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FOLLOW-UP OF THE PROGRAMME FOR THE IDENTIFICATION AND PROMOTION  
OF  
INDUSTRIAL INVESTMENT PROJECT IN EGYPT

Ms. H.A.A. KHEIR-EL-DIN

CLT 89/022

Introduction:

The programme for the identification, formulation and promotion of industrial investment projects in Egypt was executed in 1987 and the forum was held in Cairo from 2 to 5 November, 1987.

For this programme 120 projects and project ideas were identified and formulated by five local consultants introduced by the General Authority of Investment and Free Zones (GAFI). Of these, 108 projects were selected and presented for discussion during the forum.

129 local project sponsors and 216 foreign partners participated in the forum (see annex 1).

During the forum, 40 letters of intent were signed by both parties (project sponsors and foreign partners).

Follow-up:

In February 1989, local consultant, Ms. A. Kheir-El-Dim was recruited for the follow-up of the results of the forum (job description: see annex 2).

In March 1989, follow-up questionnaires (sample: see annex 3) were dispatched to all the project sponsors to which we have received 31 so far.

Results (also see annex 4):

- a) Result of the consultant's report was received on June 1989, and her findings are as follows:
- 83 project sponsors were contacted;
  - 2 projects concluded;
  - 16 projects under serious negotiation; and
  - 65 projects are for further promotion (no progress were achieved till now).

Detailed information could be obtained from the consultant's report (copy attached)

b) Analysis of 31 questionnaires returned by project sponsors indicate:

- 5 projects under production;
- 2 projects under construction;
- 18 projects under serious negotiation;
- 4 projects cancelled; and
- 13 projects open for further UNIDO promotion.

By comparing these two results - a and b -, we note that according to the consultant's findings, only 2.4% of the projects are concluded while the questionnaires completed and returned by the project sponsors show 22% of projects concluded ( either producing or under construction). Statistically speaking, 31 projects constitute 32% of the total which could be considered as a fair representation of the total.

This discrepancy in the results of the above methods of follow-up might be due to misunderstanding on the part of the project sponsors or because of the use of different terminologies in the two methods. Therefore, we propose to send a copy of this analysis to the local consultant to look at the situation more carefully and come up with the real picture of the situation.

## ANNEX 1

FOREIGN PARTICIPANTS

Country	Number of participants	Sphere of activity			
		Industrialist	Consultant	Financial Institution	Other
Austria	7	7			
Belgium	1	1			
Bulgaria	4	4			
Canada	1			1	
Czechoslovakia	6	6			
Denmark	4	1			3
Egypt (foreign resident)	17	15		2	
Finland	3		2	1	
France	37	21	8	5	3
German Dem. Rep.	1				1
Germany, Fed. Rep. of	32	27	4		1
Greece	1		1		
Hungary	4	4			
India	1			1	
Italy	9	6		3	
Japan	10	10			
Kuwait	2	2			
Lebanon	1	1			
Netherlands	5	3	2		
Poland	8	5	2		1
Qatar	1		1		
Romania	9	7	1		1
Rep. of Korea	5	5			
Saudi Arabia	2	2			
Spain	3	2	1		
Sri Lanka	3	2			1
Sudan	2	2			
Switzerland	1	1			
United Kingdom	5	4		1	
SA	17	15	1		1
USSR	2	2			
Yugoslavia	5	2		3	
Regional Financial Institutions	7			7	
<b>Total (foreign participants)</b>	<b>216</b>	<b>157</b>	<b>23</b>	<b>24</b>	<b>12</b>

LOCAL PARTICIPANTS

Field of activity	Number of sponsors
Industrialists	63
Consultants	20
Financiers	40
Other	6
<b>Total</b>	<b>129</b>

