both together. Fujitsu Limited, which exports telephone sets to Xiamen Telecommunications Bureau was contacted, but Fujitsu Limited had no plan to invest in China.

180. The Consultant contacted NEC Corporation and Hitachi Ltd. which were introduced by the Communications Industry Association of Japan. According to these companies, foreign investment in terms of plant and equipment is absolutely necessary in order to start production of IC

for telephone sets in China, but the cost of investment is too high and it will not be profitable. Both companies gave a negative response.

#### CO2 Gas Protective Welding Filament

181. Wittetsu Welding Industries Co., Ltd., the major producer and supplier of CO2 Gas Protective Welding Filament, was visited. This company exported an industrial plant of CO2 Gas Protective Welding Filament to Antu county, Jilin Province, China last autumn, and ten experts were sent to install the equipment and train the operators. Since that project is under way, they cannot afford to be involved in a new project.

182. The Consultant also contacted Kobe Steel Co., Ltd., but discovered they have a similar project in China and as of now have no plan to start the same business.

#### Quartz Crystal Resonator

183. Kinseki, Ltd., which is well-known for the products related to Quartz Crystal, was visited. They gave a negative response to this project due to the following reasons:

1. Trade of Quartz Crystal Resonator may be difficult, although it might be permitted as a component of T.V. and other home appliances.
2. It takes a long time to build and operate a plant, as it has to start with its design stage. Kinseki Ltd. cannot afford to dispatch engineers to China for such a long time.
3. The number of resonators used for T.V. or other products is very small compared to other components.
4. Investment costs estimated by Xiamen local partner are too small for its proposed capacity.

184. Toyo Dempa Co., Ltd. which has a close business relationship with Matsushita Electric Industries Ltd., was visited. General advice on the investment climate in Xiamen was given and the proposal of the Second Semiconductor Device Factory of Xiamen was presented. Toyo Dempa Co., Ltd. wished to obtain information on foreign investment in Xiamen for future consideration.

### Mini Bulb

185. The Japan Electric Lamp Manufacturers Association introduced four manufacturers to the Consultant, namely, Hamai Electronic Industries Co. Ltd., Stanley Electric Co., Ltd., Walcox Co., Ltd., and Harison Electric Co., Ltd. When the Consultant contacted those companies, none of them showed interest in China, except Stanley Electric Co., Ltd. which has had a plant in Taiwan for eighteen years. General information on the investment climate in Xiamen was given to Stanley Electric Co., Ltd.

### Medium & Small Size Precision Mechanical Press

186. Amada Co., Ltd., a producer of computerized press machines, was visited. At the moment the company is only interested in trading and has no plan to invest abroad.

### LLDPE/LDPE Bags

187. As a result of the publicity in "Japan-China Association of Economy & Trade News", Tonen Petrochemical Co., Ltd. contacted IPS Tokyo. After investigation of the project information, Tonen Petrochemical Co., Ltd. gave a negative response, mainly because technology in China is not developed enough to meet the Japanese market demand. The Consultant learned from this company that Showa Denko K.K., which imports naphtha from China and exports plastic products to China, is the only company holding a patent right to produce polyethylene bags.

188. After samples brought from Xiamen by the Participant were examined by Showa Denko K.K., the quality of workmanship by the Xiamen company proved to be not satisfactory because of the rough processing. Showa Denko K.K., is considering the possibility of having a J/V plant in China in the future, but as of now has no plan.

### Precision Press Work for IC and Electronic Parts

189. This project was identified when Nishihara Metal Stamping Manufacturing Co., Ltd. was introduced by Sansho Swoji Co., Ltd. Nishihara Metal Stamping has export markets in Asian NIES areas, and wishes to eventually set up a plant abroad. A thorough briefing on the investment climate in Xiamen was given.

## OTHER FOLLOW-UP PROJECTS

190. In addition to the projects described above, follow-up activities were undertaken on some projects identified during preceding courses. These are summarized as follows.

### Shenyang (People's Republic of China)

#### 1. Gaoliang Board

191. This project was first brought by the Participant from Shenyang in the Autumn course of 1986. Based on the letter of request submitted to the Japan Consulting Institute (JCI), Koyo Sangyo Co., Ltd. participated in a feasibility study mission in 1987. Following the recommendations made by the mission, Koyo Sangyo Co., Ltd. and Shenyang New Building Material Co., Ltd. are reviewing the details including the appropriate market price of the product.

192. As part of this project, a mission team composed of the following members was invited through financial assistance extended by ECFA during 22 March to 29 March, 1988.

Mr. Tian Xiao Geng	Shenyang Foreign Economic Relations and Trade Bureau, Delegate in UNIDO IPS Programme US/GLO/86/159 in Autumn 1986
Mr. Bo En Guo	Shenyang New Building Material Co., Ltd.
Mr. Du Chun Fa	Shenyang New Building Material Co., Ltd.
Mr. Bian Shou Jie	Shenyang New Building Material Co., Ltd.

193. Besides meeting with staff members of UNIDO IPS and ECFA, the mission had the occasion to further discuss the progress of the project with Koyo Sangyo Co., and visit factory sites.

### Sri Lanka

#### 2. Cut Flower Project

194. This project, as well as the next one, was identified by the Participant during the Autumn Course, 1987.

195. Mr. Sekie of Hanaju Co., Ltd. was contacted to obtain information about his plan to visit Sri Lanka to investigate the production of cut flowers.



Mr. Sekie commented that he decided not to go to Sri Lanka at this time because of political unrest. Also, he feels that the general preparedness in Sri Lanka seems to be low. Upon active interest and proposal of a programme, an official mission may be prepared.

### 3. Soft Toys

196. A visit of Ms. Padmaperuma, the proprietress of Joy and Friend Co., Ltd. to Japan for the purpose of visiting companies and obtaining training in doll making was materialized in April and June. The Consultant arranged visits to several companies in the Tokyo area, in cooperation with Japan External Trade Organization (JETRO).

197. Sekiguchi Co., Ltd., a major manufacturer of toys, showed interest in Sri Lanka as a potential production site, but they stressed that the crucial question in soft toy production is in developing a particular design which suits the trend and needs of the market. This know-how, usually considered a company asset, can only be transmitted based on long-standing trust and commitment in business cooperation. They will be open to discuss technical cooperation as a first step, upon preparation of a proposal by Joy and Friend.

198. Yoshitoku Co., Ltd. was also visited. Yoshitoku Co., which produces about 40% of the soft toys they market, feels a joint venture is difficult because of the demands on quality, design, and variety placed by the Japanese market, and the relatively small capacity required.

199. The second purpose of the visit was to obtain training in Hirotsune Co., Ltd. which was introduced by All Right Co., Ltd. Ms. Padmaperuma was trained for two weeks between 14 April and 30 April and for ten days in June. Future cooperation between the two companies, such as license trade and technical assistance seems possible due to the excellent working relationship established.

## **VI. COMMENTS**

200. After completion of the Spring Course, a joint evaluation was undertaken by the UNIDO IPS office staff and the consulting team, and following is a brief summary of the discussion.

201. First of all, the IPS office and the consulting team are greatly impressed with the achievement of the Participants in the Spring Course. In comparison with the experience of the past programmes, the problems encountered in the past were almost all solved. In the following, the Consultant wishes to illustrate a few points of observation which may serve to further improve the programme.

202. During the Spring Course, it was observed that, foremost, there was an upsurge of awareness and interest for off-shore investment by the Japanese private sector compared to the tendency experienced during the Autumn Course. Due to structural change of industry in Japan, mainly derived from the continued appreciation of the yen, and the new relationships with neighboring countries, the interest among Japanese companies to shift their production is increasing.

203. This implies that direct foreign investment in countries familiar to Japanese investors has become interlinked with Japanese manufacturing industries. The interest in investment has somewhat shifted, since more companies consider the NIES area to be already well-developed and becoming rather expensive. In parallel with the rapidly increasing business cooperation, interest in launching investment in countries such as the Philippines, Indonesia, and Thailand has developed.

### **1) Selection of the Participant/Participating Institution**

204. Based on lessons derived from past experience, the IPS Programme began well ahead of the three month period, namely in the selection of the participating institutions and the participating officials. The participating institutions had been selected based on criteria of suitability to the type of programme. This had been successful, as the institutions chosen had proved to be enthusiastic as well as dynamic in project promotion and have provided on the average excellent backstopping service.

205. Also, the IPS office and ECFA had been involved in the process of selection of the participants. A joint team visited each

participating institution to personally meet, discuss the objectives, and select the candidates. The results produced were highly satisfactory and the Consultant strongly recommends to continue this process.

## 2) Project Preparation

206. Broadly speaking, the Consultant feels that the projects were well-prepared and designed to take Japanese business practice into account. In some cases, however, the business and investment scales are too small to compensate foreign investment.

207. Most of the projects reflected an emphasis on export-oriented products which is quite reasonable. It was felt that awareness of international competition needs to be raised in the preparation of such projects. Also, the Consultant wishes to note that in general, Japanese investors are extremely well-informed about Participants' countries, especially about the supply and demand situation and the level of technology. In this sense, the importance of providing project information based on a study on production process and capacity, available equipment and facilities, material supply, market, and peripheral industries cannot be ignored.

## 3) Approach to Investment Promotion

208. In addition to the hitherto traditional approach of contacting industrial associations and companies on a project-to-project basis, some other methods of investment promotion were developed based on the past experience of UNIDO IPS and ECFA. One such method is the selected, so-called "shot gun" approach, and another is the one-to-one "rifle" approach. The former consists of distributing detailed project information to pre-selected organizations and individuals with known interest to invest in the country in question. Such selective publicity was made to Japanese firms which participated in investment promotion seminars and visited countries for the purpose of foreign investment. Care was taken to avoid repetition of approaches to respondents already contacted, so as to tailor the publicity to selective target groups.

209. Another method was to utilize the occasion of visits by high-ranking government officials from the Participants' countries, to link with project promotion. One such occasion was the visit of Mr. A. Narongchai, Senior Vice President, the Industrial Finance Corporation of Thailand in March, and another was that of Mr. Achmad Az, Deputy for Planning and Promotion of the Investment Coordinating Board of Indonesia (BKPM) in April. On both occasions, the Participants

at UNIDO IPS and the objectives of their activities were introduced to relevant circles in connection with the visitors.

210. It should be noted that Mr. Domingo Siazon Jr., the Director General of UNIDO, visited Japan in the framework of the Programme in June. On this occasion, UNIDO-Japan cooperation and multilateral and bilateral project promotion was encouraged and dialogues, not only with the Japanese Government, but also with Keidanren, were held. For a similar purpose, IPS received Mr. J. Jeanroy, Director, Industrial Investment Division, and Mr. H. Pichler, Director, Financial Service Division, from UNIDO. The Consultant observes that Participants' promotional activities should ideally be associated with negotiations between high level officials of the participating Governments, as well as of UNIDO Headquarters and the Japanese Government.

#### 4) Backstopping

211. In general, backstopping provided from participating organizations to the Participants was quite satisfactory. Only on rare occasions were the backstopping agencies not able to collect information on a company level. The difficulty of obtaining up-to-date information on each industry is recognized as being universal, and mutual solutions are sought.

212. In some cases there were more than one channel of communication and careful sorting out of the threads by the Consultant was necessary. Meanwhile, participating institutions should remain focal points of communication and enhanced cooperation with relevant agencies should be sought from early stages of project promotion.

#### 5) Follow-up

213. Follow-up to efforts made by investment promotion officers and the Consultant are most important. ECFA and UNIDO are planning to provide follow-up to projects from the Spring Course, in particular, to those from Nanjing, China, the Philippines, Indonesia and Thailand in a direct way by inviting Participants from the same offices to the Autumn Course.

214. Also, as has been proved effective in the past, it is being planned to organize missions to discuss follow-up and future activities in Participants' home countries, to be undertaken by staff members of UNIDO IPS and ECFA consultants, and it is the consulting team's firm recommendation that programme follow-up or ex-post monitoring missions be arranged.

## 6) Language

215. All the Participants demonstrated outstanding capabilities in the working language, English, which has sometimes been a problem in the past. In some instances, it is regretted that because some valuable information concerning the projects was received in the mother language of the Participants, such information could not be fully utilized.

## 7) Understanding about Project Promotion

216. During the Spring Course, significant efforts were made by the Participants. For instance, the number of direct contacts for business discussions made by a Participant by himself exceeded one hundred telephone calls or visits. Such an active role to be played by the Participants is the ultimate aim of the programme, which is to encourage the Participants to promote projects based on their own initiative and consciousness.

217. The Consultant realizes, of course, the relevance of the language problem, because especially many of the small- and medium-scale industries can only be approached using Japanese language. Though manpower and office facilities available were limited vis-a-vis the heavy workload, the Consultant recognizes that significant results have been achieved. In order to further enhance the direct communication between participating officials and the Japanese private sector, and in view of the possible follow-up on Japanese investors by the Participants after they return to their home countries, ECFA recommends serious consideration of the possibility of integrating Japanese language training in conjunction with the programme.

**APPENDIX I**

**Terms of Reference**

(DRAFT)

TERMS OF REFERENCE FOR US/INT/87/115  
"ON-THE-JOB ORIENTATION PROGRAMME FOR  
INVESTMENT PROMOTION OFFICIALS FROM DEVELOPING COUNTRIES"

BACKGROUND

The UNIDO Industrial Investment Division (IID) 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, Asia 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. UNIDO Investment Promotion Service, Tokyo (UNIDO IPS Tokyo) provides government officials from participating 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 (six 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.

#### 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 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 reciprocative information exchange and expedite progressive business negotiations.

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

0.5 m/m - Preparation

3 m/m - Assistance to participating officials in the short course and the first round of the long-term course in promoting investment projects in Japan, including a briefing on the Japanese business environment after the participating officials arrive in Japan.

3 m/m - Assistance to participating officials in the second round of the long-term 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 end October, 1987. 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 long-term course, as well as the short-term course respectively.

