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18159

PRE-INVESTMENT CONSULTANCY  
SERVICE TO DTI/BOI  
PROJECT NO. SI/PHI/89/803  
CONTRACT NO. 89/79

FINAL REPORT

30 MAY 1990

EVSA CORPORATION

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## EXECUTIVE SUMMARY

The Pre-Investment Consultancy Service to the Department of Trade and Industry (DTI)/Board of Investment (BOI), conducted under UNIDO contract no. SI/PHI/89/803, is one of the follow-up activities of the Philippine Investment Forum held in Manila on 7-10 November 1988. The objective of the consultancy service is to facilitate the joint venture negotiation process of the projects, presented during the Forum, whose initial investment cost is not more than US\$ 1.5 million. The following is a summary of the major findings and recommendations of the consultancy engagement.

### STATUS OF PROJECTS

Summary Table

PARTICULAR	Number of Proponents/Projects
Found JV partner with Forum Participant	0
Found JV partner not with Forum Participant	2
Project initiated with own resources	5
Met foreign investor at Forum suitable for initial talk	8
Still communicating during first round of field visits	3
Still communicating during second round of field visits	0
Communicating with other/new foreign firms during second round of field visits	2
Did not meet any suitable foreign investor at Forum	38
Project Discontinued	6
Proponent stopped operating	2

## POSSIBLE REASONS FOR LOW JOINT VENTURE SUCCESS RATE

Three factors were determined to be key determinants of the success or failure of joint venture negotiations. These are:

1. Type of Foreign Participants. Most of the Forum participants appeared to be interested in selling equipment or "brokering" for several foreign principals and not really in investing in the companies they talked to.
2. Type of Local Projects. The local project did not appear to be attractive because the scale of operation is small, still in the early stages of development or are socially oriented.
3. Local Sponsor Capability. The local proponents did not appear to have the necessary management, technical capability and, in some cases, the time to pursue the further development of the projects.

## RECOMMENDED FOREIGN INVESTMENT PROMOTIONAL ACTIVITIES

1. Continue to hold investment forums which has proved to be successful in generating foreign investors interest in the Philippines.
2. Conduct of small, "sectoral" or "industry" investment meetings in-between forums.

3. Pre-screen projects for presentation during the forum or investment meetings and disseminate well prepared project profiles.
4. Follow-up work should be made a regular post-forum or meeting activity and should be undertaken on a continuing basis preferably with the involvement of the DTI regional office staff.



## FINAL REPORT

### Pre-Investment Consultancy Service to DTI/BOI

#### I. INTRODUCTION

This final report, on the Pre-Investment Consultancy Service to the Department of Trade and Industry/Board of Investment under UNIDO Contract SI/PHI/89/803, contains the following:

1. a summary of the status of projects handled,
2. the key findings of the project and the major lessons derived from them,
3. recommendations for increasing the success rate of foreign investment promotion in the Philippines, and
4. the major activities conducted by EUSA Corporation under the consultancy arrangement.

The consultancy engagement was a follow-up activity of the Philippine Investor's Forum held in Manila on 7-10 November 1988. Its main objective was to provide practical technical assistance to local proponents whose project investment cost was not more than US\$ 1.50 million.

The consultancy work involved an assessment of the current status of pipeline projects, determination of the causes which

delayed or negated, the successful completion of joint ventures, and provision of technical assistance to the companies with joint venture potential (i.e., technical, marketing, financial, legal and other investment requirements) in order to facilitate their successful completion. All of these tasks were undertaken to realize the following objectives of the Forum for local businesses:

- 1) Provide access to foreign markets and long-term marketing arrangement;
- 2) Supply technology and/or manufacturing license;
- 3) Establish joint ventures through equity participation;
- 4) Provide industrial financing through medium or long-term loans.