## U N I D O

## UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

## INDUSTRIAL INVESTMENT DIVISION (IID)

JOB DESCRIPTION

<u>Post title</u>	Industrial Investment Expert
<u>Duration</u>	2 months
<u>Date required</u>	As soon as possible
<u>Duty station</u>	Cairo, Egypt
<u>Purpose of project</u>	Follow-up of 90 projects which were promoted by UNIDO/IID and subsequently discussed during the Industrial Investment Project Promotion Forum in Cairo, Egypt, in November 1987. The expert will be provided with a copy of the questionnaire on each of the 90 projects.
<u>Duties</u>	<p>Under the guidance of the UNIDO/IID backstopping officer and in co-operation with the UNDP office in Cairo, Investment and Free Zones Authority of Egypt (GAFI), Ministry of Industry, Ministry of Economy, Federation of Industries, Businessmen Association., Chamber of Commerce, etc., the expert will:</p> <ol style="list-style-type: none"> <li>1. Locate the project sponsors, in the public or private sector in order to: <ul style="list-style-type: none"> <li>- discuss the status of the projects they discussed at the Cairo Forum and obtain information on the project sponsors whose projects require assistance either in the form of further promotion assistance or technical assistance;</li> <li>- complete the attached Industrial Investment Project Follow-up Forum for each project.</li> <li>- Up-date project questionnaires for projects which need further promotion assistance.</li> </ul> </li> <li>2. Make a personal judgement on the status of projects on the basis of the information received from sponsors, Government officials, Industrial Development Banks and other relevant organizations, and present this judgement on the attached follow-up form.</li> <li>3. To prepare comprehensive report and the results of all the projects.</li> </ol>
<u>Qualification</u>	Industrial economist or engineer with sufficient experience in investment project preparation and pre investment studies.
<u>Language</u>	English and Arabic



# UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

VIENNA INTERNATIONAL CENTRE  
P.O. BOX 300, A-1400 VIENNA, AUSTRIA  
TELEPHONE: 26 310 TELEGRAPHIC ADDRESS: UNIDO VIENNA TELEX: 135612

REFERENCE

DATE

Dear Sir,

Project title: .....

As you know UNIDO promoted your above project which is described in the attached questionnaire.

Kindly let us know the present status of your project by marking the appropriate boxes and returning this form to me.

- already producing
- under construction
- negotiations still ongoing
- UNIDO can continue to promote project; if so does project require revision
  - yes
  - no
- cancelled

With my sincere thanks.

Yours faithfully,

H. Maadi

Industrial Development Officer  
Investment Project Identification and Formulation Branch  
Industrial Investment Division

Annex 4

Analysis of the preliminary result of the INPRIS restructuring exercise (Egypt):

No of questionn- aires sent	Status of project											
	Replies		Already producing		Under construction		Negotiation ongoing		Cancelled		UNIDO can promote	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
97	31	32	5	15.6	2	6.3	6	18.8	4	12.5	13	40.6

b. Results of Ms. Hanaa A. Kheir-El-Din's follow-up report

Status of project	Number of projects	Percentage of total
Implemented	2	2.4
Under serious negotiation	16	19.3
No progress achieved	65	78.3
<b>Total</b>	<b>83</b>	<b>100.0</b>

FOLLOW-UP REPORT  
of Projects presented during the  
Industrial Investment Promotion Forum  
held in Cairo, November, 1987

By  
Hanaa A. Kheir-El-Din

**I. Introduction:**

The Industrial Investment Division of UNIDO, in co-operation with the General Authority of Investment and Free Zones (GAFI) of Egypt organized a program of promotion of industrial investment projects. The objective of this program was to assist Egypt in accelerating its industrial development through identifying and promoting both private and public sector industrial projects which would be consistent with the current Five-Year Plan.

This objective was to be achieved by developing contacts between Egyptian project sponsors and prospective foreign partners through a Forum held in Cairo from November 2 to 5, 1987. The foreign contribution required involved financing, transfer of technology and/or access to foreign markets.

The purpose of this report is to:

- Display the results of the follow-up of the projects presented during the Forum.
- Assess the results and discuss their causes and implications.

**II. Scope of the Follow-up:**

A. The list of projects provided by UNIDO/IID included 85 projects involving a total investment of 866.7 million dollars for 78 of these projects. Investment in the remaining 7 projects was to be determined jointly by the local project sponsor and the potential foreign partner.

Of these 85 projects, 13 had no profiles and were just project "ideas" [projects number 200 to 204 and 211 to 218].



However, information on some of these project "ideas" could be obtained from members of the four local consultants group which assisted in the identification of these projects and prepared the 72 profiles provided by UNIDO.

The UNIDO list of projects does not coincide with that circulated by GAFI during the Forum. The GAFI list comprises 108 projects of which 28 [projects number 259 to 286] are not included in the UNIDO/IID list which, in turn, includes 5 projects [numbers 197, 200 to 202, 213] which do not appear in that of GAFI.

The follow-up effort covered the list of 85 projects ~~provided by UNIDO~~ and more specifically the 72 projects for which profiles were available.