**APPENDIX II**

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

BRIEFING SCHEDULE FOR US/INT/87/116  
23 March-1 April, 1988

<u>DATE</u>	<u>AM</u>	<u>PM</u>
22 MAR (TUES)	10:30 Administrative Matters (Stipend, Bank & Insurance arrangements, etc.)	14:00 Administrative Matters continued...
23 MAR (WED)	10:30 Introduction of IPS Tokyo by Mr. Hagiwara	12:30 Working Lunch
	11:30 Administrative Matters (Chinese delegates)	15:00 Lecture at JODC
24 MAR (THU)	10:00 Lecture at JICA / 12:00	15:00 Lecture at ECFA / 17:00
25 MAR (FRI)	10:00 Manual for the Activities of IPS Tokyo	14:00 Lecture, "How to pro- mote Investment from Japanese Industries" by Mr. Cashman at IDAI Office
28 MAR (MON)	10:00 Lecture, "Foreign Investment in Japan" by Mr. M. Saito	13:30 Lecture at AOTS 18:00 Reception at the President Hotel
29 MAR (TUE)	10:00 Lecture at JCI	14:00 Meeting on Project Promotion Know-how 15:00 Preparation of projects to be introduced
30 MAR (WED)	10:00 Project Review Meetings with individual delegates	14:00 Project Review Meetings with individual delegates
31 MAR (THU)	10:00 Project Review Meetings with individual delegates	13:00 Film, "Living In Japan" 14:00 Project Review Meetings with individual delegates
1 APR (FRI)	10:00 Lecture "A Japanese Company's Experience in Foreign Countries" 12:00 by Mr. Okamoto	14:00 Summary Meeting on Briefing

APPENDIX III

Promotional Activities

ACTIVITY REPORT FOR PROJECT US/INT/87/116

SPRING COURSE  
March - June, 1988

**THAILAND**

March 23 (Wed) 10:30 Introduction of IPS, Tokyo by Mr. K. Hagiwara  
15:00 Lecture at JODC

March 24 (Thu) 10:00 Lecture at JICA  
15:00 Lecture at ECFA  
17:00 Small reception

March 25 (Fri) 10:00 Manual for the activities of IPS, Tokyo  
14:00 Lecture: "How to Promote Investment from Japanese Industries", by Mr. Cashman, at IDAI office

March 28 (Mon) 10:00 Lecture: "Foreign Investment in Japan", by Mr. M. Saito  
13:30 Lecture at AOTS  
18:00 Reception at the President Hotel with Shenyang's mission

March 29 (Tue) 10:00 Film: "Living in Japan"  
14:00 Meeting on project promotion know-how  
15:00 Preparation of projects to be introduced

March 30 (Wed) 10:00 Lecture at JCI  
14:00 UNICO International  
16:00 Individual meeting with consultants and researcher

March 31 (Thu) 10:00 Project review meetings

April 1 (Fri) 10:00 Lecture: "A Japanese Company's Experience in Foreign Countries", by Mr. Okamoto  
14:00 Summary meeting on briefing

April 7 (Thu) 12:00 OPMAC visit  
14:00 Transindo Line

April 8 (Fri) 10:00 Mr. Shirohara, at office  
16:30 UNICO

April 12 (Tue) 11:00 Thai Embassy  
14:30 Individual meeting

April 14 (Thu) 10:00 BOI, Tokyo  
14:00 UNICO

April 18 (Mon) 14:00 Asahi Kogyo Co., Ltd., at office  
15:00 UNICO and JETRO

April 19 (Tue) 14:00 Taiyo Yuden Co., Ltd., at their office  
16:00 UNICO (Mr. Inakasu), with Mr. Hagiwara

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April 20 (Wed) 14:00 Sumitomo Bank, with Mr. Hagiwara

April 21 (Thu) 10:00 C. Itoh, with Mr. Hagiwara

April 26 (Tue) 16:00 UNICO

April 27 (Wed) 10:00 ASAFRA International (Nig) Ltd., Cashew Co., Ltd.  
14:00 visit to Sony Media World

April 28 (Thu) 10:30 Individual meeting  
14:00 Mitsui Bank, Mr. Magome, Ohyama Foods Machinery,  
Co., Ltd.  
16:00 Small Business Finance Corporation

May 11 (Wed) 10.00 Seminar at Keio Plaza Hotel

May 12 (Thu) 16:00 UNIDO, Nakano Vinegar Co., Ltd.

May 13 (Fri) 10:00 Long Term Credit Bank, Mr. Takayama

May 16 (Mon) 10:00 C. Itoh, with Ms. Onishi

May 17 (Tue) 10:00 Chori Co., Ltd.

May 18 (Wed) 13:00 Matsukyu Co., Ltd.

May 19 (Thu) 10:00 Asahi Industries, Co., Ltd.

May 26 (Thu) 9:00 Erecta International Corporation,  
with Mr. Hagiwara

May 27 (Fri) 10:00 Plaza Homes, Ltd., with Mr. Nozue of  
Sumitomo Bank

May 30 (Mon) 10:00 OPMAC, Mr. Kuwabara  
14:30 Small Business Finance Corporation, Mr. Isoyama

June 1 (Wed) 15:30 Container Company, Mr. Shimeno, Trailmobile Co., Ltd.  
16:30 OPMAC, Mr. Kuwabara

June 6 (Mon) 15:00 Aoki Co., Ltd.

June 8 (Wed) 15:00 Mitsubishi Cutlery Co., Ltd.

June 9 (Thu) 13:30 OPMAC, Mr. Kuwabara

June 10 (Fri) 14:00 OPMAC, Mr. Kuwabara, Mr. Miyamoto (MD. of OPMAC)

June 14 (Tue) 14:00 OPMAC, Mr. Kuwabara

June 15 (Wed) 13:00 OPMAC, Mr. Kuwabara  
NIPPON Valqua Industries, Ltd.

June 20 (Mon) 10:30 Individual Meeting



ACTIVITY REPORT FOR PROJECT US/INT/87/116

SPRING COURSE  
March - June, 1988

**MALAYSIA**

March 21 (Mon) 16:10 Arrival in Tokyo on MH 92

March 23 (Wed) 10:30 Introduction of IPS, Tokyo by Mr. K. Hagiwara  
15:00 Lecture at JODC

March 24 (Thu) 10:00 Lecture at JICA  
15:00 Lecture at ECFA  
17:00 Small reception

March 25 (Fri) 10:00 Manual for the activities of IPS, Tokyo  
14:00 Lecture: "How to Promote Investment from Japanese Industries", by Mr. Cashman, at IDAI office

March 28 (Mon) 10:00 Lecture: "Foreign Investment in Japan", by Mr. M. Saito  
13:30 Lecture at AOTS  
18:00 Reception at the President Hotel with Shenyang's mission

March 29 (Tue) 10:00 Film: "Living in Japan"  
14:00 Meeting on project promotion know-how  
15:00 Preparation of projects to be introduced

March 30 (Wed) 10:00 Lecture at JCI  
14:00 Film: "Decision Making", "Quality Control Circles"

March 31 (Thu) 10:00 Meeting at MIDA, Tokyo  
14:00 Individual meeting with consultants and researcher

April 1 (Fri) 10:00 Lecture: "A Japanese Company's Experience in Foreign Countries", by Mr. Okamoto  
14:00 Summary meeting on briefing

April 4 (Mon) 13:00 Malaysian Investment Seminar, Imperial Hotel

April 5 (Tue) 9:00 Private meetings with Japanese companies at Imperial Hotel  
i) Keihin Kogyo Co. Ltd.  
ii) Vanguard Corporation

April 7 (Thu) 10:30 Plant visit to Apollo Seiki Co. Ltd., Yokosuka  
Project discussion with Mr. T. Ohya, Mr. S. Mochizuki  
Plant visit to Sanyo Press Co., Ltd., Yokosuka  
Project discussion with Mr. M. Tanaka

April 13 (Wed) 10:30 Project discussion with Koyo Sangyo Co., Ltd., Mr. T. Otsuka, Mr. S. Sugimoto  
14:30 Visit to JETRO, Mr. H. Hasegawa, Mr. H. Aoki

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Malaysia, p. 2

- April 14 (Thu) 12:00 Project discussion with Marukoshi Screw Manufacturing Co., Ltd., at MIDA, Tokyo, Mr. H. Mizuno, Mr. H. Sato
- April 19 (Tue) 10:00 Discussion with Mr. K. Funaki, Mr. T. Konno, Mr. T. Satoh, of JETRO, regarding Malaysian projects and JETRO's JOIN programme
- April 20 (Wed) 10:00 Mr. S. Maeno, UNICO International Corporation, regarding introduction of Malaysian projects to Japanese companies
- April 21 (Thu) 10:00 meeting at MIDA, Tokyo
- April 22 (Fri) 14:00 Plant visit to Tokyo Buhin Kogyo Co., Ltd., Yamato City, Mr. Ohnishi, Mr. T. Yamao, regarding Auto Parts project
- April 25 (Mon) 10:30 Visit to Japan Bicycle Association, Mr. Takabayashi, regarding introduction of Malaysian projects
- April 26 (Tue) 14:00 Project discussion with Murakoshi Screw Manufacturing Co., Ltd.
- April 27 (Wed) 10:00 Meeting with Mr. Hanzawa, Mr. Y. Hosokawa, Sato Corporation, regarding Mould and Die project  
14:00 Sony Media World
- April 28 (Thu) 14:00 Meeting at Toyo Menka Kaisha, Ltd., Mr. S. Nozawa, regarding introduction of Malaysian projects
- May 2 (Mon) 15:00 Meeting, progress report
- May 9 (Mon) 10:30 Meeting at MIDA, Tokyo
- May 10 (Tue) 10:30 Meeting at C. Itoh Machinery Co., Ltd., Mr. M. Asahira, regarding Aluminium Wheel project  
15:00 Project discussion with Okumura Engineering Works, Co., Ltd., Mr. Y. Okumura
- May 11 (Wed) 10:00 Meeting with T. Tabara, Plastic Moulding Export, regarding Mould and Die projects  
14:00 Project discussion with Sumitomo Forestry Co., Ltd., Mr. K. Sugano, regarding Laminated Rubber Wood  
16 00 Project discussion with Daiei Co., Ltd., Mr. K. Nosaka, regarding Auto Parts project
- May 12 (Thu) 10:00 Project discussion with Koto Plastics Co., Ltd., Mr. X. Noguchi  
13:30 Project discussion with INAX Corporation, Mr. K. Wakao
- May 13 (Fri) 13:00 Project discussion with CPC International, Japan, Ltd., Mr. S. Enokizono, regarding High Fructose Syrup

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May 17 (Tue) 12:00 Lunch reception, residence of Malaysian ambassador

May 18 (Wed) 10:00 Project discussion with Sumitomo Corporation, Mr. Y. Ozawa, Mr. Y. Tabe, regarding projects on connectors, switches, toolings, plastic moulding

May 19 (Thu) 13:00 Plant visit to Tokyo Light Alloy Wheel, Saitama, regarding Aluminium Wheel project

May 23 (Mon) 13:00 Project discussion with Shimano Industry Co., Ltd., Mr. Y.S. Lee, regarding Bicycle Components  
14:00 Project discussion with Fujimaru Industry Co., Ltd., Mr. Y. Kishi, Mr. E. Noda, Mr. T. Horikoshi, regarding Teflon Coated Frying Pans project

May 24 (Tue) 14:00 Follow-up discussion with Okumura Engineering Co., Ltd., Mr. Y. Okumura, Mr. T. Okumura, regarding Industrial Valve project  
18:00 Meeting with Kinsho-Mataichi Corporation, Mr. H. Kashiwara

May 25 (Wed) 15:00 Project discussion with Mitsui and Co., Ltd., Mr. N. Konishi, regarding Machine Tool Industry, Mould and Die projects

May 26 (Thu) 11:30 Project discussion with Nippon Steel Corporation, Mr. H. Nakahara, regarding Tabuchi's interest in Taps, Bathroom Fittings project

May 30 (Mon) 10:00 Visit to High Tech Tokyo Exhibition (Machine Tools, Mould and Dies industries)

May 31 (Tue) 10:00 Project discussion with Matuo Industry Co., Ltd., Mr. I. Ide, regarding Mould and Dies project

June 1 (Wed) 13:00 Project discussion with Daise Industry Co., Ltd., Mr. T. Suzuki, regarding Precision Plastic Parts project

June 6 (Mon) 16:00 Project discussion with Hokushin Industries Inc., Mr. M. Nakazawa, regarding rubber roller project

June 7 (Tue) 11:00 Project discussion with Toshiba Corp., Mr. T. Awazu, Mr. K. Kimura, Mr. A. Sato, Mr. K. Tomita regarding Electrical Home Appliances project

June 8 (Wed) 10:00 Project discussion with Inabata & Co., Ltd., Mr. S. Ueda regarding Daiho Kogyo's Plastic injection moulding project

June 13 (Mon) 10:00 Project discussion with Fujitsu Automation Co., Ltd. Mr. K. Ohma regarding Mould & Die Project

- June 14 (Tue) 13:00 Plant visit to Chu Ken Kogyo Co., Ltd., Mr. Yoshida, Mr. Kawai-precision castings
- June 15 (Wed) 11:00 Plant visit to Okumura Engineering Works Co., Ltd. at Shiga
- June 16 (Thu) 14:00 Plant Visit to Shimano Industrial Co., Ltd. at Sakai City Mr. Y. Kurata
- June 17 (Fri) 11:00 Plant visit to Daiho Kogyo Co., Ltd. Osaka (Mr. Kimoto, Mr. Okiura) regarding Plastic injection moulding project
- 14:00 Plant visit to Dainichi Mold Mfg. Co., Ltd. (Mr. I. Shihota, Mr. Y. Shimada) in Osaka.
- June 18 (Sat) 12:00 Plant visit to Soga Glass Co., Ltd. in Nagoya (Mr. S. Soga, Mr. Inaba, Mr. Koide) regarding glassware project
- June 20 (Mon) 14:00 Follow up meeting with Matuo Industry Co., Ltd. Mr. Ide regarding Mould & Die Project

ACTIVITY REPORT FOR PROJECT US/INT/87/116

SPRING COURSE  
March - June, 1988

**PHILIPPINES**

March 21 (Mon) 14:50 Arrival in Tokyo by NW 004

March 23 (Wed) 10:30 Introduction of IPS, Tokyo by Mr. K. Hagiwara  
15:00 Lecture at JODC

March 24 (Thu) 10:00 Lecture at JICA  
15:00 Lecture at ECFA  
17:00 Small reception

March 25 (Fri) 10:00 Manual for the activities of IPS, Tokyo  
14:00 Lecture: "How to Promote Investment from Japanese Industries", by Mr. Cashman, at IDAI office

March 28 (Mon) 10:00 Lecture: "Foreign Investment in Japan", by Mr. M. Saito  
13:30 Lecture at AOTS  
18:00 Reception at the President Hotel with Shenyang's mission

March 29 (Tue) 10:00 Film: "Living in Japan"  
Mr. Onoe  
14:00 Meeting on project promotion know-how  
15:00 Preparation of projects to be introduced

March 30 (Wed) 10:00 Lecture at JCI  
14:00 Film: "Decision Making", "Quality Control Circles"

March 31 (Thu) 10:00 Individual meeting with consultants and researcher  
14:00 Project review meetings

April 1 (Fri) 10:00 Lecture: "A Japanese Company's Experience in Foreign Countries", by Mr. Okamoto  
14:00 Summary meeting on briefing

April 11 (Mon) 14:00 Philippine Embassy

April 12 (Tue) 12:00 SGU, Tokyo, Mr. Tabalba

April 13 (Wed) 15:00 Mr. Tabalba

April 14 (Thu) 12:30 Luncheon

April 15 (Fri) 13:00 J.C.C.I.

