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OCCASION

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diagram
16505
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The UNIDO Investment Promotion Information System (INPRIS)

The role of the United Nations Industrial Development Organization (UNIDO) is to promote and accelerate the industrialization of developing countries. UNIDO seeks to redress the serious imbalance between industrial production in developed countries and that in the developing countries and to increase the latter's share of world industrial production. One of the ways in which UNIDO achieves its aims is through the Industrial Investment Division, which furthers industrial growth through the promotion of co-operation at the enterprise level between project sponsors in developing countries and potential partners in industrialized and selected other developing countries. (A chart illustrating the role UNIDO plays in supporting industrial restructuring in industrialized countries and promoting industrial investment in developing countries appears in annex I.) This programme is part of the overall technical co-operation activities of UNIDO, which include other pre-investment work, such as the preparation of feasibility studies, as well as training and assistance in industrial planning and factory establishment and management.

In order to improve the recording and dissemination of information related to pre-investment activities, the Industrial Investment Division created the Investment Promotion Information System (INPRIS), which consists of five searchable computerized data banks (project file, investor file, bank file, institution file and sponsor file) and sets of country data (country investment profiles) that are also stored electronically. A description of the contents of the six-part system appears below. All figures quoted are from September 1986.

Project file

The project file contains summarized information on some 2,700 industrial investment project proposals in developing countries that require some form of foreign co-operation, such as joint-venture or other partnerships, acquisition of technology, management expertise and marketing assistance. UNIDO actively identifies such projects

from private and public sources in developing countries such as ministries of industry, development corporations, investment promotion agencies, local manufacturers etc. Information on these projects is generally recorded on the UNIDO industrial investment project questionnaire, blank copies of which may be obtained from the Industrial Investment Division, and may be supported by a feasibility, pre-feasibility or other form of study. In the industrial investment project questionnaire, the project sponsor gives details on the products to be manufactured; the intended capacity of the plant; the energy, raw material and labour requirements; the proposed markets, the cost of the project, sources of finance and other important data.

Whenever possible, the Industrial Investment Division screens the projects so identified and points out any inaccuracies, deficiencies or inconsistencies to the project sponsor. Once the project is deemed to be acceptable for promotion, it is given a project number and classified according to the International Standard Industrial Classification (ISIC). Essential data from the project questionnaire are then entered in the project file. (A specimen record from this file appears in annex II.) As may be seen from this typical record, the computerized data are facts that a potential partner would normally like to know in order to decide whether the project is of interest or not.

The record therefore includes a description of the products to be manufactured and the proposed capacity of the plant, an estimate of the cost of the project and an indication of the foreign co-operation sought. The existence or otherwise of a study and a local sponsor is also indicated.

Once a project is recorded in the project file, it is promoted in one of three ways. First, lists of the projects being promoted are published two or three times a year. These lists are in the form of booklets and are reproductions of print-outs similar in form to the one shown in annex II. About 3,500 copies of these lists are distributed to potential partners, as well as to development finance institutions, official aid agencies and similar organizations. Once an entrepreneur has identified a project of potential interest, a copy of the project questionnaire and any available supporting information can be requested from the Industrial Investment Division. The project questionnaire contains the name and address of the project sponsor, thus allowing the potential partner to contact the sponsor in the developing country and initiate negotiations.

Secondly, the Industrial Investment Division receives requests from entrepreneurs for information on projects in specific industrial sectors, countries or regions or on projects seeking a particular form

of co-operation, such as a joint-venture partnership, the supply of technology, participation in equity etc. As it is possible to search for information using any combination of parameters (e.g. projects in the furniture industry in Ghana seeking access to foreign markets), replies to such requests take the form of computer print-outs giving the desired information. As in the case of the project lists, further information in the form of project questionnaires etc. is available for each project whose summary appears in a personalized print-out.

The third way in which projects in the project file are promoted is through increased use of communication networks and access to remote data banks. Copies of tapes of project information are supplied to selected institutions and companies that specialize in this type of data. Subscribers to such services are therefore able to find out from sources other than UNIDO about projects being promoted by UNIDO. Further information on such projects, however, can only be obtained from the Industrial Investment Division. Direct access to the computer in Vienna is possible; the UNIDO Investment Promotion Service office at Cologne now has such direct access. This office is able to conduct on-line searches for project information in response to inquiries from entrepreneurs in the Federal Republic of Germany. It is planned to extend this facility to other Investment Promotion Services offices located in Milan, Paris, Tokyo, Zurich and Warsaw.