B. The follow-up was undertaken through a series of visits and interviews with:

- Government officials in the Ministry of Economy and Foreign Trade, the Ministry of Industry, GAFI and the General Organization for Industrialization (GOFI).
- The president of the Federation of Industries, the local consultants which prepared the project profiles and some members of the Egyptian Businessmen's Association.
- Most of the contact persons mentioned in the project profiles provided by UNIDO/IID.

### III. Results of the Follow-Up:

A. The results of the Follow-Up were disappointing. Few of the projects promoted during the Forum were implemented. In most cases it was mentioned either that "the project is dead" or that "nothing has been achieved", or else that "no foreign co-sponsor had shown interest", or simply "no sponsor". And although the information graciously provided by GAFI showed that several projects had been approved by the board of directors (17 projects) after November 1987, or at least discussed in the joint committees (24 projects), in

the same fields as the ones promoted during the 1987 Forum, none of them is actually among the projects discussed in that Forum.

B. The following table summarizes the overall results of the follow-up of the 85(\*) projects. A more detailed survey of individual projects is presented in the Appendix to the report.

Status of Project	Number of Projects	Percentage of Total
Implemented	2	2.4
Under serious negotiation	16	19.3
No progress achieved	65	78.3
Total	83	100.0

The table indicates that only two of the promoted projects have actually been implemented while 16 others are under serious negotiations. The remaining 65 projects have either been postponed or suspended, or the idea has been given up--altogether; in other cases no progress has been achieved for lack of interested serious foreign partner or simply for the lack of an effective local sponsor.

C. The Forum for Promotion of Industrial Investment Projects was followed, a few months later, by the Arab Forum for Investment held in March 13-16, 1988. Many projects of

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(\*) Two projects of the list, namely projects number 197 and 237 have inadvertently been repeated as projects number 236 and 251 respectively. The projects actually surveyed are thus 83 rather than 85.

the UNIDO project list (34 projects), were promoted again during the Arab Forum, which implies that these projects needed further promotion either to find additional sources of financing or to attract potential co-sponsors to provide technology transfer and/or access to foreign markets. The following table shows the distribution of projects by field of activity in the UNIDO project list and the number and percentage of these projects rediscussed in the Arab Forum.

Field of Activity	Number of projects in the UNIDO list	Number and percentage of these projects rediscussed in the Arab Forum	%
Agro-based Industries	10	2	20
Textiles and Ready-Made Garments	18	5	28
Chemicals and Petrochemicals	13	7	54
Construction and Building Materials	8	2	25
Engineering Industries	22	9	41
Electronic Industries	12	9	75
Total	83	34	41

These figures show that 41% of the projects promoted in the first forum have been presented again for promotion in the second forum, with the highest percentage in the field of electronic industries (75%) and the lowest in that of agro-based industries (20%). These percentages indicate further that the most urgent need for promotion was in areas requiring technology transfer (licences and know-how) - namely in electronic industries, chemicals and petrochemicals, and engineering - rather than in areas which would predominantly require additional financing.

D. An important outcome of the Arab Forum for Investment is the decision to establish an investment company - namely

the Arab Forum Company for Industrial Investments - with a total capital of one hundred million Egyptian pounds. 60% of this sum has already been paid (predominantly in U.S. dollars) by the founders of this company which include: Egyptian shareholders (7.1 million LE), Saudis (26.1 million LE), Jordanians (1.2 million LE), Bahrainis (19.2 million LE), and other Arabs from Tunisia, Yemen or residing abroad (6.4 million LE). The remaining 40% of the capital of this company is now being offered for public subscription. This company has announced its intention to sponsor 15 projects from the Arab Forum list, of which 10 had appeared in the UNIDO list. Upon completion of the establishment procedures of the Arab Forum Company for Industrial Investments, feasibility studies for the 15 projects will be prepared. The 10 projects from the UNIDO list which will be sponsored by this company are the following:

	<u>Project Number</u>	<u>Title</u>
1.	183	Coated Abrasives Plant
2.	192	Hand Tools Production
3.	213	Children's Toys Production (repeated as 226)
4.	214	Clothing Accessories Production
5.	223	Production of Tools and Dies
6.	224	Condensers Production
7.	225	Automotive Spare Parts Plant
8.	229	T.V. Tuners Production
9.	230	High Voltage Transformers Production
10.	231	Loudspeakers Manufacturing Plant

#### IV. Causes of the Modest Outcome of the Forum.

The modest outcome of the UNIDO/IID Forum for Promotion of Industrial Investment Projects may be attributed to two major sets of causes: one relates to the overall investment

climate in Egypt, to which we shall return in the following section; and the other relates to more specific difficulties due to the lack of coordination between various institutions in Egypt and due to drawbacks in the organization of the Forum itself.