The Philippine Investors' Forum was successful in creating a strong interest among foreign companies to look into investment opportunities in the country. The UNIDO's Final Report<sup>1</sup> on the project concluded that the Forum was a success in terms of the quantity and quality of the industrial investment projects presented, the number of potential foreign partners that attended and the project related one-to-one discussions held, and its tangible outcomes, which was fully recognized by both local and

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<sup>1</sup> H. Klein, Final Report- Philippine Investors' Forum. January 1989

foreign entrepreneurs.

The total number of Forum participants reached about 500 composed of 244 foreign participants from 29 countries, 140 local proponents and representatives from various Philippine ministries and organizations, foreign ministries and embassies, as well as those from UNIDO Headquarters and other UNIDO foreign offices' staff and representatives.

A total of 184 projects were presented and discussed during the Forum. Forty-four (44) of these projects were proposals from foreign companies, ten were opportunity studies, and the remaining 130 projects were proposals of local sponsors.<sup>2</sup>

The analysis of the projects listed in the DTI/BEMB data base showed that more than one-half fall into the category of "small- and medium-scale" (less than US\$1.0 million initial investment). Most of the projects under this Contract were within this category. About one-fourth of these projects was very small, i.e. less than US\$0.5 million initial investment.

A Steering Committee, composed of UNIDO (represented by Christian A. Newman), DTI/BOI-BEMB (represented by Virgilio P. Mallari) and EVSA Corporation (represented by Cesar G. Saigona and Francisco C. Roble), provided the direction

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<sup>2</sup> Ibid. page 6.

for the study and reviewed the progress of the activities viz-a-viz the terms of the Contract. The Committee met monthly to assess the status of work and to discuss the recommendations for resolving the problems or issues encountered.

EVSA Corporation would like to express its gratitude to the DTI regional and provincial personnel for facilitating the field visits to local proponents in their respective areas. During the interviews, the proponents expressed their gratitude to UNIDO and DTI for conducting this consultancy service of inquiring into the status of their projects and providing the consultancy advice. In turn, the proponents showed enthusiasm to pursue their projects to fruition if they could find suitable foreign partners. They also freely shared their experiences on exploring joint venture arrangements for their projects.

## II. METHODOLOGY

As envisaged in the project proposal and work program, the crucial aspect of the consultancy service was the field visits to the local proponents to determine the status of their respective joint venture (JV) negotiations and to identify the firms' technical assistance requirement in order to pursue the negotiation to completion. All of the projects in the Forum list which were located in the Visayas and Mindanao areas whose cost was not more than US\$1.5 million were visited and interviewed. Questionnaires and Interview Guides were formulated to help the different teams in the interview process. From the results of this survey, a problem profile was generated from which the technical assistance requirement was determined.

To maximize success rates and minimize response time, all of the issues which could be handled by the field personnel were resolved during the company visit. However, problems requiring technical expertise were referred to specialists tapped for this engagement. Assistance on preparing documentation requirements to keep the JV negotiations on-going were also provided by the consultants. Communication between local proponent and prospective JV partners was regularly monitored through regular follow-up and visits (for Cebu-based proponents only).