Investor file

The investor file is a directory of about 3,100 public and private enterprises that have indicated a willingness to consider participation in industrial projects in developing countries. These enterprises are located in industrialized countries and in developing countries that are capital-surplus or that dispose of technology or other investment-related resources. UNIDO has conducted surveys in a number of countries of enterprises that were found to satisfy the criteria established for inclusion in the investor file, namely that enterprises had to be medium-sized manufacturers, they had to have at least a medium-term commitment in the project, and the industrial sectors in which they operated had to correspond to the needs of the developing countries. These surveys are the main source of information on potential project partners. In addition, firms are added to the investor file as a result of visits to UNIDO by company officials, requests received in the mail, contacts through diplomatic missions to UNIDO etc.

As may be seen from the specimen in annex III, the data entered in the computer include the name and address of the firm, the person to be contacted within the firm, the products that could be manufactured jointly and the preferred countries or regions where co-operation could take place. As in the project file, the projects are classified according to ISIC, which allows direct matching between the two files.

Firms that are entered in the investor file regularly receive copies of the project lists referred to earlier. Their names also appear in searches of the data base when inquiries are received from ministries of industry, investment promotion agencies etc. in developing countries for information on potential partners for a particular scheme. The versatility of the searching system allows multi-faceted questions to be asked (e.g. which potential partners in Italy would be interested in a textile project in Indonesia?). In addition these firms receive invitations to investment promotion meetings and country presentation meetings organized regularly by UNIDO.

Information from the investor file is published in a booklet called *Industrial Partnership Proposals* which is a compendium of all the products manufactured by the firms contained in the investor file that could possibly be manufactured as a result of co-operation between a local project sponsor and a foreign entrepreneur. This booklet has a wide distribution and is aimed primarily at institutions and organizations in developing countries that may be sources of industrial investment project proposals (see "Institution file", below). It serves to stimulate the generation of ideas about possible production in a given country and supplements a related UNIDO publication entitled *How to Start Manufacturing Industries*, which contains descriptions of some 288 manufacturing processes.

Bank file

UNIDO is not a financing institution and is therefore unable to participate financially in manufacturing projects in developing countries except, to a limited extent, in financing "software" components of certain projects, such as feasibility studies, training etc. UNIDO is, however, able to bring project proposals to the attention of development finance institutions and can also provide information on such institutions to project sponsors and potential partners. Many development finance institutions are project promoters themselves and are sources of information on projects in developing countries.

The third data base in the INPRIS is the bank file, in which information on approximately 600 international, regional (including Arab and Islamic) and national development finance institutions may be found. A sample record from this file appears in annex IV. A list of development finance institutions that are willing to finance projects in a particular country or region can be obtained from this data base. Other information that can be generated includes the length of time for which the institution will give loans and its lending limits, whether the institution will finance the study or preparation of projects, whether it will provide export credit etc. Once again, it is possible to make compound searches in the file (e.g. a list of all development finance institutions that will take equity in projects in the private sector in Kenya).

A reference publication entitled *Directory of Development Finance Institutions* (ID/344) contains updated information on 340 institutions. This publication takes the form of a computer print-out (in English only) compiled from the bank file. The introduction and instructions are in English, French and Spanish. A system of cross references facilitates the identification of institutions able to finance projects in a particular country or region.

As may be seen, although the bank file is not linked as closely as the project and investor files, it provides very useful supplementary information, especially at the early stages of project negotiation.

Institution file

Information on industrial investment project proposals reaches the Industrial Investment Division from a variety of public and private sources in developing countries other than private entrepreneurs. These sources include ministries of industry, investment promotion agencies, development corporations, manufacturers' associations and so on. In order to assist the Division in its contacts with such project sources, about 1,200 institutions were brought together in a single data base. A typical example of such an institution appears in annex V.

This data base is used in preparing names and addresses of appropriate institutions to be visited when Industrial Investment Division staff members are in the field identifying projects. Institutions recorded in the data base also receive relevant material on investment promotion activities, such as *Industrial Partnership Proposals* referred to above.

Sponsor file

From time to time the Industrial Investment Division hears about operational plants in industrialized countries that are closing down for commercial reasons but that still have a useful technical life left and a technology that is still perfectly applicable in a different operational environment. These plants are very often disposed of for a fraction of the replacement value of the plant and machinery, sometimes for only little more than their scrap value. One of the major concerns of the owners of such factories is to dispose of them while the machinery is still productive.

Since a number of plants that cease operations manufacture products that are sought by developing countries (e.g. food products, textiles, footwear, wood products, chemicals, metal products), it was decided to build up a data bank of firms in developing countries that could be interested in learning of such redeployment possibilities. Information on around 1,000 such firms exemplified by the record in annex VI, is drawn from the UNIDO Investment Promotion Information System project file, the *UNIDO Newsletter*, participation from developing countries at investment promotion and other meetings, visitors to UNIDO and so on.