A. Difficulties due to the lack of coordination.

GAFI, together with the other Egyptian institutions and UNIDO which have been involved in the preparation for the Forum should not allow listing any project for promotion before they are sure it will not meet basic difficulties in implementation and in obtaining various approvals and licences. Such difficulties - which may be known prior to the promotion effort - have a negative impact on the overall investment climate and could be avoided - or at least be known - through regular contact and coordination between various ministries and other institutions. Examples of such difficulties are:

1. EGPC has been objecting to the implementation of any project in the field of refining used lubrication oils. If this is the government policy, then any project in this field should not be promoted through government agencies (e.g. project number 175).

2. Raw material imports necessary for the production of some products listed for promotion are not allowed. Thus projects producing such products should not have been listed at the outset (e.g. project number 191 producing polystyrene, Egypt styropor).

3. All detergent producing factories are presently rejected by GAFI under the pretext that there is sufficient domestic supply of such products. Any project or project idea in this field should have been rejected from the start and should not have been eligible for promotion (there are three detergent producing projects in the list namely projects numbers 181, 198, 243)

4. It is also alleged that there is an excess capacity in oil pressing in the public sector. Thus, new private sector projects producing oil (e.g. sunflower oil plant, project number 176) are not allowed to operate - they may import or produce oil seeds to be pressed and treated in the public sector. This deters the private sector from engaging in such activities. A more careful investigation prior to listing this project for promotion would have avoided such difficulties - particularly that another newly implemented project, with Italian participation, in Damietta, is facing the same problem and has not yet started operation.

In addition to these difficulties related to the lack of coordination, there have been some drawbacks in the organization of the Forum itself.

#### B. Drawbacks in the Organization of the Forum

1. Although preliminary arrangements for the implementation of the program of investment projects promotion in Egypt have been undertaken as early as December 1985, the list of projects to be promoted was not given to the four local consultants who assisted UNIDO/IID in the task of project identification and profile preparation until May 1987. The project profiles were not prepared until July - August 1987 - i.e. three months prior to the date of the Forum. This did not allow sufficient time for actual promotion in countries outside Egypt.

2. Many of the projects appearing in the list did not have actual local sponsors, but were just ideas generated by the local consultants who prepared the profiles or else were pre-identified by GAFI. Close to half (31 of the 72 projects with profiles) had no actual local sponsors, but were entrusted to local promoters who had the double task of finding local as well as foreign sponsors.

3. Many of the foreign participants were potential foreign

suppliers of intermediate inputs and equipments rather than serious potential co-sponsors who were willing to participate in equity or to enter as partners providing know-how and access to foreign markets. The quick preparation of this Forum may be partly responsible for that, the other part of the responsibility may be borne by the presently prevailing investment climate which is not conducive to engage in long-term investment.

4. The promotion effort should not rely principally on government-organized fora, but should be achieved through investment promotion offices and businessmen's associations and groupings in Egypt and abroad to help establishing preliminary contacts between interested parties. ~~The forum~~ may be organized at a later stage to introduce the pre-identified foreign partners to the general investment climate and allow them to take the preliminary steps for implementing the project (negotiations, finalizing letters of intent ...).

5. The UNIDO Forum has been organized as a political manifestation where the participants were subjected to continuous speeches and panel discussions with little time left for serious negotiations and completing agreements between project sponsors and their partners.

6. Although most of the projects with profiles stated that they had pre-feasibility studies (46 projects with pre-feasibility studies and 5 with feasibility studies of a total of 70 projects\*), many of them were not pursued, either because their sponsors discovered that they were not needed anymore (e.g. project 207 to produce plastic packing materials for medical uses, detergent producing projects ...)

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(\* 72 projects with profiles minus two inadvertently repeated projects.

or that there were restrictions to enter such fields of activity (e.g. excess capacity in the public sector, import restrictions on inputs...). Such difficulties facing some projects imply either that their pre-feasibility studies were not up to date, or else that they were not carefully undertaken.