April 19 (Tue) 10:00 Toshiaki Itoh

April 20 (Wed) 9:30 NKK, Dr. Furukawa  
13:30 Takahashi Denki, Mr. Inahara

April 21 (Thu) 14:30 Philippine Embassy

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April 22 (Fri)	11:00	Gimpo Pack, with Ms. Shoji
April 25 (Mon)	10:30	Individual meeting
April 27 (Wed)	14:00	Sony Media World
April 28 (Thu)	14:00	Mr. Wada
May 2 (Mon)	10:00	UNICO, Mr. Maeno
May 11 (Wed)	10:00	Food Fair, Harumi
May 12 (Thu)	10:00	Long Term Credit Bank, Mr. Hisaharu Terai
May 13 (Fri)	13:30	Marubeni Corporation
May 16 (Mon)	10:30	Mr. Terai
May 17 (Tue)	10:30 14:00	Tomen Company, Mr. Hazeyama Matsukyo Company
May 18 (Wed)	10:00	IECC
May 20 (Fri)	10:00	Ministry of Justice (visa)
May 23 (Mon)	11:00 15:00	Suntory (juice) Sumitomo Corporation
May 24 (Tue)	14:00 17:00	Mr. Hiroshi Yamada Mr. Maeno
May 25 (Wed)	11:00	Philippine Embassy
May 27 (Fri)	10:45	Gimpo Pack
May 30 (Mon)	10:00	Mr. Onoe & Mr. Nishikawa
May 31 (Tue)	10:00	Mr. Maeno
June 1 (Wed)	10:00 14:00	Marubine, Mr. Inadome System Four Software Company, Mr. Okamoto, Mr. Ikebi
June 2 (Thu)	14:00	Mr. Kato
June 3 (Fri)	14:00	Sagami Rubber
June 6 (Mon)	10:30	Sumisho Machinery Trade Corporation
June 8 (Wed)	10:30	Mr. Nobuaki Kitabayashi
June 10 (Fri)		Hokkaido
June 15 (Wed)		Mr. Furukawa Mr. Masayoshi Sakaki
June 17 (Fri)	10:00	Mr. Masataka Saito
June 20 (Mon)		Niigata
June 21		Akita

ACTIVITY REPORT FOR PROJECT US/INT/87/116

SPRING COURSE  
March - June, 1988

**INDONESIA**

March 7 (Mon) 8:00 Arrive at Narita on GA872

March 11 (Fri) 10:00 Indonesian Embassy

March 15 (Tue) 10:00 Mr. Iijima Nakano, Crystal Shoji Corporation  
11:00 Mr. Soegiono Kadarisman, BKPM, at KDD Shinjuki Keikan  
12:00 Luncheon with Indonesian colleagues at International  
House of Japan  
16:00 Indonesian Embassy

March 16 (Wed) KDD Telecommunications Seminar

March 17 (Thu) KDD Telecommunications Seminar

March 18 (Fri) 1:00 Mr. Maruyama, at IPS office

March 23 (Wed) 10:30 Introduction of IPS, Tokyo by Mr. K. Hagiwara  
15:00 Lecture at JODC

March 24 (Thu) 10:00 Lecture at JICA  
15:00 Lecture at ECFA  
17:00 Small reception

March 25 (Fri) 10:00 Manual for the activities of IPS, Tokyo  
14:00 Lecture: "How to Promote Investment from Japanese  
Industries", by Mr. Cashman, at IDAI office  
18:00 Mr. Samuel Tinow, at Asia Center

March 28 (Mon) 10:00 Lecture: "Foreign Investment in Japan", by Mr. M. Saito  
13:30 Lecture at AOTS  
18:00 Reception at the President Hotel with Shenyang's mission

March 29 (Tue) 10:00 Film: "Living in Japan"  
14:00 Meeting on project promotion know-how  
15:00 Preparation of projects to be introduced

March 30 (Wed) 10:00 Lecture at JCI  
14:00 Film: "Decision Making", "Quality Control Circles"

March 31 (Thu) 10:00 Project review meetings

April 1 (Fri) 10:00 Lecture: "A Japanese Company's Experience in Foreign  
Countries", by Mr. Okamoto  
14:00 Summary meeting on briefing

April 4 (Mon) 14:00 Project evaluation, with Mr. Hagiwara and Ms. Shoji

April 5 (Tue) 10:00 Mr. Taksharu Otsuka, Koyo Sangyo

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Indonesia, p. 2

April 12 (Tue) 11:00 Indonesian Embassy

April 13 (Wed) 15:00 Mr. Hakiyama, Ogawa Co., Ltd.

April 14 (Thu) 14:30 Individual meeting

April 15 (Fri) 14:00 Mr. Ilham Asid, Indonesian Trade Promotion Service

April 18 (Mon) 14:00 Mr. Yoshirou Nakamura, Mr. Mikiya Watanabe,  
Yakult Honsa Co., Ltd.

April 19 (Tue) 10:00 Mr. Maruyama, Amajin Co., Ltd.

April 20 (Wed) 12:00 Mr. Achmad Az, Mr. Yoshida, of Bank of Tokyo,  
at Asia Center  
13:00 Mr. Yoshihite Miyairi, Exim Bank of Japan  
14:30 Mr. Kazue Akiyama and group  
16:00 Mr. Atsushi Saito, Chori Co., Ltd.  
18:00 Mr. J.A. Masli, Pamintori, Ernst and Whinney

April 21 (Thu) 11:30 Mr. Achmad Az, Marunouchi Hotel  
13:30 Indonesia Seminar, BOT, Tokyo

April 22 (Fri) BOT, Osaka, Chamber of Commerce of Osaka, Kankeire  
Osaka

April 25 (Mon) 15:30 Individual meeting

April 26 (Tue) 10:00 NKK, Mr. J. Kimura, at IPS office

April 27 (Wed) 10:00 Mr. Koyike Hitachi  
14:00 visit to Sony Media World

April 28 (Thu) 14:00 Mr. Richard W., Shipsenriwa Tokyo

May 6 (Fri) 10:00 Mr. Inoe, Mr. Takaharu Otsuka, Koyo Sangyo  
13:00 Mr. Sony Suharsono, Industrial Attache

May 9 (Mon) 10:00 Mr. Matsumura, Ebara Corporation

May 10 (Tue) 18:00 Mr. Tetsuo Kawakita, C. Itoh

May 11 (Wed) 10:00 Harumi Food Fair, with Ms. Shoji

May 13 (Fri) 11:00 Re-evaluate the Dehydrated Vegetable Project, with  
Ms. Shoji  
14:00 Mr. Maruyama, Amajin Co. Ltd.

May 16 (Mon) 10:30 Mr. Subroto, representative of PT. Aneka  
Tambang, Tokyo

May 18 (Wed) 10:00 Mr. Giichi Ishihara, Sanwa Research Institute  
Corporation  
17:00 Mr. Ichiro Maruyama, Fuji International Co., Ltd.



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May 20	(Fri)	10:00	Mr. Makoto Okuyama, Mr. Kaoru Nojiri, Ebara Corporation
		15:30	Sumitomo Corporation
May 22	(Sun)	12:00	Indonesian Embassy
		15:00	Asia Center
May 23	(Mon)	11:00	Suntory (juice)
		14:00	Mr. Yoritsugu Saito, Mr. Ichiro Maruyama, Fuji International Co., Ltd.
		16:30	Mr. T. Maruyama, Amajin
May 24	(Tue)	10:00	Mr. Takaharu Otsuka, Koyo Sangyo Co., Ltd.
May 25	(Wed)	14:00	Mr. Akira Aoki, Mitsui Research Institute
May 26	(Thu)	14:00	Mr. Kosuke Ono, Mr. Marzuki Yoshioka, Mitsui Shipbuilding and Engineering Co., Ltd.
May 27	(Fri)	10:00	Mr. Kojima, C. Itoh
May 30	(Mon)	11:00	Mould and Die Exhibition
		16:30	Tokyo Trading Co., Ltd.
May 31	(Tue)	10:00	Mr. Yuichi Sagava, C. Itoh
June 1	(Wed)	10:00	Mr. Takura Yabunaka, Kayaba MacGregor Navire
		11:30	Mr. Tetsu Watanabe, OADA
		14:00	Mr. Shinta Nozawa, Mr. Masahiko Sakata, Mitsuboshi Belting Co., Ltd.
June 2	(Thu)	13:30	Mr. Masayama, Tokyo Trading Co., Ltd.
		18:00	Mr. T. Kojima, C. Itoh
June 9	(Thu)	10:30	Mr. Ishihara, Seibu Department Store
June 10	(Fri)	18:00	Mr. Marzuki Yoshiaka, Mitsui Shipbuilding and Engineering
June 13	(Mon)	10:00	Mr. K. Sato, Diesel Kiki
		14:00	Shimizu Woodworking Co. Ltd., Nagoya, Osaka
June 14	(Tue)	09:00	Nagoya Port Authority
		10:00	Nagoya Chambers of Commerce & Industry
		14:00	Plant visit to Matsushita Electronics Co., Ltd.
June 15	(Wed)	14:00	Mr. Masayoshi Sakaki, Kohnan Bussan Co, Ltd
June 16	(Thu)	11:00	Mr. T. Maruyama, Amajin Co. Ltd.
June 23	(Thu)	10:00	Mr. Nagai, Totou Kasai Co., Ltd.

ACTIVITY REPORT FOR PROJECT US/INT/87/116

SPRING COURSE  
March - June, 1988

CHINA (NANJING)

March 22 (Tue)	13:10	Arrival at Narita on CA 925
March 23 (Wed)	10:30	Introduction of IPS, Tokyo by Mr. K. Hagiwara
	15:00	Lecture at JODC
March 24 (Thu)	10:00	Lecture at JICA
	15:00	Lecture at ECFA
	17:00	Small reception
March 25 (Fri)	10:00	Manual for the activities of IPS, Tokyo
	14:00	Lecture: "How to Promote Investment from Japanese Industries", by Mr. Cashman, at IDAI office
March 28 (Mon)	10:00	Lecture: "Foreign Investment in Japan", by Mr. M. Saito
	13:30	Lecture at AOTS
	18:00	Reception at the President Hotel with Shenyang's mission
March 29 (Tue)	10:00	Film: "Living in Japan"
	14:00	Meeting on project promotion know-how
	15:00	Preparation of projects to be introduced
March 30 (Wed)	10:00	Lecture at JCI
	14:00	Film: "Decision Making", "Quality Control Circles"
	16:00	Individual meeting with consultants and researcher
March 31 (Thu)	10:00	Project review meetings
April 1 (Fri)	10:00	Lecture: "A Japanese Company's Experience in Foreign Countries", by Mr. Okamoto
	14:00	Summary meeting on briefing
April 6 (Wed)	10:00	Kasho Company, at IPS office
April 7 (Thu)	10:00	Nissho Iwai Akasaka
	14:00	Hitachi Company
	16:00	Toyo Denki Company
April 8 (Fri)	10:00	NOK Company
April 12 (Tue)	10:00	Togen, Ltd., Toranomon
	13:30	Kasho Company and Simon Company
April 13 (Wed)	10:00	Individual meeting
	14:00	continuation of individual meeting
April 14 (Thu)	10:00	Japan Textiles Machinery Association, with Ms. Seki
	14:00	Tsudakoma Company
	16:30	Japan-China Association on Economy and Trade, with Ms. Shoji
April 17 (Sun)		Travel to Nagoya

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Nanjing, p. 2

April 18 (Mon) A.M. Toyo Denki Co.  
P.M. Tokai Japan-China Trade Center

April 19 (Tue) A.M. Iwama Loom Works  
P.M. Kowa Company

April 20 (Wed) A.M. Yagami Company  
P.M. Eisho Company

NOTE: The meetings for the three days above were all held in Nagoya.

April 21 (Thu) P.M. Daido Kogyo Company

April 26 (Tue) 14:00 Yuasa Company, Mr. Nakamura, in IPS office

April 27 (Wed) 10:30 Individual meeting  
14:00 Sony Media World

April 28 (Thu) 10:30 Kowa, Co., Mr. Mishina

May 6 (Fri) 10:00 Zebra Company

May 10 (Tue) 10:00 Ishizuka Electric  
14:00 Huayang Company

May 12 (Thu) 13:30 Kyohei Shoji Company

May 13 (Fri) 9:30 Asahi Trading Company

May 17 (Tue) 10:00 Takeda Chemical

May 19 (Thu) 11:00 Toyoda Tsusho  
15:30 Taiyo Yuden, Mr. Hosokawa

May 20 (Fri) 10:00 Ministry of Justice (visa)

May 23 (Mon) 10:00 Meiwa Trading Company  
11:00 Ikeda Bussan

May 24 (Tue) 15:00 Individual meeting

May 25 (Wed) 14:00 Kongo Company  
15:00 Nippon Zeon Company

May 30 (Mon) 11:00 Mould and Die Exhibition

June 1 (Wed) 14:00 Nippon Zeon

June 2 (Thu) 10:00 Tsukiboshi

June 6 (Mon) 15:00 Kowa Co. and Tsuno Co.

June 9 (Thu) 13:30 Yasukawa Elec. Co.

• June 12 (Sun) . Travel to Kyoto, Osaka  
• June 13 (Mon) 09:00 Cherry Trading Co.  
11:00 Matsumura Co.  
14:30 Murata Co.  
June 14 (Tue) 10:00 Japan-China Economic & Trade Center (Osaka)  
14:00 Koji Trading Co.  
June 15 (Wed) 10:00 Matsushita Elec. Co.  
13:00 Nitta Gelatin Co.  
June 21 (Tue) 15:30 Individual Meeting  
June 22 (Wed) 14:00 Final Meeting

ACTIVITY REPORT FOR PROJECT ES/INT/87/116

SPRING COURSE  
March - June, 1988

CHINA (XIAMEN)

March 22 (Tue) 13:10 Arrival in Tokyo on CA 925

March 23 (Wed) 10:30 Introduction of IPS, Tokyo by Mr. K. Hagiwara  
15:00 Lecture at JODC

March 24 (Thu) 10:00 Lecture at JICA  
15:00 Lecture at ECFA  
17:00 Small reception

March 25 (Fri) 10:00 Manual for the activities of IPS, Tokyo  
14:00 Lecture: "How to Promote Investment from Japanese Industries", by Mr. Cashman, at IDAI office

March 28 (Mon) 10:00 Lecture: "Foreign Investment in Japan", by Mr. H. Saito  
13:30 Lecture at AOTS  
18:00 Reception at the President Hotel with Shenyang's mission

March 29 (Tue) 10:00 Film: "Living in Japan"  
Individual meeting with consultants and researcher  
14:00 Meeting on project promotion know-how  
15:00 Preparation of projects to be introduced

March 30 (Wed) 10:00 Lecture at JCI  
14:00 Film: "Decision Making", "Quality Control Circles"

March 31 (Thu) 10:00 Project review meetings

April 1 (Fri) 10:00 Lecture: "A Japanese Company's Experience in Foreign Countries", by Mr. Okamoto  
14:00 Summary meeting on briefing

April 11 (Mon) 14:00 Mitsubishi Heavy Industries, Ltd.

April 12 (Tue) 10:00 CMEC  
15:00 ECFA, Mr. Sendo

April 13 (Wed) 15:30 Japan-China Association on Economy and Trade

April 14 (Thu) 13:30 Yamato Co.

April 15 (Fri) 11:00 Kinseki, Ltd.

April 20 (Wed) 10:00 Mr. Sato, Mr. Niimura, Sansho Shoji Co., Ltd.

April 26 (Tue) 15:30 UNICOOP Japan

April 27 (Wed) 14:00 Sony Media World

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Xiamen, p. 2

April 28 (Thu) 15:00 Individual meeting

May 10 (Tue) 14:00 Endai Bussan Co. Ltd.

May 12 (Thu) 16:00 Bank of Tokyo

May 13 (Fri) 10:30 Mitsubishi Bank  
13:00 Industrial Bank of Japan

May 17 (Tue) 14:00 Yasuda Trust and Banking Co., Ltd.