Once information on a redeployment possibility reaches the Division, a search is made in the sponsor file, and copies of the information are mailed to the firms that appear in the search. If the offer is of interest to one of the recipient firms, this firm can establish contact with the appropriate executive in the plant concerned with a view to negotiating the acquisition of that plant. It would also be logical to have a data bank of redeployment opportunities, but as the life of each offer is so short this is not considered feasible.

Country investment profiles

At the early stages of considering participation in an industrial project in a developing country, a potential investor very often knows little about investment conditions prevailing in that country. Country reports are published by a number of banks, economic institutions and international organizations, but these rarely contain the sort of data that would be of interest to a prospective investor. UNIDO therefore decided to prepare a set of profiles of developing countries containing precisely this type of information.

The profiles are issued in a standard eight-page format and start by giving general country data, economic indicators and information on the balance of payments, the infrastructure and the structure of

the manufacturing sector. More specific information is then given on the general principles of foreign investment, financial transfers, patents and trademarks, taxation, labour and incentive schemes. The final part of the profile provides examples of existing manufacturing enterprises in the country, sources of industrial information, names of financial institutions and a map of the country.

The profiles were completely revised in 1984 and are now available for 104 developing countries.

How to use INPRIS

INPRIS is at the disposal of manufacturers, institutions and other organizations in the private and public sectors of both industrialized and developing countries. Requests to the Industrial Investment Division for information contained in the system are welcomed.

Applications are also welcomed for inclusion in an appropriate data bank. In order for projects to be considered for promotion and for entry in the project file, the project sponsor should request and complete a copy of the Industrial Investment Division industrial investment project questionnaire. Firms and development finance institutions wishing to be included in the investor file and bank file, respectively, can obtain a copy of the appropriate form for completion by writing to the Industrial Investment Division. Investment-related institutions in developing countries and entrepreneurs in developing countries interested in learning about redeployment possibilities should also write to the Division.

All correspondence on INPRIS should be addressed to:

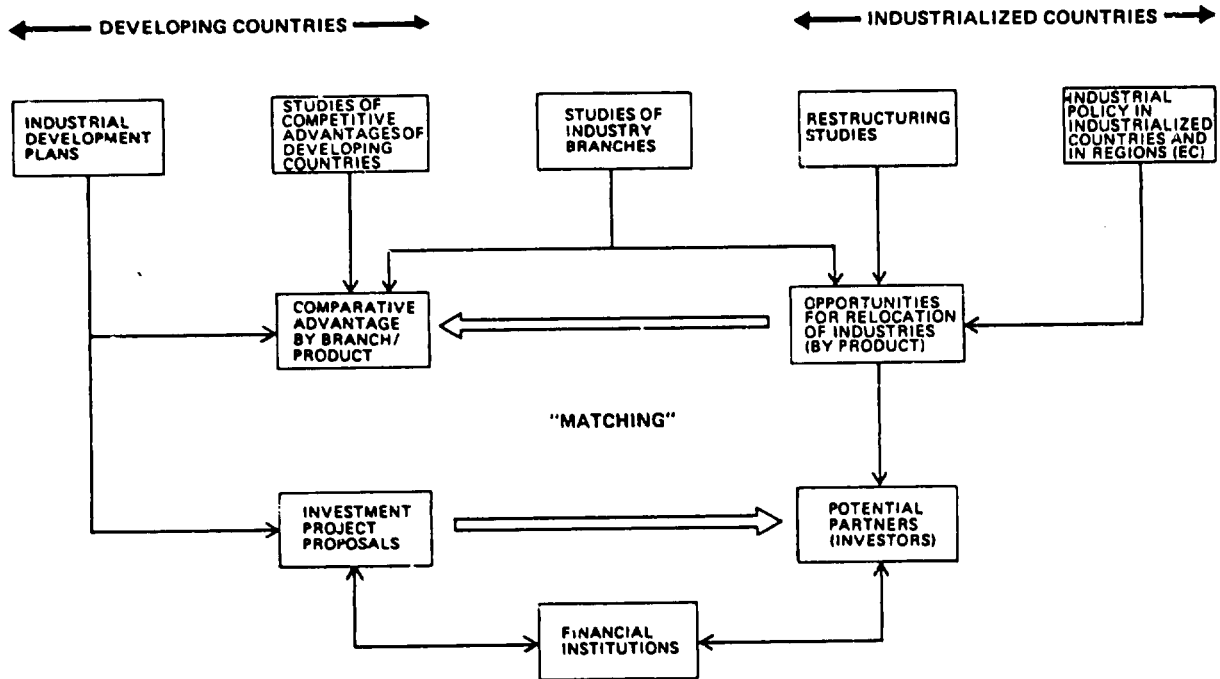
**Director
Industrial Investment Division
United Nations Industrial Development Organization
P.O. Box 300
A-1400 Vienna
Austria**