V. Necessity to improve the Overall Investment Climate to attract serious Project Sponsors.

The Egyptian government has repeatedly announced its good intentions to promote foreign direct investment and domestic private sector participation. To this end, it has issued laws and decrees to provide them with some privileges. However, this has appeared to be insufficient. Policies should be followed to give clear indications that the government is actually moving towards economic liberalization and increased reliance on the private sector to achieve economic and social goals. This is the only way to enhance confidence and to encourage the private sector and foreign partners participation to investment - as investment decisions are largely affected by the psychological state of entrepreneurs. This may be achieved through the following:

1. The government should refrain from interfering in various activities and from participating directly to a large number of fields.

2. Lifting restrictions on various fields of activities of the private sector.

3. Providing equal opportunities to both public and private sector activities, so that they may compete on an equitable basis. This may be achieved through such measures as:

- unification of electricity tariffs and other intermediate input prices to both sectors.
- allowing both sectors to compete freely in exporting all goods.
- allowing both sectors free access to public bids.



4. Revision of some basic laws regulating the overall economic activity in such a way to achieve equitable treatment to various parties of economic transactions. Examples of such laws are:

- labor laws and regulations,
- relationship between tenants and owners,
- revision of requirements to obtain licences and of the procedures for obtaining them (e.g. investment, export, import .... licences). Most of these requirements and restrictions are set to protect investors. However, investors are in a better position to protect their own interests than the government administration. The government should just restrict its interference to the point of ~~checking that private activities~~ are not conflicting with more general interests.

5. Expediting the issuance of the "new" unified investment law which aims at providing equitable treatment to all investors. This law has been long announced and has aroused hopeful expectations. However, it has not been forthcoming and many of the project sponsors are hesitant to undertake serious steps in the implementation of their projects before the law is issued - or at least it is certainly known what it involves.

6. Increasing the rate and speed of implementation of the economic reform program. The most important components of which are:

- Unification of the exchange rate to both the private and public sectors at a realistic rate and allowing the commercial banks to deal freely in the free market. Further steps have been recently taken in this direction.
- Interest rate reform through increasing the nominal interest rates to a positive level of real interest rates and changing the structure of interest rates according

to loan maturities - steps have been taken in this direction, but they are still insufficient.

- Tax reform through revising its structure, raising the exemption limit and reducing the tax rate in general, and the rate at which they increase.
- Pricing policy reform to avoid distortions due to interference with the pricing mechanism through subsidizing inputs and fixing output prices. Removing subsidies as well as price controls of both inputs and outputs should be the ultimate goal of pricing policy.

7. Basic restructuring and reform of the government bureaucracy by reducing the number of employees and improving their salaries, by simplifying government procedures and abolishing a large number of them.

8. Finally, promoting and supporting the private sector and foreign investors involves a consistent and integrated package of economic policies. The interaction between fiscal, monetary, price and trade policies requires simultaneous movements on all fronts. The implementation of any one policy without the appropriate change in other policies might be ineffective. In addition, these reforms should be supplemented with administrative measures and bureaucracy restructuring to improve the overall investment climate.

#### VI. Conclusion.

In conclusion, it appears that the forum has achieved very modest results, principally due to:

1. The insufficient preparation for the forum in terms of active prior promotion through UNIDO and businessmen's associations and groupings, availability of effective local sponsors and sufficiency of time available to foreign investors to study the projects.
2. The lack of coordination between various institutions in Egypt which hindered the implementation of some of the projects listed for promotion.

3. The overall investment climate in Egypt which has been deterring both local and foreign investors from engaging in long term investments during the last few years.

Appendix  
Results of the Follow-Up of Individual Projects

<u>Number</u>	<u>Title</u>	<u>Findings</u>
172	Blind rivets plant	No sponsor - no progress achieved
173	Factory for office equipment	No sponsor - no progress achieved
174	Factory for polyester buttons	No sponsor - no progress achieved
175	Refinery for used lubrication oils	No progress achieved - EGPC objects to any project in this field of activity. In spite of that, this project has been listed again for promotion in the Arab Forum (March 1988).
176	Building a tissue culture laboratory	No sponsor was found, neither Egyptian, nor foreign - no progress achieved.
177	Dairy factory	This project has been implemented independently of GAFI, by a new company: the Arab Co. for Dairy Products established under law 159 jointly by Ezz-Eldin Kassem (56% equity participation) and with Swiss Technical assistance and participation - A.P.V.Ott (44%). The project has been changed to produce dry cheese (emmental, gruyere, kachkaval) rather than soft cheese (feta, double cream) and is located in Benha rather than Medinet El-Saiam, as originally designed.