May 18 (Wed) 10:00 Mitsui Bank

May 20 (Fri) 10:00 Ministry of Justice (visa)

May 23 (Mon) 10:00 Airship, with Mr. Goda

May 25 (Wed) 13:00 Sansho Shoji, Mr. Sato and Mr. Niimura

May 30 (Mon) 11:00 Mould and Die Exhibition (High-tech Tokyo '88)

June 6 (Mon) 15:00 Stanley Electric Co., Ltd.

June 7 (Tue) 13:30 Showa Denko

June 8 (Wed) 11:00 Airship Network K.K.

June 10 (Fri) 11:00 Amada Exhibition

June 14 (Tue) 14:00 Sansho SHoji Co., Ltd., in Osaka

June 15 (Wed) 09:00 Nishihara Metal Stamping Mfg., Inc., in Osaka  
14:00 Sansho Electric Mfg. Co., Ltd., in Osaka

June 16 (Thu) 09:00 Toyo Denpa Co., Ltd. in Osaka

June 20 (Mon) 14:00 Final INTERview with Mr. Saito

June 21 (Tue) 10:00 C. Itoh Co., Ltd.

**APPENDIX IV**

**Preliminary List of Project Proposals**

LIST OF PROJECT PROPOSAL

(THAILAND)

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCE)
1.	Production of Pharmaceutical Products	Drugs	Tablets 300,000,000 Sugar coated tablets 100,000,000 Capsules 50,000,000 etc.	US\$ 5.4 Million	-Equity Participation -Marketing	Atlantic Laboratories Corp., Ltd.	Market: 100% Export Financial Source: IFCT
2.	Production of Sport Shoes	Sport Shoes and Rubber Outsole	-Sport shoes 900,000 pro/yr -Rubber outsole 7,000 Dozen/year	US\$ 1.75 Million	-Equity Sharing -Technology -Marketing	USC Industry Co., Ltd	100% Export Financial Source: IFCT
3.	Production of Electronic components	Electronic components for TV Set -Capacitors -Resistants -Transistors etc	Na.	Na.	-Equity Sharing -Technical Collaboration	Bangkok Cable Co., Ltd	Na. 80% Export
4.	Production of Transformers	Hipower Trans-22,000 - 115,000 KVA	150 Units/yr	US\$ 3.8 Million	-Equity Sharing -Technical Collaboration	Ekarat Engineering Co., Ltd	30% Export
5.	Production of Silicon Monocrystal	Intrinsic Silicon Monocrystal Ingot for Industrial Uses	10 tons/year (300 days/year)	US\$ 5,700,000	-Equity Sharing -Technology -Marketing	Interplant Corporation (Thailand) Co., Ltd.	100% Export
6.	Production of Artificial Plants & Flowers	Artificial Plants 70% Artificial Flowers 30%	200,000 dozens/year	US\$ 1,500,000	-Equity Sharing -Technology	Siam Plants and Flowers Manufactures Co., Ltd.	100% Export



LIST OF PROJECT PROPOSAL

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCES)
7.	Production of Canned Food	Canned Food from various Rawmaterial Such as Bamboo shoots, Baby Corns, Mushrooms etc.	9,000 cans/day	US\$ 700,000	-Equity Sharing -Technology -Marketing	Interplast Corpora-Part	100% Export
8.	Production of Shipping Containers	Steel Containers for Seaborne Cargo	15,000 TEU/year	US\$ 10,000,000	-Equity Sharing -Technology -Marketing -Management	Taisae and its Associated Companies	90% Export
9.	Production of Preserved Vegetable in Vinegar	Vegetable Preserved in Vinegar	Na. (Turn over is approximately US\$ 7,000,000)	US\$ 1,500,000	-Equity Sharing -Technology	Thai Vinegar Co., Ltd.	80% Export
10.	Production of Golf Gloves	Golf Gloves	400,000 pcs/ year	US\$ 800,000	-Equity Sharing	Cleveland Industries	100% Export

## PROJECT LIST - MALAYSIA -

May/88

No.	Project Title	Proposed Product	Production Capacity	Investment Cost (US\$)	Foreign Contribution Sought	Local Partner	Remarks
1.	Mfg. of stamped/pressed parts for bicycles, motor cycles, other metal parts	bicycles & components/ castor wheels & components			equity sharing/ licensing/sub-contracting	Erect Engineering Presswork Ptc. Ltd.	
2.	Mfg. of pumps, valves, pipe-fittings	centrifugal water pumps/cast iron & ductile iron sluice valves, batterfly valves, ductile iron, pipe fittings		Estimate US\$ 2.2 million	equity-sharing/ licensing/sub-contracting	Chun Khong Engineering Trade Ptc Ltd.	
3.	Mfg. of chrome-plated brass faucets, shower & bathroom accessories	faucets, shower and other bathroom fittings & accessories	1 million pieces per year	Estimate US\$ 2.9 million	equity sharing	DOE industries ptc Ltd.	
4.	Mfg. of precision machined/ stamped parts for electrical/ electronic industries	IC die sets, die parts automation equipment etc.			to be discussed.	Loh Kim Teow Engineering Ptc Ltd.	
5.	Mfg. of moulds and dies	Dies for metal stamped/pressed parts			equity sharing	Tekskill Component Ptc Ltd.	

No.	Project Title	Proposed Product	Production Capacity	Investment Cost (US\$)	Foreign Contribution Sought	Local Partner	Remarks
6.	Mfg. of moulds and dies	plastic moulds extrusion dies			equity sharing sub contracting	Hip Hoe Engineering Works Ptc Ltd.	
7.	Mfg. of injection moulded plastic parts	to be discussed.			equity sharing/ licensing/sub- contracting	Acptas Industries Ptc Ltd.	
8.	Mfg. of Electrical home appliances	washing machines, vacuum cleaners, gas cookers, toasters	1000 units of each products per month		equity sharing	East Coast Electronics Ptc Ltd.	
9.	Mfg. of laminated wood products	laminated table tops, components for windows		Estimated US\$ 500,000 to US\$ 1 million	equity sharing	Decor Wood Industries Ptc Ltd.	
10.	Mfg. of Rubber based products. Processing of tropical fruits	rubber latex compounds, rubber products canned fruit, fruit juices			equity sharing	Asiatic Development Ltc.	
11.	Mfg. of Automobile parts	----	to be discussed	-----			mainly for export

No.	Project Title	Proposed Product	Production Capacity	Investment Cost (US\$)	Foreign Contribution Sought	Local Partner	Remarks
12	Mfg. of latex based rubber products	surgical gloves, catheters, prophylactics, toys	--- to be	discussed ----			mainly for export
13.	Mfg. of industrial & engineering rubber goods	e.g. beltings, hoses, rings, seals, auto parts anti-vibration mounts etc	--- to be	discussed ---			
14.	Wooden furnitures	--- to be	discussed	---			
15.	Glass wares	table wares, gift items					
16.	Integrated tropical fruit processing	canned products fruit juice					
17.	High fructose syrups						integrated with Tapioca/Sago farms.
18.	Integrated prawn culture						
19.	Bars, rods, shapes, sections of brass & other copper alloys						

No.	Project Title	Proposed Product	Production Capacity	Investment Cost (US\$)	Foreign Contribution Sought	Local Partner	Remarks
20.	Wooden doors						
21.	Ceramic artwares, gift items, table wares						
22.	Stuffed toys						
23.	Sport goods & equipment						

LIST OF PROJECT PROPOSAL

(PHILIPPINES)

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCES)
1.	Production of Jointed Wood Product	Jointed Lumber	3,715 Cu.M.	2.023 M.	Joint Venture	Bell wood Products Inc.	
2.	Export of Communication Equipment	VHF Manpack Transceiver VHF Handhel of tranceiver HF-SSB Manpack Tranceiver	- 90 units/month - 130 units/month - 95 units/month	23,835,000	Joint Venture	Veterans Electronics Communications Inc.	
3.	Log Processing Rehabilitation Modernization and Forward integration of ARAS-ASAn Timber company Inc.	1) Corestock 2) PL4 wood and Blockboard 3) Lumber 4) Lumber products	- 7,000 cum/year - 18,000 cu.m/year - 17,000 cu.m/year 1,700 cu.m/year	36,700,000	Joint Venture	ARAS - ASAN Timber Company Inc.	
4.	Production of Marble tiles	Marble tiles		332,500	Joint Venture	Continental Marble Corporation	
5.	Rubber Products	Shoes & parts automotive parts rubber rollers	any capacity	variable	Joint Venture	Lagana Rubber Company Inc.	
6.	Sucrochemicals	Citivic Acid	3,000 m.t./yr	US\$ 3 - 5 m.	100% foreign	BOI	
7.	Production of rubber Prophylactics	condoms	700,000 gross/yr	US\$ 1.5 m	Joint Venture	Congco-Morikawa International chemical corp.	

LIST OF PROJECT PROPOSAL

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCES)
8.	Fabric Knitting, Dyeing & finishing	Textile	405,316 kgs/yr	28,200,000	Joint Venture	BOI	
9.	Hand Tools	Hand Tools	Hammer - 160,092pcs /yr Plier - 138,660pcs /yr Driver - 455,443pcs /yr Wrench - 355,146pcs /yr	US\$ 240,555	Joint Venture	PDCP	
10.	Automotive Spare Parts	Brake drums Brake Disc	200,000 sets/yr	30,000,000	Joint Venture	Metal Engineering Resources Corp.	
11.	Rehabilitation of Mayon Ceramics Plant	Sanitary wares Electrical Insulator	- 180,000pcs/yr - 2,100 m.t./yr	US\$ 3.8 m.	Joint Venture	PDCP	
12.	Ramie fiber Degumming/Cottonizing	Degummed ramie fiber staple ramie fiber	- 1,950 m.t./yr - 1,950 m.t./yr	43,832,800 m	Joint Venture	BOI	
13.	Refractory project	refractory	16,000 tons/yr	11.24 m	Joint Venture	Refractories corp. of the Philippines	
14.	Dried & Baled Sugar Cane Tops	Baled sugar cane tops	6,300 metric ton/yr	447,200 m.s.	Joint venture	PDCP	

LIST OF PROJECT PROPOSAL  
(INDONESIA)

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKET
1.	Manufacture of Salicylic Acid	Salicylic Acid (C <sub>7</sub> H <sub>6</sub> O <sub>3</sub> )	210 tonnes/year	US\$ 600,000-	- Equity Sharing - Technology	PT. CAHYA MULIA	Domestic 100%
2.	Manufacture of Refractory	- Refractory Bricks - Monolithic	7,000 tonnes/year 3,000 tonnes/year	US\$3,797,000-	- Equity Sharing - Equipment Supply - Management - Training	1) PT. KODEL 2) PT. SAMIAJI JAYA BAKTI	Domestic 100%
3.	Manufacture of Epoxy Resin	Epoxy Resin	3,000 tonnes/year	US\$1,287,000-	- Equity Sharing - Loans - Technology - Equipment Supply - Management - Training	1) PT. KODEL 2) PT. INTAN PRIMA KARTIKA	Domestic 100%
4. A - 35	Manufacture of Ultra marine Blue	Industrial Grade Laundry Grade	700 tonnes/year 300 tonnes/year	US\$1,084,000-	- Equity Sharing - Equipment Supply - Management - Technology - Training - Marketing	CV. PALUNGAN MAS GROUP	Domestic 100%
5.	Manufacture of Conveyors and Component Plan	Component Conveyors (Troughing rollers, drums and iddlers), Small simple Con- veyors for Quarries/ construction Sites and Industrial Conveyors	Total 1,600 tonnes/year	US\$3,223,000-	- Equity Sharing - Equipment Supply - Technology - Training	1) PT. KODEL 2) PT. PUTRI DAYA UTAMA TRAINING CO. 3) PT. GUNANUSA UTAMA FABRICATORS	Domestic 100%



LIST OF PROJECT PROPOSAL

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKET										
6.	Production of Electric Welding Machine	Light Duty (180 A) Heavy Duty (300 A) MIG Welder (350 A)	2,200 Unit/year 500 Unit/year 300 Unit/year	US\$1,039,000-	- Equity Sharing - Technology - Equipment Supply	1) PT. PELITA BAHARI SHIPBUILDING ENGINEERING 2) BHUMI ARTHA INDONESIA	Domestic 100%										
7.	Manufacture of Precision Dies & Mould	Dies & Mould Steel Scrap	250 tonnes/year 50 tonnes/year	US\$3,241,000-	- Equity Sharing - Technology - Equipment Supply - Management - Training - Marketing	1) PT. TEXMACO PERKASA ENGINEERING 2) PT. MECAF 3) PT. WIJAYA KARYA	Domestic 100%										
8.	Manufacture of Precision Jigs & Fixtures	Precision Jigs & Fixtures up to 3 m	150 tonnes/year	US\$1,239,000-	- Equity Sharing - Technology - Equipment Supply - Management - Training - Marketing	1) PT. INDUSTRI MESIN PERKAKAS INDONESIA (IMPI) 2) PT. MECAF 3) PT. TEXMACO PERKASA ENGINEERING	Domestic 100%										
9.	Manufacture of Cutting Tools for Metal Working	Diameters: 3 - 7 mm 7 - 12 mm 12 - 16 mm 12 - 27 mm	<table border="0"> <tr> <td><u>Drills</u></td> <td><u>Tap &amp; Reamers</u></td> </tr> <tr> <td>10 t/y</td> <td>6 t/y</td> </tr> <tr> <td>18 t/y</td> <td>6 t/y</td> </tr> <tr> <td>18 t/y</td> <td>6 t/y</td> </tr> <tr> <td>10 t/y</td> <td>6 t/y</td> </tr> </table>	<u>Drills</u>	<u>Tap &amp; Reamers</u>	10 t/y	6 t/y	18 t/y	6 t/y	18 t/y	6 t/y	10 t/y	6 t/y	US\$4,867,000-	- Equity Sharing - Technology/Licencing - Equipment Supply - Management - Training - Marketing	PT. PUTRACO SERVICE & ENGINEERING	Domestic 100%
<u>Drills</u>	<u>Tap &amp; Reamers</u>																
10 t/y	6 t/y																
18 t/y	6 t/y																
18 t/y	6 t/y																
10 t/y	6 t/y																

LIST OF PROJECT PROPOSAL

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	MARKET
10.	Manufacture of Electric Motor & Control Gear	Direct On Line Starters Direct On Line Reversing Starters Star-Delta Starters Special Starters	23,100 Unit/year 3,900 Unit/year 1,800 Unit/year 350 Unit/year	US\$ 795,000-	- Equity Sharing - Technology/ Licensing - Equipment Supply - Management - Training - Marketing	1) PT. KODFA (Persero) 2) PT. PELITA BAHARI SHIP-BUILDING & ENGINEERING	Domestic 100%
11.	Manufacture of Electric Motors	Small Motor/Under 715 KW Medium Motor/11 - 45 KW	27,500 Unit/year 1,750 Unit/year	US\$4,652,000-	- Equity Sharing - Technology - Equipment Supply	PT. KODJA (Persero)	Domestic 100%
12.	Manufacture of Industrial Valves	Gate valves Diameter 4" 6" 8"	Total 1,000 tonnes/year	US\$3,003,000-	- Equity Sharing - Technology - Equipment Supply - Training	1) PT. MASINDO UTAMA 2) PT. SUMBER SURYA AGUNG 3) PT. PELITA BAHARI SHIPBUILDING & ENGINEERING	Domestic 100%
13.	Manufacture of Injectors	Injectors Injectors Nozzle Injectors Pump	100,000 Unit/year 300,000 Unit/year 100,000 Unit/year	US\$5,966,000-	- Equity Sharing - Technology - Equipment Supply - Training	1) PT. LOBUNTA KENCANA RAYA 2) CV. SARI KARYA MUKTI	Domestic 100%
14.	Production of Tropical Fruit Juice Concentrate and Puree	Puree Concentrate	13,000 tonnes/year 1,150 tonnes/year	US\$4,460,000-	- Equity - Technology - Equipment Supply - Management - Marketing - Training	1) PT. BUKIT PERAK 2) PT. KERTA SARI MAMIN	Domestic 30 % Export, 70 %