Telephone : (0222) 2631, ext. 4811

Telex : 135612

Annex 1

THE UNIDO SYSTEM FOR SUPPORTING THE RESTRUCTURING OF INDUSTRY
IN INDUSTRIALIZED COUNTRIES, COMBINED WITH
PROMOTION OF INDUSTRIAL INVESTMENT IN DEVELOPING COUNTRIES



Annex II

UNIDO INVESTMENT PROMOTION INFORMATION SYSTEM (INPRIS) - PROJECT FILE

CONTROL NUMBER: 001929
ISIC: 3811, 3822
PROJECT NUMBER: SOM/033/V/84-11 COUNTRY: Somalia
PROJECT TITLE: Agricultural implements and Hand Tools
PRODUCT & CAPACITY: Animal-drawn implements (cultivators, planters, ridgers, etc.): 1,500/year
Tractor-drawn implements (ploughs, multi-purpose tools, ditchers, ridgers): 1,800/year
Spades, hoes, axes, pick axes, forks and levellers: 1,000 each/year
COOPERATION SOUGHT: LNS, SDT, TRX
TOTAL PROJECT COST: US\$ 1,700,000 PROJECT IS: New
STUDY AVAILABLE: No LOCAL SPONSOR: Yes
PROJECT STATUS: Active AS ON (DATE): 850220

Annex III

UNIDO INVESTMENT PROMOTION INFORMATION SYSTEM (INPRIS) - INVESTOR FILE

CONTROL NO.: 002586

ISIC MAIN PRODUCTS
3692 Portland cement, off-white cement, lime, cement clinker

CODE NUMBER: AUL047
NAME OF FIRM: Adelaide Brighton Cement Ltd.
ADDRESS: Charles St.
Birkenhead
South Australia 5015
Australia
TELEPHONE: (08) 49 0400
CONTACT NAME: Mr. G.A. Fry
PREF DEV CNY: PCF, RAS
DATE: 840118

TELEX: AAB2789
POSITION: Director, Admin.

Annex IV

UNIDO INVESTMENT PROMOTION INFORMATION SYSTEM (INPRIS) - BANK FILE

CONTROL NO.: 000010
CODE NUMBER: GAR020 COUNTRY: Kuwait
NAME OF INSTITUTION:
ADDRESS: The Industrial Bank of Kuwait
P.O. Box 3146
Safat
Kuwait
TELEPHONE: 2457861
CABLE ADDRESS: BANKS-NAEY- KUWAIT
CONTACT NAME: Mohamed Jama
Lucien Toutounji
TITLE: Executive Manager,
Project Dept.
Sen. Exec. Manager,
Project Dept.
GEOGRAPHICAL COVERAGE: OUL
PAID-IN CAPITAL: KD20,000,000
RESERVES: KOB, 846, 001
LENDING LIMIT: MAXIMUM 20% of IBK's net worth and long-term loans
MINIMUM KD50,000
MATURITY RANGE OF LOANS: 4-8 years
FINANCING AVAILABLE FOR
STUDY OR PREPARATION OF PROJECTS: YES
EQUITY INVESTMENT IN PROJECTS: YES
PROJECTS IN PRIVATE SECTOR: YES
EXPORT CREDITS: NO
DATE: 840808

Annex V

UNIDO INVESTMENT PROMOTION INFORMATION SYSTEM (INPRIS) - INSTITUTION FILE

CONTROL NO.: 000409
CODE NUMBER: MAL005
NAME OF INSTITUTION: Malaysian Industrial
Development Authority
MAIL ADDRESS: P.O. Box 10618
Kuala Lumpur
Malaysia
TOWN ADDRESS: 3rd-6th Floor
Wisma Damansara
TITLE OF CEO: Director General
CONTACT NAME: J. Jegathesan
TITLE: Director of Investment
Promotion
TELEPHONE: 03-943633
CABLE: MIDAMAL - Malaysia
DATE: 841120
TELEX: MIDA MA 30752
TYPE: PRM

Annex VI

UNIDO INVESTMENT PROMOTION INFORMATION SYSTEM (INPRIS) - SPONSOR FILE

CONTROL NO.: 000316
CODE NUMBER: BRA005
NAME OF COMPANY: Prolat Produtos Lacteos Ltda.
ADDRESS: Rua Carmo Gifone
441-38400 Uberlandia
Brazil
TELEPHONE: (034) 235-1224
CABLE ADDRESS: ...
CONTACT NAME: Jayme Tannus
TELEX: (034) 3243 CSOR BR
ISIC DESCRIPTION
3112 Dairy products
REFERENCE: BRA/001/V/84-05
DATE: 840709