<u>Number</u>	<u>Title</u>	<u>Findings</u>
178	Sunflower oil plant	<p>After studying the project and finding a French co-sponsor, further progress was stopped due to the allegation that there was excess capacity of oil pressing in the public sector and that the government encourages the private sector to import oil seeds to be pressed in public sector factories. This deterred the private sector from engaging in this activity and any progress in the project stopped in 1988. Another project was implemented jointly with Italian participation in Damietta, but did not start operation, due to similar difficulties. These two projects were estimated to save around 1/3 of imports of edible oil to Egypt. Despite this handicap, project 178 was promoted again in the Arab Forum.</p>
179	Polyvinyl acetate suspension 50% resin production	<p><u>No sponsor</u> showed interest in the project (neither local nor foreign) although it seems to be promising.</p>
180	Cattle and poultry meal production.	<p>Russian commercial attache expressed interest in forming a joint venture to produce lysin using Hungarian technology - originally imported from Japan - lysin was to be produced from molasses; however, negotiations stopped and the project was not implemented.</p>

<u>Number</u>	<u>Title</u>	<u>Findings</u>
181	Production of detergents for domestic use.	Project was not pursued due to excessive domestic production. GAFI refuses authorization of detergent producing projects.
182	Locks and padlocks production	This project has been promoted again at the Arab Forum. Two Italian companies, namely, Siriara and Vibro have shown interest in sponsoring the project. Siriara is sending in May 1989 a representative for negotiations. However, GOFI does not temporarily give approvals to this line of production. In addition, imports of locks and padlocks are also suspended under the pretext that there is excessive local supply and large inventories. Yet the local promoter of this project still believes that there is a local supply shortage of about 35%.
183	Coated abrasives plant	This project has been promoted again at the Arab Forum. It is one of the projects to be sponsored by the Arab Forum Company for Industrial Investments.
184	Toolmaking accessories for die-sets plant	Dallah Company is interested in the project, in addition two foreign potential partners (German and Rumanian) are revising the project profile and pre-feasibility study for negotiations.

<u>Number</u>	<u>Title</u>	<u>Findings</u>
185	Plant for manufacturing hand files and hand hack-saw blades	A Finnish Company has shown interest in this project and expressed its intention to participate 35% of the capital in addition to exporting 40% of the output. SABI company was to enter as the local sponsor. However this project has been deleted from the five-year plan for the public sector. No private local sponsor showed interest in this project.
186	Plant for manufacturing mobile caravans	This is an expansion of a leading project in the Egyptian market to be implemented by EBAC (The Arabian Company for Assembly and Manufacturing Construction Equipment). No serious foreign partners showed interest in the project. Only suppliers and trade representatives made offers to the local sponsor. Still looking for a foreign partner to provide financing, know-how and marketing (preferably Italian or English).
187	Factory for producing artificial marble	Nothing achieved so far. This project has been promoted again at the Arab Forum.
188	Factory for producing cement bricks.	No progress achieved.
189	Factory for producing glazed and ceramic tiles.	No progress achieved.

<u>Number</u>	<u>Title</u>	<u>Findings</u>
190	Factory for producing white adhesive "Colla"	No progress achieved. This project has been promoted again at the Arab Forum.
191	Egypt Styropor Plant	Implementation of this project has been postponed as the main raw material imports are not allowed.
192	Hand-tools production	This project has been promoted again at the Arab Forum. It is presently one of the projects listed by the Arab Forum Company for Industrial Investments for implementation after completion of a feasibility study.
193	Children's clothing production	The project has been promoted again at the Arab Forum. A Lebanese potential sponsor showed interest but withdrew for an undeclared reason. The project is presently dead.
194	Military clothing production	Dead project - The Military Forces - the main potential buyer - were not interested in the product.
195	Ladies Clothing production	The project was not pursued.
196	Mosaic Glass-tile factory	No progress achieved. The project has been promoted again at the Arab Forum.
197	Automotive rubber spare parts production	The Islamic Bank for Development is ready to participate 51% of capital. Malaysian know-how will be used. How-



<u>Number</u>	<u>Title</u>	<u>Findings</u>
197	continued	ever the project promoter is still looking for automotive spare parts dealers to provide the remaining part of capital and to secure sales for this project. This project has been inadvertently repeated as project number 236.
198	Factory for producing detergents, soap and shampoo	No progress achieved. GAFI does not approve additional detergent producing projects due to sufficient domestic supply.
199	Children's clothing production	No progress achieved; no foreign co-sponsor has shown interest in the project.
200	Acrylic yarn-spinning production	No profile prepared for this project; no progress achieved.
201	Production of blankets	No profile available; no progress achieved.
202	Underwear production	No profile available; no progress achieved, although this project has been promoted again at the Arab Forum.
203	Underwear and outerwear production	No profile available; no progress achieved. This project has been promoted again at the Arab Forum.
204	Ready-made garment manufacture	No profile available, no progress achieved.