LIST OF PROJECT PROPOSAL

(NANJING)

6/Apr/88 (1)

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCES)
1.	Adjustable Frequency AC Motor Drives	Adjustable Frequency AC Motor Drives	200,000 KVA/yer	us\$ 1,000,000	- Joint-Venture - Compensation Trade	Nanjing Speed Regulating Motor Plant	To be discussed
2.	Storage Battery	Storage Battery	100,000 KVAH/year	US\$ 2,000,000	- Joint Venture - Co-operative Management - Compensation Trade - Processing with Customer's materials	Nanjing Storage Battery Factory	50% Domestic 50% Oversea or others
3.	Drilling Machine Tapping Machine	Drilling machine Tapping machine	5,000 set/year 5,000 set/year	US\$ 2,000,000	- Joint venture - Co-operation - Others	Nanjing People's Machine Building Plant	To be discussed
4.	Bicycle chain	Chain for racing bicycle Chain for ordinary bicycle	800,000 pcs/year 1,200,000 pcs/year	US\$ 1,900,000	- Joint venture	Irmin Machinery Factory No. 1 Sub-plant	To be discussed
5.	Motor control Centre	Motor control center	2,000 set/year	US\$ 1,000,000	- Joint venture - Other	Nanjing Electric Control Equipment Factory	50% Domestic 50% Oversea
6.	Film Dielectric Variable Capacitor	Film Dielectric variable capacitor	5,000,000pcs/year	US\$ 2,000,000	- Joint venture - Co-operative management - Others	Nanjing ChangHong Radio Factory	To be discussed

LIST OF PROJECT PROPOSAL

(NANJING)

(2)

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCES)
7.	Varistors and Thermistors	Zinc Oxide Varistors PTC thermistors NTC thermistors	27,000,000 pcs/year 5,000,000 pcs/year 20,000,000 pcs/year	US\$ 4,000,000	-Joint venture -Co-production -Compensation trade	Nanjing No.11 Electronic Component Factory	To be discussed
8.	M & H voltage Ceramic capacitor	M & H voltage ceramic capacitor	40,000,000 pcs/year	To be discussed	-Joint venture -Cooperative management -Compensation trade	Nanjing No.4 Radio Component Factory	To be discussed
9.	Thick film Hybrid ICs	Thick films hybrid ICs	1,500,000 pcs/year	US\$ 1,300,000	-Joint venture -Others	Nanjing Semiconductor Devices General plant	To be discussed
10.	Chip inductor	Chip inductors	40,000,000 pcs/year	US\$ 1,200,000	-Joint venture -Others	Jinjing Radio & Appliance Factory	To be discussed
11.	Cold Rolled Steel strip sheet and tin-plate	Cold rolled strip and sheet Tin plate	40,000 - 150,000 t/y 30,000 - 50,000 t/y	US\$ 10,000,000 - 30,000,000	-Joint venture -Co-production -Compensation trade -Loans	Nanjing Metallurgical Industrial Corp	To be discussed
12.	Electronic Scales	Industrial used scale Commercial used scale	3,000 unit/year 30,000 unit/year	US\$ 2,000,000	-Joint venture -Co-production -Others	Nanjing Scale Factory	50% Domestic 50% Overseas
13.	Shuttlecock and Leather balls	Shuttlecock Leather ball	600,000 dozen/year 800,000 pcs/year	US\$ 1,000,000	-Joint venture -Compensation trade	Nanjing Sport goods Factory	50% Domestic 50% Overseas

LIST OF PROJECT PROPOSAL

(NANJING)

(3)

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCES)
14.	Precision Rubber Seals	Various kinds of rubber of rubber/plastic seals	750,000,000 - 1,000,000,000 pcs/y	US\$ 1,500,000	-Joint venture -Compensation trade -Others	Nanjing Rubber Factory	To be discussed
15.	Leather Shoes & Sport Shoes	Leather shoes for women Sport shoes	200,000 - 400,000/y 300,000 - 500,000/y	US\$ 2,000,000	-Joint venture -Co-production -Processing with customers' samples or materials	Nanjing Great Wall Leather Shoes Factory	To be discussed
16.	Cosmetics	Beauty cream Nutrition cream Hair cream	250 t/year about 2,700,000 / bottles	US\$ 1,000,000	-Joint venture -Co production	Nanjing Cosmetic Factory	50% Domestic 50% Oversea
17.	Toilet Soap	Toilet soap	3,000 t/year	US\$ 1,000,000	-Joint venture -Processing with customer's materials	Nanjing Soap Factory	50% Domestic 50% Oversea
18.	Ball Point Pen	High grade ball pen Metal refill	2,000,000 pcs/year 6,000,000 pcs/year	US\$ 600,000	-Joint venture -compensation trade -Others	Nanjing Ball-Pen Factory	50% Domestic 50% Oversea
19.	Bone glue, gelatine, calcinated bone ash	Bone glue gelatine bone ash	800 t/year 500 - 1,000 t/year 2,000 - 3,000 t/year	US\$ 5,000,000 for three products	-Joint venture -Compensation trade	Nanjing Bone Glue Factory	To be discussed
20.	Inositol	Inositol	100 t/year	US\$ 500,000	-Compensation trade --Joint venture	Nanjing Vegetable Oil Factory	To be discussed

LIST OF PROJECT PROPOSAL (Additional)

6 Apr/88

(NANJING)

(1)

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCES)
1.	Knitting Machine	Circular weft knitting machine	To be discussed	To be discussed	- Joint venture	Nanjing Textile Machinery Factory	To be discussed
2.	Metal Furniture	Metal chairs, tables, beds etc	500,000 pcs/year	US\$ 8,000,000	- Joint venture - Co-production - Assembling - Others	Nanjing Metal Furniture General Factory	40% Domestic 60% Overseas
3.	Screwdriver and Pliers	Screwdriver Pliers	5,000,000 pcs/year 300,000 pcs/year	US\$ 1,000,000	- Joint venture - Compensation trade	Nanjing No.2 Metal Tool Factory	To be discussed
4.	Fishing Gear	Fishing rod of FRP and other gear	500,000 pcs/year	US\$ 800,000	- Joint venture	Nanjing Qingpe Fishing Gear Service Centre	50% Domestic 50% Overseas
5.	Brief case	Brief case or suit case and bags etc	500,000 pcs/year	US\$ 600,000	- Joint venture - Processing with customer's sample and materials	Nanjing Jian Qiang Leather Factory	50% Domestic 50% Overseas
6.	Pure Silk Knitting Products	Knitting pure silk silk garments	15 t/year 11,000 dozen/year	US\$ 500,000	- Joint venture - Compensation	Nanjing Jiang Ning Silk Factory	40% Domestic 60% Overseas
7.	Quartz Elec. Watch	Quartz elec watch	500,000 pcs/year	US\$ 1,000,000	- Joint venture - Others	Nanjing watch Factory	50% domestic 50% Overseas
8.	Quartz elec. Clock	Desk alarm clock Wall clock	800,000 pcs/year 200,000 pcs/year	US\$ 5,000,000	- Joint venture	Nanjing Clock Factory	To be discussed

LIST OF PROJECT PROPOSAL

(NANJING)

(2)

NO.	PROJECT TITLE	PROPOSED PRODUCT	PRODUCTION CAPACITY	INVESTMENT COST	TYPE OF COOPERATION NEEDED	PROJECT SPONSOR	REMARKS (MARKET & FINANCIAL SOURCES)
9.	Sodium D-Isoascorbate	Sodium D-isoascorbate	500 - 1,000 t/year	US\$ 3,000,000 - 5,000,000	- Compensation trade - Others	Nanjing Pharmaceutical Factory	To be discussed
10.	Sucralfate	Sucralfate	300 - 500 t/year	US\$ 2,000,000 - 4,000,000	- Compensation trade - Others	Nanjing Pharmaceutical Factory	To be discussed
11.	Self Adhesive Paper	Self-adhesive paper	50,000,000 m <sup>2</sup> /year	US\$ 10,000,000	- Joint venture - Compensation trade	Nanjing Paper Factory	50% Domestic 50% Oversea
12.	Sports Shoes	Sport shoes	1,500,000 pairs/year	US\$ 1,800,000	- Joint venture - Others	Nanjing Jinling Rubber Factory	To be discussed
13.	MBS Resin (MBS 树脂)	MBS resin	5,000 t/year	US\$ 4,000,000	- Joint venture - Others	Nanjing Yong Feng Chemical Factory	50% Domestic 50% Oversea
14.	Diode	Integrated Voltage stabilisation Diode	15,000,000 pcs/year	US\$ 2,000,000	- Joint venture - compensation	Nanjing Semi-Conductor special Elements Factory	To be discussed



XIAMEN PROJECT LIST

May/88

	Project Title	Proposed Product	Production Capacity annually	Investment Cost (US\$)	Foreign Contribu- tion Sought	Local Partner	Remarks
1.	Optical Lenses	camera lenses, projecting lenses, or other similar lenses (e.g. coat- ed lenses)	300,000 units		equity joint- venture or compensation	China North Industries Corpo- ration Xiamen Branch	part of products for export, semi-products supplied domes- tically
2.	Cosmetics	medium and super class cosmetics	valued at USD 1-2 mil.		equity joint- venture, compensa- tion, processing materials supplied or brand-oriented	Shanghai Household Chemical Factory, Xiamen Jointly- owned Factory	part of products for export, and main raw materials should be imported
3.	Applied TV System & Hifi Equipment	applied TV system & hifi equipment	10,000 - 30,000 sets		equity joint- venture	Xiamen Applied TV Development Co.	part of products for export, key components and parts should be imported.
4.	Helium Airship	soft helium air- ship	20 units		equity joint- venture	China National Aero-Technology Import & Export Corp, Xiamen Indus- try & Trade Centre	part of products for export, 80 h.p. engines should be impor- ted.
5.	Telephone Set & IC for Tele- phone Set	telephone set & IC for telephone set	year 1, 1 mil. sets year 2, 2 mil. sets year 3, 3 mil. sets		1st phase, proce- ssing materials supplied; 2nd phase, equity joint venture	The Second Semi- conductor Device Factory of Xiamen	all products for export

4 - 4

No.	Project Title	Proposed Product	Production Capacity	Investment Cost (US\$)	Foreign Contribution Sought	Local Partner	Remarks
6.	CO <sub>2</sub> Gas Protective Welding Filament	CO <sub>2</sub> Gas protective welding filament	5,000 tons		equity joint-venture, compensation or processing materials supplied	Xiamen Welding Electrode Manufacturer	a part of products for export reinforcing bar and scaling powder should be imported.
7.	Quartz Crystal Resonator	Quartz Crystal resonator	6 mil pcs (in 2 shifts)		equity joint venture, compensation	The Second Semiconductor Device Factory of Xiamen	part of products for exports, raw materials supplied domestically
8.	Mini Bulb	mini bulb	2 mil. units		compensation	The Second Semiconductor Device Factory of Xiamen, The 5th Semiconductor Device Factory of Shenyang	all products for export, glass tubes and tungsten filaments should be imported
9.	Medium & Small Size Precision Mechanical Press	16T-80T precision mechanical press	800 units		equity joint-venture, cooperative production, compensation or assembling according to the blueprint and key electric devices supplied.	Xiamen Metal Forming Machine Tool Works	part of products for export, key electric devices should be imported.

	Project Title	Proposed Product	Production Capacity	Investment Cost (US\$)	Foreign Contribution Sought	Local Partner	Remarks
10.	LLDPE/LDPE Bags	LLDPE/LDPE shopping bags and rubbish bags	1,000 - 2,000 tons		equity joint-venture, compensation, processing materials supplied	Xiamen Orient Enterprise Ltd	part of products for export, raw materials should be imported at present.
11.	Electric Power Semiconductor Device (Silicon control & Darlington Device)  A - - 46	electric power semiconductor device	100,000 pps		equity joint - venture, compensation	The Second Semiconductor Device Factory of Xiamen, The 47th Research Institute of the Electronic Industry Ministry	part of products for export, silicon crystal should be imported

**APPENDIX V**

**Project Information Sheets  
for On-going Projects**

PROJECT INFORMATION

- 1) PROJECT TITLE: Production of shipping containers
- 2) PROPOSED PRODUCTS AND CAPACITY: Steel containers for seaborne cargo, mainly for exports  
 Production capacity - 10,000 to 15,000 TEU yearly
- 3) LOCATION: Factory to be located 50 kms from Bangkok
- 4) PROJECT LOCAL SPONSOR: Taisae and its associated companies  
 7th Fl., Sinthon Building  
 Wireless Road, Bangkok  
 Tel 250-1469/71, tlx 81161 (Taisae Th)  
 Fax 66-2-253-9700

5) PROJECT BANKGROUND:

5.1

Annual Importation:  
 Despite the large yearly increase in container movements through Bangkok from 190,000 TEU in 1980 to 600,000 TEU in 1987, Thai shipowners have captured a very small share of the market. Since the Thai containerized fleet failed to make any significant expansion during the past few years, few containers were imported.

5.2

Domestic production:  
 Bangkok Containers Industries ltd, which has started production in January 1988, is the only manufacturer in Thailand.  
 The shareholders are Kobe Kisen Kaisha ltd (25%), Bangkok Marine Enterprise (25%), Kawasaki Heavy Industries Ltd (5%), and Niigata Rinakou Yusou ltd (5%)  
 The company plans to produce 18,000 TEU this year.

5.3

World demand  
 There are about 4,246 container carrying vessels in service with a slot capacity of 2,707,300 TEU. Based on this information, we estimated there about 8.1 million TEU employed

worldwide (ie about 3 times the slot capacity) and the demand is expected to increase about 7 - 8% yearly.