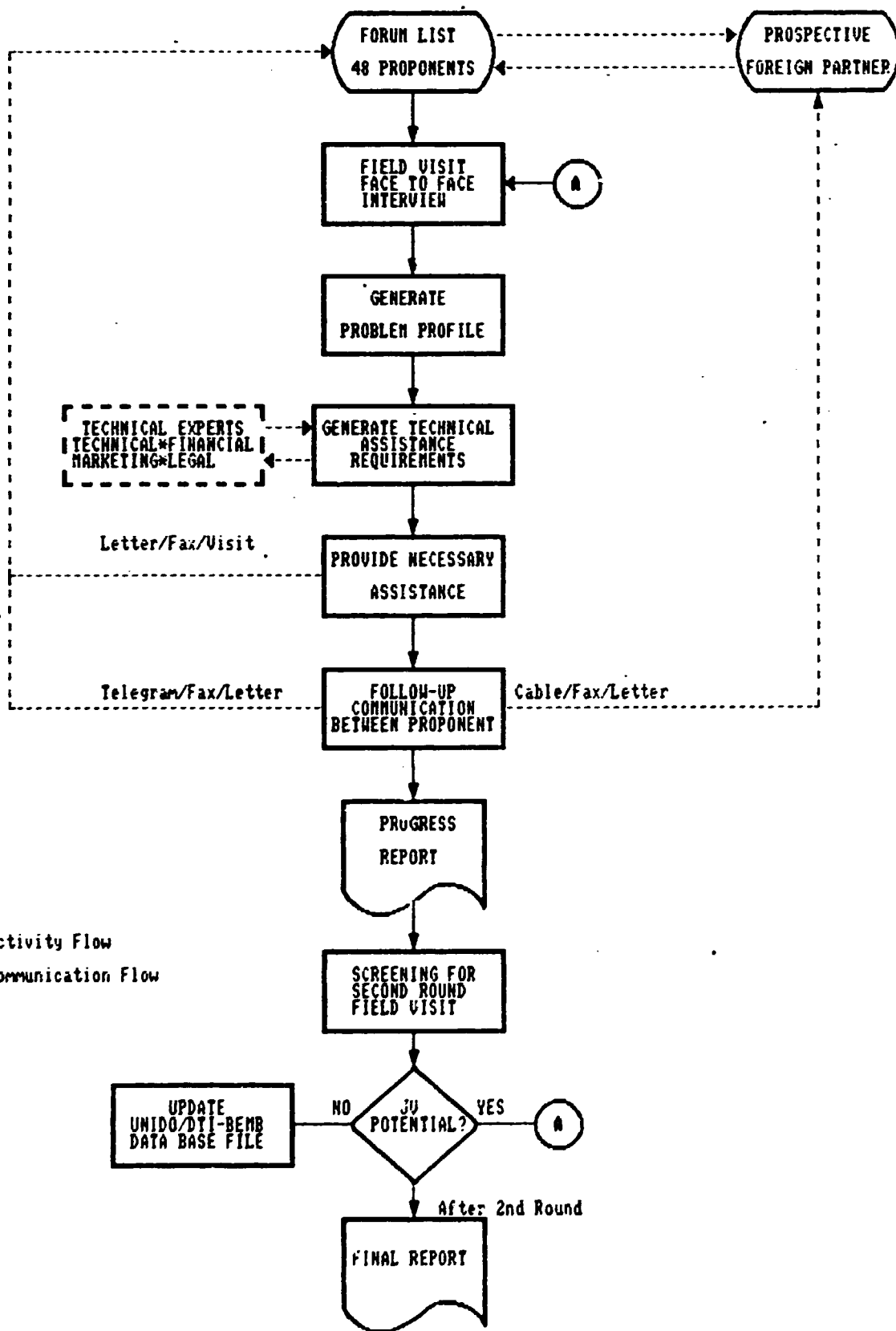
A second round of field visit was scheduled during the fourth month of the Contract period. This visit concentrated on projects that are in the advance stage of joint venture negotiation. Similar activities and assistance were given to the firms as in the first round of visit. The schematic presentation of the original work program is shown in Figure 1.

During the early stage of consultancy work, the preliminary results of the survey revealed that most of the local participants did not consider the foreign investors they met during the Forum as prospective JV partners. However, most of them were still interested to continue their project. The Steering Committee agreed to find new potential foreign partners for those local proponents still interested in pursuing their project with another set of investors. In this regard, the consultant revised its work program to cover two aspects of investment promotion: 1) providing assistance to firms under exploratory stage, and 2) undertaking of preparatory activities for a "rematch" with another set of investors.