<u>Number</u>	<u>Title</u>	<u>Findings</u>
207	Plastic packages production	Several other projects have been recently implemented. This project was not pursued because the sponsor thought it was not needed anymore.
208	Medical equipment production	The project is under negotiation with two companies which made offers for participation and providing know-how for this project expansion; the two companies are: Medicor (Hungarian) and O.M.C.I. (French).
209	X-Ray films production(*)	This project has been promoted again at the Arab Forum. It is presently under negotiation with a Japanese company: Konicka, to provide financing, know-how and access to export markets. However, this contact has not been achieved through the UNIDO Forum.
210	Neutral glass-pipes production	This project extension has not yet been achieved. It has been promoted again at the Arab Forum. No serious steps undertaken yet.
211	Tomato paste production	No profile available for this project. However, it is presently under study in

(\*) The sponsor of projects 207 to 209 is also trying to promote two projects producing hypodermic needles for plastic syringes (100 to 150 million units per year) and kidney dializers and is looking for foreign assistance to provide know-how.  
Contact person: Dr. Abdel-Monejm Khazbak - Tel. 2585328 - UNIDO may provide help in this respect.

<u>Number</u>	<u>Title</u>	<u>Findings</u>
211	continued	Fayoum governorate. It will be partly financed with a donation from Holland. The Dutch embassy is seriously discussing the project with the governor. A pre-feasibility study is being undertaken by Agro-Industrial Consultants.
212	Shoes for export production	No profile available. No progress achieved.
213	Children's toys production	No profile available. This project has been promoted again at the Arab Forum. It is one of the projects to be sponsored by the Arab Forum Company for Industrial Investments. However, no positive steps have yet been undertaken.
214	Clothing accessories production	No profile available. Project idea promoted again at the Arab Forum. One of the projects to be sponsored by the Arab Forum Company for Industrial Investments.
215	Personal computer production	No profile available. Project idea promoted again at the Arab Forum. However, no progress achieved so far.
216	Sewing machines production	No profile available. No progress achieved.
217	Hospital requirements production	No profile available. No progress achieved.

<u>Number</u>	<u>Title</u>	<u>Findings</u>
*218	Lithographic aluminum plates	No profile available. Project idea promoted again at the Arab Forum, no progress achieved yet.
219	Furniture accessories production	No progress achieved so far. However, a feasibility study is planned to be undertaken by the fourth quarter of 1989 by Universal Projects Company which may sponsor the project.
220	Printed Circuit-boards production	This expansion and modernization project has been promoted again at the Arab Forum. Preliminary agreement has been signed between two public sector companies: El-Nasr Co. for T.V. and Electronics and Telemisr, "Egyptians Working Abroad" Company and Goldstar (a Korean firm) to implement this project. Dallah Company (as a representative of the Arab Forum Company for Industrial Investments) is also trying to enter as a partner. A feasibility study is to be prepared soon. UNIDO help is warranted in preparation of the feasibility study and in providing expertise in investigating the possibility of using the available unused equipment at El-Nasr Co. for T.V. and Electronics in this project. (RCA equipment available and unutilized).
221	Fodder production.	Project promoted again at the Arab Forum. However, no progress achieved.