6. PROPOSED PROCESS Most probably, the project would involve the re-location of an existing plant to a cost saving country. The production process will therefore be determined by the existing technology employed by a factory in Japan.
7. PROPOSED SOURCE OF RAW MATERIALS AND PARTS: Parts such as steel sheets, bolts and nuts will be mostly imported
8. REQUIRED UTILITIES: Land, building, electricity and water.
- |                     |         |       |
|---------------------|---------|-------|
| - Workshop building | 30,000  | sq. m |
| - Assembly, testing | 48,000  | sq. m |
| - Container yard    | 42,000  | sq. m |
| Total               | 120,000 | sq. m |
9. REQUIRED MANPOWER Estimated manpower required is 250 - 300 persons
10. PROPOSED INVESTMENT COST:
- |                    |              |
|--------------------|--------------|
| Land               | us\$ 700,000 |
| Machinery & equip  | 3,000,000    |
| Building           | 2,000,000    |
| Civil work         |              |
| Utilities          | 100,000      |
| Pre-operating exp. | 200,000      |
| Working capital    | 4,000,000    |
| Total              | 10,000,000   |
11. FINANCIAL STRUCTURE Equity (40%) : 60 % foreign  
40 % local  
Loan (60%)
12. SOURCE OF FINANCING: To be discussed
13. PROPOSED TYPE OF COLLABORATION:
- Equity sharing
  - Loans
  - Technology/marketing/management
14. MARKET: 90% for exports

Project Information

1. Project Title : Manufacturer of transformers
  2. Proposed Products and capacity : Hi-power transformers  
 Sizes of transformer 22,000-115,000 KVA.  
 Production Capacities = 100-150 Units.
  3. Location : 190 Moo 6, Tambon Tasa-arn, Amphur Bangpakong, Chachoengsao, Thailand.
  4. Local Project Sponsor : Ekarat Engineering Co.,Ltd.  
 Mr. Sakasem Chotikasatien  
 Assistance Manager  
 1068 Sukhumvit Soi 101/1  
 Phrakanong, Bangkok 10260  
 Thailand  
 Tel no. 393-0437  
 Telex 20361, Fax 3982903
  5. Project Background :
    - 5.1) Annual importation of transformers.  
 The annual importation of transformers were \$ US 15.7 Million and \$ US 26.7 Million in 1985 and 1986 respectively.
    - 5.2) Domestic Production.  
 At present there are 5 manufacturers in the country and Ekarat Engineering Co.,Ltd. is the leader with the highest standard of production. The company has a market share of 40% while its turnover is more than \$US 8 Million the total capacity of the 5 manufacturer is 1,000,000 KVA. but none of them produces power transformers ( 20,000 KVA.). Thus all power transformers being used in Thailand have to be imported.
    - 5.3) Future Market Demand.  
 To protect locally made transformers against imported ones, the government has announced that local transformers will be allowed a 15% higher in price when compared with that of imported ones whenever there is a government bidding.
  6. Proposed Source of Raw Materials and Parts : Local rawmaterial 50%  
 Imported rawmaterial 50%
  7. Required Manpower : Total manpower will be 250 workers
  8. Proposed Investment Cost : US\$ 3.8 Million.
  9. Financial Structure : Equity 50% : 51% Local  
 49% Foreign  
 Local 50
- Note : Foreign equity participation is open to negotration.
10. Source of Financing : IFCT
- Note : At present, the company is IFCT's client.

- 11. Proposed Type Callabonation : - Equity participation  
- Technology on hi-power transformers
- 12. Market : 70% for local consumption  
30% for export



Existing Project 10

Re: Acplas Industries Pte Ltd,

PROJECT INFORMATION

1. PROJECT TITLE: Existing project seeking joint venture possibilities, technical tie up with foreign companies for expansion of production/diversification into new product lines.

2. PROPOSED PRODUCTION:

2(a) PROPOSED CAPACITY (FOR EACH PRODUCT):

Existing products: Injected plastic parts for motorcycles, bicycles, other industrial & consumer products.

2(b) APPLICABLE SPECIFICATIONS/STANDARDS:

3. LOCATION OF PROJECT:

4. PROJECT LOCAL SPONSORS:

4(a) NAME OF COMPANY:

4(b) NAME OF EXECUTIVE OFFICER:

4(c) ADDRESS:

4(d) TELEPHONE/TELEX:

**Name of Company** : Acplas Industries Sdn Bhd

**Name of Officer** : Jimmy Chu / Yeong Khai Meng

**Address** : Lot 17490 Jalan Taman Selayang Baru.  
68100 Batu Caves  
Selangor Darul Ehsan  
Malaysia

**Tel** : 03-6180115 / 6180037

**Manufacturing Facilities** : 1) Plastic Injection Machine ranging from 80 ton to 800 ton.  
2) Ultra-sonic Welder.  
3) Silkscreen printing facilities.

**Land & Building** : **Factory Area** : 20,000 ft<sup>2</sup>  
**Planing** : 3 to 4 acre site in Selangor.

**Present Capacity** : 650,000 parts/month

**Present Market** : Domestic

**Manufacturing background** : Injected plastic parts for motorcycle & bicycle, industrial & consumer products.

**Proposed Collaboration** : 1) Equity sharing.  
2) Loans.  
3) Technical assistance.

**Source of Finance** : To be discussed later.



PROJECT INFORMATION

1. PROJECT TITLE: MOULD AND DIES

2. PROPOSED PRODUCTION:

2(a) PROPOSED CAPACITY (FOR EACH PRODUCT):

MOULD DIMENSIONS: 600 x 800 x 1,000 mm

MOULD WEIGHT: 3,000 kg

2(b) APPLICABLE SPECIFICATIONS/STANDARDS:

We have a team of experienced designers to design products to comply to any ISO or JIS Standards.

3. LOCATION OF PROJECT:

31 & 33, JALAN KG. PASIR  
BATU 6, JALAN KLANG LAMA  
58200 KUALA LUMPUR, MALAYSIA

4. PROJECT LOCAL SPONSORS:

4(a) NAME OF COMPANY: HIP HOE ENGINEERING WORKS SDN. BHD.

4(b) NAME OF EXECUTIVE OFFICER: MR. LEONG KAM YOON  
( Managing Director )

4(c) ADDRESS: 33A, JALAN KG. PASIR  
BATU 6, JALAN KLANG LAMA  
58200 KUALA LUMPUR, MALAYSIA

4(d) TELEPHONE/FAX: 03- 792 1549  
792 9054

Fax: 03- 791 6061

5. PROJECT BACKGROUND:

5(a) **IMPORTS**

(The annual import for the last four years as follows:)

YEAR	QUANTITY (KG)	CF VALUE (US\$)
1983		11.6 m
1984		19.1 m
1985		28.1 m
1986		32.4 m

5(b) **DOMESTIC PRODUCTION:**

(Indicate number of existing producers, their capacities, if available.)

5(c) **FUTURE MARKET DEMAND/MARKET POTENTIAL**

6. PROPOSED MANUFACTURING PROCESS:

(in the form of a Flow-chart)

REFER ATTACHED APPENDIX A

7. PROPOSED SOURCE OF RAW MATERIALS AND PARTS:

7(a) **Local Purchases:** RAW MATERIALS LIKE STEEL AND MOULD ACCESSORIES ARE IMPORTED FROM OVERSEAS ( SEE BELOW ) BY LOCAL AGENTS:-

		<u>BRAND NAME</u>	<u>COUNTRY OF MANUFACTURE</u>
7(b) <b>Imports:</b>	STEEL	ASSAB HITACHI THYSSEN	SWEDEN JAPAN GERMANY
	ACCESSORIES	FUTABA MISUMI HASCO D.M.E	JAPAN JAPAN GERMANY AMERICA

8. LAND AND BUILDING REQUIREMENTS:

8(a) Land (sq. metres):

8(b) Building:

9. UTILITIES REQUIREMENTS:

9(a) Electricity:

9(b) Water:

10. MANPOWER REQUIREMENTS:

REFER TO ATTACHED APPENDIX B

11. PROPOSED INVESTMENT COSTS:

Land	US\$
Building	
Machinery and Equipment	
Other Costs (if any)	
Pre-operating Expenses	
Working Capital	
<b>TOTAL INVESTMENT:</b>	<b>US\$</b> _____

12. PROPOSED FINANCIAL STRUCTURE:

12(a) Equity (Proposed Paid-up Capital): US\$

Foreign Share: \$

Local Share: \$

12(b) Loans: US\$

Foreign Sources: US\$

Local sources: US\$

13. PROPOSED TYPE OF COLLABORATION:

(Indicate Equity Sharing, Licensing Arrangements, or Any Other Forms of Collaboration Desired)

TO SUPPLY MOULD AND DIES ON A SUB-CONTRACT BASIS

14. MARKET:

(Indicate Whether Products Are Meant For Domestic Market Or Export)

MANUFACTURING FOR:-

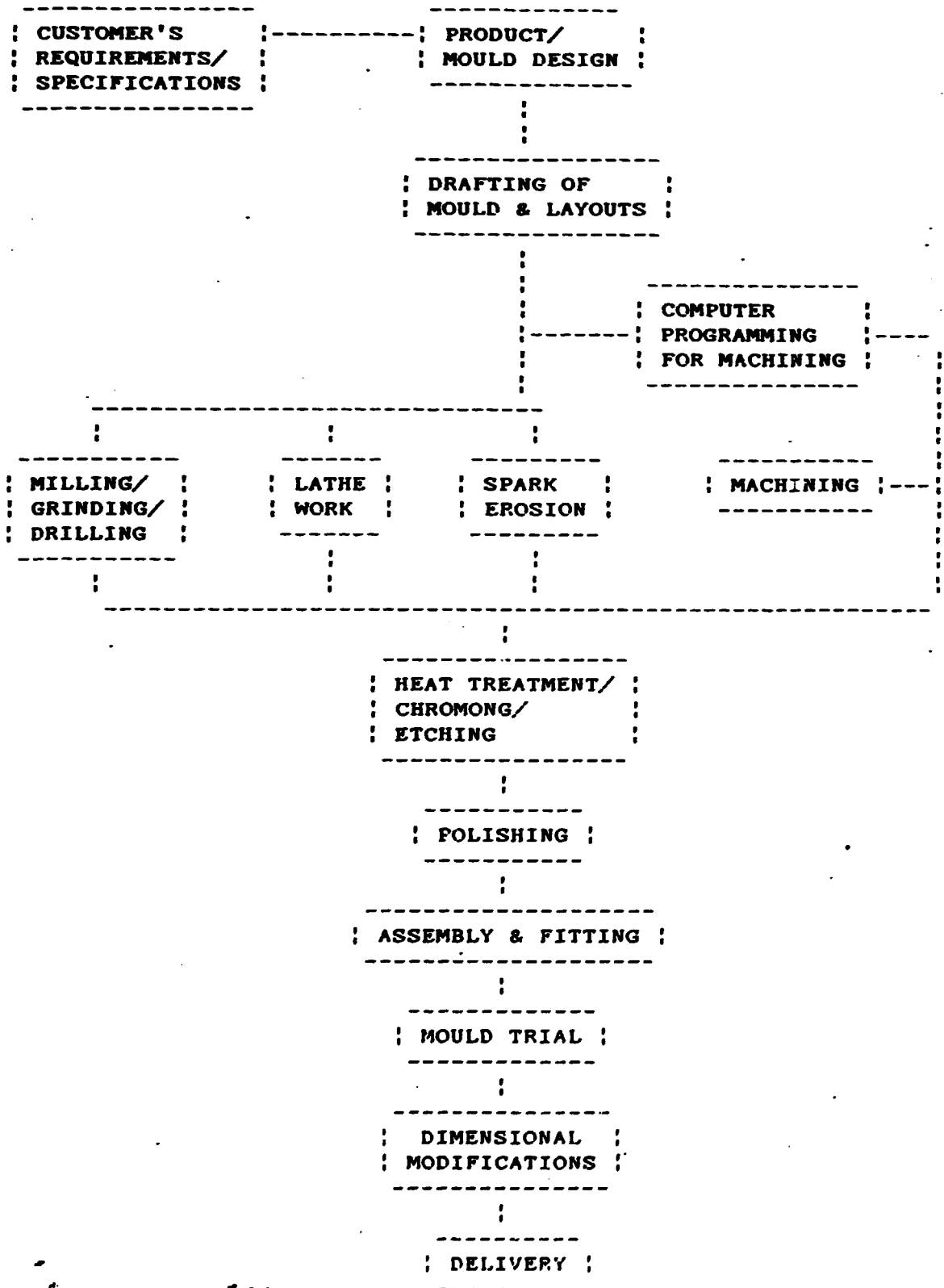
LOCAL MARKET	60%
EXPORT MARKET	40%
	---
	100%
	===

15. ANY OTHER RELEVANT INFORMATIONS:

1. LIST OF EXISTING MACHINERIES ( REFER ATTACHED APPENDIX C )
2. LIST OF MAJOR CLIENTS AND THEIR PRODUCTS  
( REFER ATTACHED APPENDIX D )

APPENDIX A

MANUFACTURING FLOW CHART



APPENDIX B

\*\*\*\*\*

LIST OF WORKERS EMPLOYED

-----

No. of staff

-----

Managerial Staff	2
Admin. & Clerical	2
CNC Computer Programmer/ Designer/ Draftsman	3
Supervisor	1
Machinist	3
Mould Fitter	8
Semi skilled fitter	3
General Worker	2

-----  
24  
-----



APPENDIX C

\*\*\*\*\*

LIST OF EXISTING MACHINERIES

Description	Units
1. CNC Machining Centre	One
2. Electric Discharge Machine	Two
3. Surface Grinding Machine	Two
4. Horizontal Boring & Milling Machine	One
5. Universal Milling Machine	One
6. Radial Drill Machine	One
7. Lathe Machine	Three
8. Vertical Milling Machine	Four
9. Shaping Machine	One
10. Central Grinder	One
11. Copying Machine	One
12. Drilling Machine	Four

**APPENDIX D**

\*\*\*\*\*

**LIST OF MAJOR CLIENTS AND THEIR PRODUCTS**

<b>Name of Customers</b> -----	<b>Description of products</b> -----
<b>Matsushita Electric Co. (M) Bhd.</b>	<b>Refrigerator Components Washing Machine Components Air Conditioner Components Electric Iron Components</b>
<b>Paling Industries Sdn. Bhd.</b>	<b>uPVC Soil, Waste &amp; Vent Fittings uPVC Pressure Fittings Plastic Sanitary Fittings</b>
<b>Watertec (Malaysia) Sdn. Bhd.</b>	<b>Taps, Showers and Plumbing Fittings</b>
<b>Bar Code Sato Electronics (M) Sdn. Bhd.</b>	<b>Bar Code Systems Components</b>
<b>Rex Plastics Sdn. Bhd.</b>	<b>Packaging Components</b>
<b>Tamura Electronics (M) Sdn. Bhd.</b>	<b>Electronic Components</b>

**PROJECT INFORMATION**  
**--INDONESIA--**

- 1) PROJECT TITLE: Manufacture of Industrial Valve
- 2) PROPOSED PRODUCTS AND CAPACITY: Gate Valves (cast iron)  
 Size : 4", 6" and 8" bore  
 capacity : 16,000 tcn/year
- 3) LOCATION: Cilegon - West Java
- 4) PROJECT LOCAL SPONSORS:
- 4-1) PT. MASINDO UTAMA  
 Jl. Krerot Raya Bloh H/5  
 Jakarta  
 Phone: 366113  
 Contact person: Ir. Agus. G. Kartasasmita
- 4-2) PT. Sumber Surya Agung  
 Jl. Gajah Mada No. 3-5  
 Block C-15  
 Jakarta  
 Contact Person: Ir. Sugiyanto
- 4-3) PT. PELITA BAHARI SHIPBUILDING & ENGINEERING  
 Jl. Sindanglaut No. 100  
 Tanjung Priok, Jakarta  
 Phone: 494288, 494016, 494488  
 Telex: 49108 PE BE IA
- 5) PROJECT BACKGROUND: The major market are the agro-processing industries, the food and chemical industries, the building construction industry, city water supply authorities and oil industry. Market demand for industrial valves can be assessed from importation as follows:

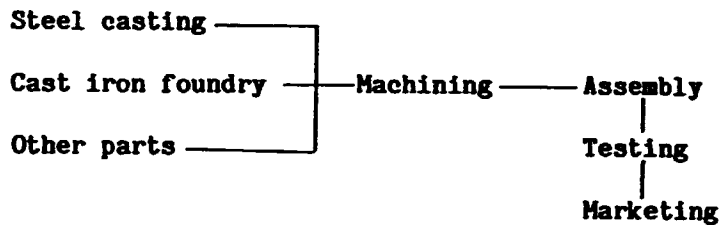
Description	in US\$ million			
	1981	1982	1983	1984
- Ball valves, safety valves, pressure gauge cocks	30,98	55,49	33,13	24,31
- Other hand operated valves weight less than 3kg	1,45	11,90	1,31	1,09
- Other hard operated valves weight more than 3kg	43,67	105,62	107,53	59,71

Source: Central Bureau of Statistics

Projected Demand for industrial valves could be anticipated the growth of industry in Indonesia as follows:

Description	in US\$ million	
	1988	1992
General purpose Industrial valves	80	100
Cost iron valves	16	20

6) PROPOSED PROCESS:



7) PROPOSED SOURCE OF RAW MATERIALS:

Locally purchased:

- Steel, iron and non ferrous castings (in-house production)
- Paint
- Bolts and Nuts

Imported Parts:

- Packing and Gaskets
- Handling materials

8) REQUIRED UTILITIES:

- Land 8,000 sq. m
- Building 1,650 sq. m
- Electricity & water are available

9) REQUIRED MANPOWER:

Estimated requirement is 151 persons

10) PROPOSED INVESTMENT COSTS:

Land & buildings	US\$	500,000
Machinery & Equipment	US\$	1,670,000
Working Capital	US\$	398,000
Others	US\$	430,000
<b>Total</b>	<b>US\$</b>	<b>3,003,000</b>

11) FINANCIAL STRUCTURE:

- Equity (US\$ 2,605,000) 86,7%
  - Local partner 36%
  - Foreign partner 64%
- Loan US\$ 398,000 13,3%

12) SOURCE OF FINANCE: Will be discussed

13) PROPOSED TYPE OF  
COLLABORATION:

- Equity sharing
- Technology
- Equipment Supply
- Training

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: Domestic 100%

**PROJECT INFORMATION**

--Indonesia--

- 1) **PROJECT TITLE:** **Manufacture of Injection Equipment & Diesel Engine Parts**
- 2) **PROPOSED PRODUCTS AND CAPACITY:**
- injectors: 100,000 units/year
  - injector nozzles: 300,000 units/year
  - injector pumps: 100,000 units/year  
(single cylinder pumps are preferable)
- 3) **PROPOSED LOCATION:** **BANDUNG, WEST JAVA**
- 4) **PROJECT SPONSOR:**
- 4-1) **PT. LOBUNTA KENCANA RAYA**  
 Jl. Pintu Air no 31B,  
 Jakarta
- Phone: 365143, 365263, 3800338  
 Telex: 44057 LKRI JKT.  
 Contact Persons: Mr. Pamuntar Tobing  
 (Director)  
 Mr. Ir. M. Syargawi
- 4-2) **C.V. Sari Karya Mukti**  
 Jl. KH. Wahid Hasyim No. 13  
 Ciamis, West Java
- Phone: 654  
 Contact Person: Mr. H.E. Kusmana  
 (Director)
- 5) **PROJECT BACKGROUND INFORMATION:**
- Diesel engines are widely used in Indonesia, a sign that an opportunity exists for a local manufacturer to produce the injection equipment and parts since the demand is entirely met by importing parts. The reason is that there is not one injection equipment and parts plant in Indonesia.
- The manufacture of diesel engines is carried out by three companies with Japanese collaboration. They are Yanmar, Kubota and Mitsubishi which produce a small single diesel engine mostly for agricultural use.
- An association with Bosch of West Germany or a licensed company in Japan would be desirable since all of the engines use Bosch-licensed injection systems. The product would have the same application as original equipment in new engines and as replacement parts for old equipment.

The total production of small diesel engines (less than 30 HP) in Indonesia is given below:

ITEM	1980	1981	1982	1983	1984	1985
Number of Diesel Engines	50,951	73,965	57,285	51,575	47,365	45,000

Source: Ministry of Industry

The production of commercial trucks, which most of the product is powered by a diesel engine, is given as follows:

CLASS	1981	1982	1983	1984	1985
1 - 1 ton	107,228	94,724	84,683	95,629	88,612
2 - 2.5 tons	36,862	27,723	20,886	17,589	13,141
3 - 5 tons	16,221	11,206	8,833	7,874	4,563
Jeeps	24,980	25,234	11,632	7,210	8,923

Source: Ministry of Industry

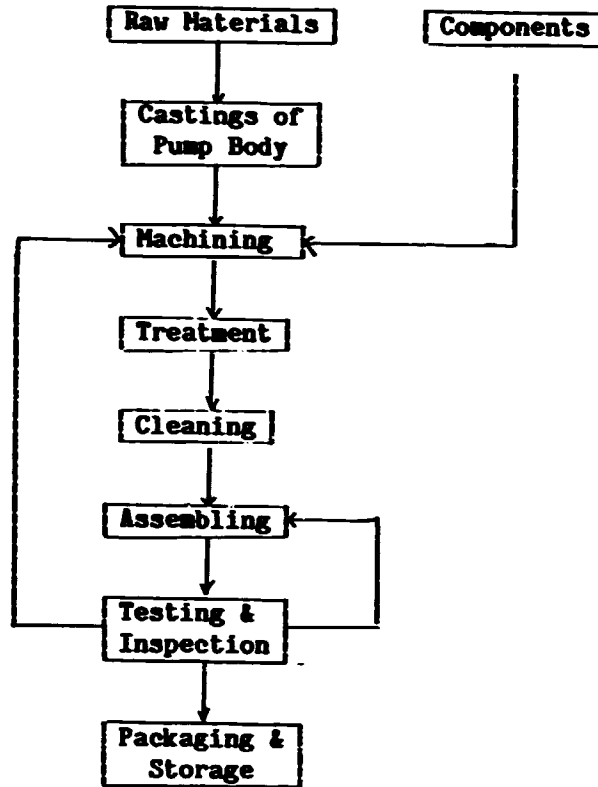
The Ministry of Industry projects the future demand for small diesel engines will be as follows:

ITEMS	1990	1995
Small Diesel Engines	72,000	117,000
Commercial Vehicles	154,215	206,375

Source: The Ministry of Industry

Injection parts and equipment for diesel engines are not simple products to produce because they require high standards of precision, cleanliness and material quality.

6) PROPOSED PROCESS:



7) PROPOSED SOURCE OF MATERIALS & COMPONENTS:

- Locally purchased:
- seals
  - screws
  - nuts
  - pipes
  - steel scraps
  - aluminum

- Imported purchased:
- high quality of steel
  - raw injectors
  - raw needle
  - raw spindle, springs
  - wax
  - chemicals for treatment
  - etc.

8) REQUIRED UTILITIES:

- Water, Electricity are available
- Land: 6,000 sq. m.
- Buildings: 4,000 sq. m.

9) REQUIRED MANPOWER:

Estimated requirement is 231 persons



10) PROPOSED INVESTMENT COST:

- Land & Buildings:	US \$ 447,000
- Machinery & Equipment:	US \$4,186,000
- Working Capital:	US \$ 536,000
- Others:	US \$ 797,000

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TOTAL INVESTMENT: US \$5,966,000

NOTE: Currency exchange rate used, June, 1987

11) FINANCIAL STRUCTURE:

- Equity: 91%	- 29% local partner
	- 71% foreign partner
- Loans: 9%	

12) FINANCIAL SOURCE:

Will be discussed

13) PROPOSED TYPE OF COLLABORATION:

- Equity Sharing
- Technology
- Equipment Supply
- Management
- Training

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

14) MARKET:

Domestic - 100%

PROJECT INFORMATION

- 1. PROJECT TITLE : Automotive Spare Parts Manufacturing
- 2. PROPOSED PRODUCTS AND CAPACITY : Brake Drums and Brake Disc
  - Present Production Capacity :60,000 sets/yr.
  - Proposed Production Capacity after the expansion :200,000 sets/yr.

Type of Products and Applicable Specifications:

I. MITSUBISHI MOTORS

- a) Lancer Brake Drum/Brake Disc
- b) Galant Brake Drum/Brake Disc
- c) L-300 Van Brake Drum/Brake Disc
- d) Pajero Brake Drum/Brake Disc
- e) GSR Brake Drum/Brake Disc

II. NISSAN

- a) Sentra Drum/Disc Brakes
- b) Maxima Drum/Disc Brakes

III. Others as per JIS (Japan Industrial Standard)

- 3. LOCATION : Bo. Bagbagan Muntinlupa, Metro Manila (Site for their expansion)
- 4. PROJECT SPONSOR : Metals Engineering Resources Corp.  
Ms. Isabel C. Wilson -Chairman and President  
E. Magalona Sr. St., Mandaluyong  
Metro Manila, Philippines  
Mailing Address: P.O. Box 2503 Manila  
Cable Address : Metercor, Manila  
Telephone No. : 70-44-31 through 33

- 5. PROJECT BACKGROUND : The production of disc and drum brakes started in the middle of 1970. This is expected to increase in view of the requirements under the various motor vehicle development program of the government.

The locally made disc and drum brakes have found acceptance in the domestic market. Their customers are the following:

- : 1. Philippine Automotive Mfg. Corp. (PAMCOR)
- : 2. Pilipinas Nissan, Inc. (PNI)
  
- FUTURE MARKET** : As mentioned earlier, the demand for locally made disc and drum brakes will increase due to the requirements under the various Motor Vehicle Development Program of the government.
  
- 6. **PROPOSED PROCESS** : See Attached
  
- 7. **PROPOSED SOURCE OF RAW MATERIALS** : A. Locally Purchased Materials -
  - Cast iron scrap
  - Bentonite
  - Silicon
  - Manganese
  - Limestone
  - Ferro Chrome
  - etc.  
  - B. Imported Materials -
    - Pig iron
    - Foundry coke
    - Grinding wheels
    - Tools
    - Carbide
  
- 8. **REQUIRED MANPOWER** :

Administrative Staff	-	53
Factory Workers	-	<u>163</u>
Total		216
  
- 9. **PROPOSED INVESTMENT COST** :
  - Land
  - Buildings
  - Machinery & Equipment
  - Working Capital
  - Pre-Operating Expenses and Contingencies
  - Estimated of Total Investment : P30,000,000
  
- 10. **Financial Structure** : Subject for discussion
  
- 11. **SOURCE OF FINANCE** : Subject for discussion
  
- 12. **PROPOSED TYPE OF COLLABORATION** : Marketing and Technical Assistance
  
- 13. **MARKET** :

Domestic	-	80%
Export	-	20%

...over

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Annex B-2

**INDUSTRIAL INVESTMENT DIVISION**

**INDUSTRIAL INVESTMENT PROFILE**

**COUNTRY:** Philippines

**PROJECT NO.**

**ISIC:**

**DATE OF SUBMISSION:** March 11, 1988

**PROJECT TITLE:** Software Packaging and Distribution  
For International Market

**PRODUCT:** Retail Merchandising Software Products for IBM mainframe under  
DOS and MVS operating systems  
Equity

**PROJECT COST:**

Working Capital and Pre Operating Expenses: P 3,000,000 (US\$ 142,857.14)

**PLANNED CAPACITY/OUTPUT:** One software package to be developed per year

**MARKET:**

**OWNERSHIP STRUCTURE:**

**EQUIPMENT SUPPLY:**

Domestic: 20 %

100 % local private

To rent from local  
companies

International: 80%

(For first year of commercial operation only)

**EXPERTISE:**

Expertise in project management, systems analysis and design, programming in application area and documentation techniques are available in the Philippines.

**BRIEF DESCRIPTION OF THE PROJECT:**

There are small organizations (less than 20 people) that have developed information systems for retail merchandising in the Philippines. However, these systems are not flexible enough for international market and would need further development in terms of additional features/functions, documentation and marketing materials to become products marketable internationally.

This project aims to look for products that can be developed as software package, to actually develop the package and to market it internationally.

Since there are several companies that are looking for outlets for their developed software, the first step is mainly the selection of the systems that have the best potential in providing a comprehensive solution to requirements in the retail business. The selection process can best be rationalized by studying the niches in the retail industry information systems market and understanding the deficiencies of current software offerings in this industry.

Existing software products will be studied in terms of their features and functions. Acceptance of the market with respect to these products will also be looked at by analyzing number of sites and client evaluation of the products. For this study, secondary data will be collected from international publications.

The actual packaging of the products will be the next step. This step will utilize local technical expertise, project management and application consultants. Locally available hardware and system software for the development/packaging processes will also be utilized.

Development of market strategy will be considered even during the selection process. It is conceived that the best strategy for targeting international market is by contracting a network of software distributors/agents who market products on a percentage basis. Technical support for products sold will be undertaken by the agents but installation and tailor-fitting services will be provided by the Philippine company. This strategy will ensure the provision of consultancy/data processing services to foreign companies on a continuous basis. This will also mean that the products will be offered in a more competitive price scheme.

INFORMATION ON SPONSOR(S)

1. DO YOU WISH TO HAVE THIS INFORMATION KEPT CONFIDENTIAL? YES

1.1 Name of Company: Computer Software and Services, Inc.

Address : Second Floor Montepino Condominium  
Morsolo St. cor. Gamboa St.  
Legaspi Village, Makati, Metro Manila  
Philippines

Telephone & Telex Numbers: 818-53-68, 815-49-02, 819-03-82  
23630 CSS PH

Contact Person (Name & Position): Emma V. Teodoro  
President

1.2 Business Experience (Present line of business):

Computer Software and Services, Inc. is a software distributor for products that run in the IBM mainframe environment. It also undertakes software development projects for local and foreign companies. It has contact with a network of software distributors.

1.3 Annual gross sales (In US\$) US\$ 500,000.00

1.4 Present Ownership: 100% Filipino  
Emma V. Teodoro                      Teresita V. Ana      Luis Alarilla  
Francis G. Horn                      Paulino Y. Tan

1.5 Share Capital (Nominal): Authorized Capital P 3.2M  
Subscribed Capital P .8M  
Paid-up Capital P .41M

1.6 Bankers : Citytrust  
Legaspi Village, Makati, Metro Manila

Banco De Oro  
Aurora Boulevard, Quezon City

1.7 Association/Parent/Subsidiary Company(ies):

Computer Software and Services International (Taiwan), Inc.  
Computer Software and Services International (H.K.), Co.

1.8 Year of establishment: 1981

1.9 Number of Employees: 23

2. DESCRIPTION OF THE PROJECT:

2.1 Is the project a new enterprise or an expansion/modernization project?

The project is an expansion of existing line of business. The

intention is to target international market for software packages.