<u>Number</u>	<u>Title</u>	<u>Findings</u>
222	Cast Steel foundry and heat treatment plant	Sponsor received a call from a foreign partner who never showed up. No progress achieved.
223	Production of tools and dies	One of the projects to be sponsored by the Arab Forum Company for Industrial Investments. No progress achieved yet.
224	Condensers production	This small project has been combined with project number 228 and promoted again at the Arab Forum. Present state: like project 220 (see p. A-9).
225	Automotive spare parts plant	Project promoted again at the Arab Forum. This is one of the projects to be sponsored by the Arab Forum Company for Industrial Investments after its establishment procedures are completed.
226	Children's toys plant	Project promoted again at the Arab Forum. A feasibility study is planned to be undertaken by the fourth quarter of 1989 by the Universal Projects Company.
227	Raw materials for printed circuits	Agreement has been signed between National Plastic Company (public sector) and Nobel Dynamite (Swedish company) to implement this project. A feasibility study is being prepared.
228	Resistors production	This project has been combined with

<u>Number</u>	<u>Title</u>	<u>Findings</u>
228	continued	project number 224 and both have been promoted again at the Arab Forum. However no progress has been achieved on this project.
229	T.V. Tuners Production )	Both projects have been combined and promoted as one at the Arab Forum. Present state: like projects number 220 (p. A-9) and 224 (p. A-10).
230	High Voltage transformers )	
231	Loudspeakers manufacturing plant	Project promoted again at Arab Forum. Present state: same as projects number 220 (p. A-9), 224 (p. A-10), 229 and 230 above.
232	Blanket production	No progress achieved. No foreign co-sponsor showed interest.
233	Manufacture of clothing from knitted fabrics	Project promoted again at Arab Forum; no progress achieved so far.
234	Manufacture of clothing from knitted fabrics	Project promoted again at Arab Forum, no progress achieved.
235	Textile manufacturing	No progress achieved, no foreign co-sponsor showed interest.
236	Automotive rubber spare parts	Same as project 197.
237	Garment production	This project has been approved by GAFI since 1985. The local sponsor has been looking for a foreign partner to provide know-how, access to foreign mar-

<u>Number</u>	<u>Title</u>	<u>Findings</u>
237	continued	kets and financial participation. Two potential co-sponsors from Sri Lanka expressed interest in this project at the UNIDO Forum, but negotiations failed due to their reluctance to enter as partners. They appeared to be interested to provide know-how only. In April 1988, the local sponsor (Dana Company) was introduced to a French firm (Papageno). They signed an agreement whereby Papageno would enter as a partner and would provide know-how.
238	Business supplies production	No progress achieved. Idea implemented in Saudi Arabia.
239	Polyethylene production	Project promoted again at Arab Forum. No progress achieved, probably due to the large investments required.
240	Manufacture of transistors and diodes	This project has been combined with project number 249 and promoted again at the Arab Forum. No progress achieved yet, probably due to the large investments required.
241	Ethylene production	Project promoted again at Arab Forum, no progress achieved yet.
242	Ready-made garments production	Contact person indicated in profile could not be reached. However, other sources have indicated that no progress was achieved.

<u>Number</u>	<u>Title</u>	<u>Findings</u>
243	Controlled foam detergent plant	Pre-identified project and foreign partner. However the project was not pursued as GAFI refuses detergent projects.
244	Electrolytic tinning plant	No progress achieved.
245	Television component manufacturing	No progress achieved.
246	Veterinary products plant	No progress achieved.
247	Integrated dairy and processing plant	No progress achieved.
248	Agro-industrial complex(*)	No progress achieved. Insolvency of the local sponsor behind this failure.
249	Manufacturing of interpreted circuits	Project combined with project number 240 and promoted again at the Arab Forum. No progress achieved yet. Expensive project to implement.
250	Ready-made clothing production	A Sri - Lankese - Korean joint venture showed interest to the project. It was to enter as a partner to secure an export market for the product. However, it retracted due to the small scale of

(\*) Part of the problems faced by projects number 244 to 248 may be attributed to the fact that the promoter - U.S. Investment promotion Office (USIPO) - was restricted to dealing with American co-sponsors until August 1988.



<u>Number</u>	<u>Title</u>	<u>Findings</u>
250	continued	operation of the project and the inadequate quality of output.
251	Ready-made clothing production	Same as project number 237.
252	Manufacture of medical accessories	Several ideas suggested but were not pursued in the specified area (namely plastic syringes).
253	Plastic production	No progress achieved.
254	Frozen food production	No progress achieved.
255	Production of plastic buttons	No progress achieved.
256	Production of aluminum blocks	Sponsor indicated in project profile could not be reached. Other sources mentioned that nothing was achieved concerning this project.
257	Ready-made garments	Sponsor indicated in project profile could not be reached. Other sources mentioned that no progress was achieved.
258	Production of refractories and clay pipes	No foreign sponsor showed interest in this project. Local sponsor still needs assistance from UNIDO to obtain technical assistance and equity participation.