**2.2 Specify quality, size and other important specifications of each product**

Products to be developed are for IBM mainframe running under DOS or MVS operating systems. Software to be packaged is specifically for retail merchandising business where current software offerings are deficient. Product will use a relational database management system as its environment.

**2.3 Specify plant capacity and annual production programme for such finished product to be manufactured:**

(The estimates here will vary depending on the actual product that will be developed)

Within the first three months, the first product as well as its market potential will be identified for packaging purposes. The actual work in packaging this product will take six months with approximately 8,000 man hours involved. Computer that will be used is IBM mainframe with approximately five terminals working three shifts. Development effort will continue with new enhancements to the products requested by users being regularly added. More products will be developed annually.

**2.4 Number of working days per annum and number of shifts per day required to implement the production programme (in case of expansion/modernization, present and projected):**

(Estimates will have to be recomputed after final selection of the product to be developed.)

It is assumed that the first three months will be the selection process during which three people will research on existing application software products offered for the retail industry. Simultaneously will be the call for systems developed by small local software developers. Criteria to be used in the selection process will be based on the outcome of the research on the needs and supply of software products for the retail industry. Emphasis of this study is the provision of systems that are not offered in the market. The developer will be offered outright purchase of the codes if acceptable. Otherwise, royalty payment will be offered.

If no software satisfies the identified selection criteria, a retail company will be approached for the development of the package. This alternative will mean that the development process will be longer than the original timetable of six months. Resources needed will also be more.

The packaging process will take approximately six months from start of development utilizing one project manager, four systems analysts, fifteen programmers and three industry consultants. There will be three shifts of programmers utilizing five terminals per shift. Approximate number of terminal time is 7,000 hours.

The development of the network of distributors will be done simultaneously with the development of the package itself. Initially, contacts of CSSI in about forty countries will be approached. Distributors will be contracted on commission basis. Pricing will be dependent on the specific product to be developed and market projection.

### 3. RESOURCE REQUIREMENTS AND OTHER INPUTS:

#### 3.1 Hardware and software requirements:

##### 3.1.1 Are they readily available from local sources?

Yes. Computer time may be rented from data processing installations with excess capacity. Software needed for development may be leased or purchased.

##### 3.1.2 For imported inputs indicate preferred sources:

Operating environment (systems software needed) will be chosen on the basis of popularity in the international market.

#### 3.2 Manpower: Indicated (estimated personnel requirements and average monthly wages (in case of expansion/modernization: present and projected figures):

	Number		Available	Training	Monthly Salary/ -----Person-----
	Present	Projected	Locally ---(Yes/No)---	Needed ---(Yes/No)---	
Management	1	1	yes	no	P 30,000
Administrative	4	4	yes	no	P 4,000
Sales	2	3	yes	yes	P 13,000
Project Manager	4	5	yes	no	P 15,000
Systems Analysts	4	4	yes	no	P 7,000
Programmer	5	15	yes	yes	4,000
Industry consultant	0	3	yes	no	7,000
Documentation Staff	0	2	yes	no	4,000

### 4. MARKET

#### 4.1 What is the total demand for the products in the country or the region (specify) to be supplied by the project?

Demand is dependent on the number of retail establishments using IBM mainframe. In the Philippines, there is only one.

#### 4.2 How is this demand presently met (percent local production, percent imports)?

There is no locally developed software package for retail business. Information systems are developed on a turnkey basis.



4.3 If the products now would locally be imported, will protection be available to the locally-made products (for example by restricting imports or by import duties, etc.)

No.

4.4 Proportion of total annual sales to be sold to major export markets:  
80% is targeted for international market.

4.5 Proposed channels of distribution:

The current contact of CSSI will be used. These are software distributors in about forty countries worldwide.

5. INITIAL INVESTMENT AND SOURCES OF FINANCING (In US DOLLARS):

5.1 Initial Investment required: (In Thousand Pesos):

	Local Currency Component	Foreign Currency Component
<b>Fixed Investment:</b>		
Purchase of Source codes	P 200,000	
Working Capital	1,000.000	
<b>Pre-operational Expenses</b>		
Manpower	400,000	
Computer Facilities Rental	300,000	
Supplies	50,000	
Office Rental	50,000	
Market Development	500,000	
Interest during development	200,000	
Provision for Contingencies	300,000	
<b>Total</b>	<b>P 3,000,000</b>	<b>U.S.\$ 142,857.14</b>

5.2 Sources of Financing:

	Local Sources	Foreign Sources
Equity (Internally generated funds)	P 200,000	
Long-term loans		P 2,400,000
Short and medium-term loans	400,000	
Suppliers credits	200,000	
<b>Total</b>	<b>P 600,000</b>	<b>P 2,400,000</b> <b>US\$ 114,285.71</b>

6. OWNERSHIP STRUCTURE:

Percent Local Private	100%
Percent Local State	0%
Percent Foreign	0%
Total	100%

7. FOREIGN CONTRIBUTION DESIRED: (Check those of the following that are needed):

(Possibilities)

- Equity participation
- Loans
- Joint Venture
- Sub-contracting
- Licensing for software distribution
- Turnkey project
- Market Access
- Marketing Expertise

8. Give a tentative timetable for the implementation of the project from time of the preparatory studies to the commencement of commercial operations:

Feasibility studies	2 months
Selection of specific system	1 month
Actual development	6 months
Documentation	2 months
Start of marketing	during fourth month of development

9. Further information of relevance:

Beta sites for the product will be both local and foreign companies for a total of at least two sites.

10. Is this questionnaire completed on the basis of -

- A pre-feasibility study
- Information supplied by the local sponsor?

If a project study is available, indicated from whom can it be obtained and its year of preparation.

No project study is available now.

11. Have forecast of the projects' profitability been prepared?

This will be prepared as part of feasibility study to be prepared prior to actual development of package.

12. Currency Exchange Rate Used:

Date: March 11, 1988  
Rate: P 21.00

PROJECT No. 5

- 1) PROJECT TITLE: Motor Control Center
- 2) PROJECT SPONSOR AND LOCATION: Name of Company: Nanjing Electric Control Equipment Factory  
Name of Director: Yan Dun-xin  
Address: 36 Helu Road, Zhongyan men wai, Nanjing  
Tel: 651382
- 3) PROPOSED PRODUCTS AND CAPACITY: Motor Control Center  
2,000 sets / year  
P.R.C. standards "Low-voltage Drawout-mounted Switch Gear Assembly"  
JEM-1125 "Motor Control Center"
- 4) DEMAND AND SUPPLY SITUATION: For domestic market, power generating equipments capacity increases 5,000MW each year, so 200,000 sets of low-voltage electrical control devices are needed each year and 25% of them are M.C.C. that is 50,000 sets of M.C.C.. At present, China can make less than 5,000 sets each year. And rest have to be imported or substituts of poor standards ones have to be used.
- 5) PRODUCTION PROCESS:
- |               |               |
|---------------|---------------|
| Plate Cutting | Painting      |
| ↓             | ↓             |
| Hole Punching | Assembly      |
| ↓             | ↓             |
| Bending       | Line Mounting |
| ↓             | ↓             |
| Welding       | Testing       |
| ↓             |               |
| Cleaning      |               |
- 6) ESTIMATED INVESTMENT COST AND FINANCIAL ARRANGEMENTS: New investment US\$500,000 to purchase following equipments:  
NC Turret Punch Press 1 set  
NC Hydraulic Brake Press 1 set  
NC Mechanical Shear 1 set

7)SOURCE OF RAW Domestic supply.  
MATERIALS AND  
PARTS:

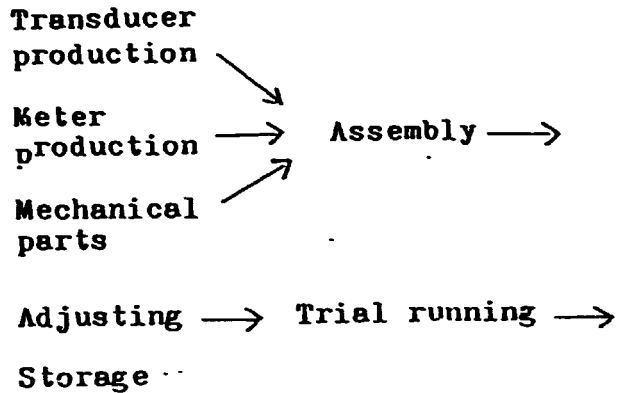
8)OTHER PRODUCTION Water, electricity,road,man power  
FACTORS: etc. are available.

9)TYPE OF BUSINESS Joint-venture, compensation-trade  
COLLABORATION: or loan.

PROJECT NO. 12

- 1) PROJECT TITLE:            Electronic Scales
- 2) PROJECT SPONSOR AND LOCATION:            Name of Company: Nanjing Scale Factory  
Name of Director: Liu Zi-jian  
Address: 25 Luxixiang, Nanjing  
Phone: 624396, 623610
- 3) PROPOSED PRODUCTS AND CAPACITY:            A) Elec. Scales for Industrial Use  
a) Wireless Direct-reading Elec. Hanging Scale:  
0.5 - 5 tons  $\geq$  0.1%  
Wireless Remote-control Elec. Hanging Scale:  
10 - 50 tons  $\geq$  0.1%  
Capacity: 2,000 units/year  
b) Fitless Elec. Truck Scale:  
 $\geq$  0.03%  
Other Industrial Burden Scale:  
 $\geq$  1/500  
Capacity: 1,000 units/year  
B) Elec. Scales for Commercial Use  
a) Elec. Platform Scale:  
25 - 1,000 Kg  $\geq$  0.03%  
Elec. Table Scale:  
5 - 20 Kg  $\geq$  0.03%  
Capacity: 30,000 units/year
- 4) DEMAND AND SUPPLY SITUATION:            At present, elec. scale is one of developing products in China. Users require scales with multi-function and wisdom. We can not make enough product for the domestic market. Our factory imported some parts and made some direct-reading elec. hanging scales and sold out immediately. Elec. scales have a good market and will replace mechanical scales.

5) PRODUCTION  
PROCESS:



6) ESTIMATED  
INVESTMENT COST  
AND FINANCIAL  
ARRANGEMENTS:

Import technology and equipments  
to form a production line making  
33,000 units each year needs  
investment USD 2,000,000.

Technology and Equipments	USD 1,500,000
Building and Other Facilities	USD 500,000
Total	USD 2,000,000

Foreign investment will be  
technology, equipments and cash,  
will be 40-50% of the total  
investment.

7) SOURCE OF RAW  
MATERIALS AND  
PARTS:

At initial period, import some  
samples and key parts, such as  
transducers and meter elements.  
Other parts can be solved locally.  
Trying to make all the parts  
locally in the near future.

8) OTHER PRODUCTION  
FACTORS:

Water, electricity, road all  
are available.

9) TYPE OF BUSINESS  
COLLABORATION:

- Joint venture
- Co-production
- Processing with customer's  
material or drawing

For joint-venture more than  
40% of the finished products  
should be for export.

1. Project Title: Helium Airship

2. Project Sponsor: China National Aero-Technology Import & Export Corp. Xiamen Industry & Trade Centre

3. Project Location: Factory building in Huli Industrial District, Xiamen

4. Proposed Products: Soft Helium Airship

Brief technical data requested:

a. Cruising speed: 60km/h

b. Capable of having a normal cruise and undertaking all operations in force 4 wind and a safe cruise in force 6 wind

c. Max. cruising altitude: 1500m

d. Carrying Capacity: 500kg

e. Once-through cruising time: 5 hours

f. Size of airsac: Dimension-- 11.2m

Length-- 40m

Volume--  $2627\text{m}^3$

Surface dimension--

$1100\text{m}^2$ , in which  
 $600\text{m}^2$  are available  
for advertisement.

Power: 2 units of 80h.p. engines

5. Utilities of Products:

a. TV relay and air photographing

b. Air videoing

c. Air advertising

d. Cargo lifting and carrying in low altitude

e. Geological prospecting

6. Production Capacity: 20 units annually

7. Investment Costs And Financial Arrangements:

Total investment: 1.5 million US dollars, half of which will  
be provided by foreign investors who will  
be responsible for exporting some products.

8. Type of Business Collaboration:

Equity joint-venture.

9. Remark:

The project sponsor is able to provide the assembling technology, and it is hoped to assemble 10m-no-engine floating ship in addition.



**PROJECT INFORMATION****—Xiamen, China—**

- 1) **PROJECT TITLE:** LLDPE/LDPE Ba gs
- 2) **PROPOSED PRODUCTS AND CAPACITY:** LLDPE/LDPE Bags with 1,000 - 2,000 tons capacity annually.
- 3) **LOCATION:** Huli Industrial District, Xiamen
- 4) **PROJECT SPONSOR:** XIAMEN ORIENT ENTERPRISE LTD. located in Huli Industrial District, Xiamen, including area with factory building, 3,450 sq. m., and a platform for loading 6 containers simultaneously.
- 5) **SUPPLY AND DEMAND SITUATION:** Now, Xiamen Orient Enterprise Ltd. is unable to make full use of the existing HDPE processing equipment, because at its preparation stage, we lacked proper experience and made very optimistic estimates by bringing in 10 blown film machines, and 30 bag-making machines with an annual capacity of 4,000 tons. So far, it has not its own stable foreign market, although its products have been sold to the USA, West Europe, and Oceanian Countries.
- On the other hand, it has received a lot of enquiries from abroad regarding the LLDPE/LDPE bags, and it can not meet its clients' requirements if it does not bring in some special equipment concerned.
- 6) **PRODUCTION PROCESS:** Xiamen Orient Enterprise Ltd. is planning to bring in a unit of both LLDPE/LDPE blown film machines, 2 units of bag-making machines with punchers, 2 units of multi-thread edge sewing machines, and 4-5 units of 2, 4, and 6-colour printing machines which will match the existing equipment, diversify products and increase the production capacity.
- 7) **SOURCE OF RAW MATERIALS AND PARTS:** Xiamen Orient Enterprise Ltd. has entered into close business relations with raw material suppliers from abroad who make relevant offers periodically, such as Mitsui and C. Itoh in Japan, Mobil in USA, and MARLBX in Singapore.

Recently, it is undertaking a closer contact with raw material suppliers at home, such as the Yangtzi Company in Nanjing, and the Liao Ling Chemicals Company in Northeast China, and has tried to substitute the imported materials with domestic ones.

**8) OTHER PRODUCTION FACTORS:**

Xiamen Orient Enterprise Ltd. was set up in May, 1986, and specializes in producing HDPE shopping bags and rubbish bags. Its products includes the T-bag, food-packing bag, lining bag, bacteria-culturing bag, rubbish bag and agro-utilized film, etc., and it can supply embossing and colour-printed bags, as well if requested.

There are 40 units of advanced HDPE blown film and bag-making machines, 1 plastic retrieving machine made by PLACO and FLUTE in Japan, and 1 four-colour printing machine made in Hong Kong.

Xiamen Orient Enterprise Ltd. has 140 staff members, including 1 processing engineer, 2 mechanical engineers, 1 electro-automatic engineer, and 21 other technical and management personnel who have accumulated management experience and worked out their own HDPE material formula.

At present, it exports 95% of the products.

**9) TYPE OF BUSINESS COLLABORATION:**

Joint-venture, compensation process materials supplied.