The preparation work included the following activities:

- 1) Screening of projects and proponents,
- 2) Updating UNIDO Investment Profile Form,
- 3) Preparation of company and project profile write-ups,

Figure 1  
ORIGINAL WORK PROGRAM



NOTE:

—> Activity Flow

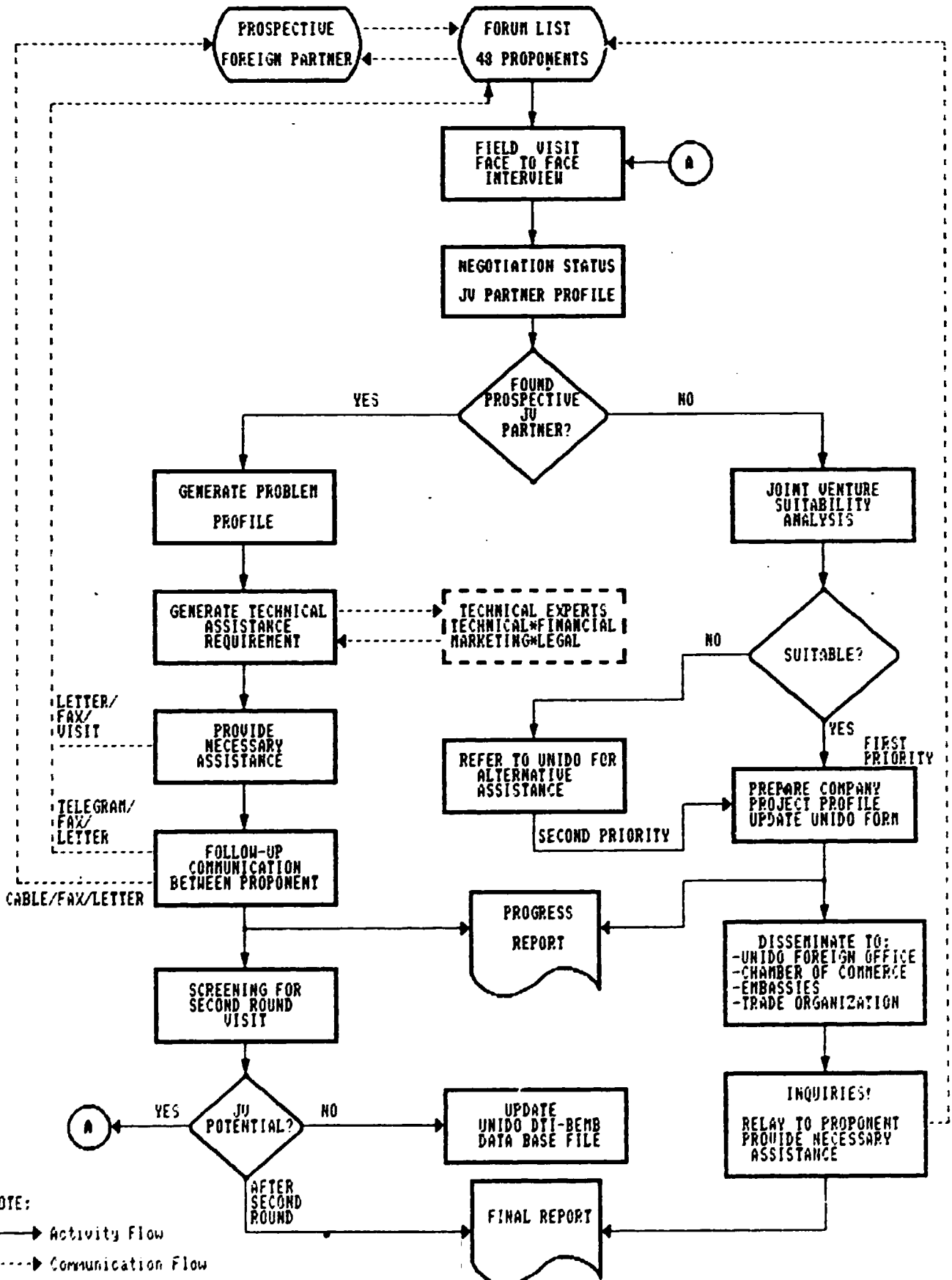
- - -> Communication Flow

- 4) Researching for foreign investors/buyers as potential JV partners, and
- 5) Dissemination of Forms and Profile to UNIDO, foreign offices, foreign chamber of commerce and trade organization and embassies.

Any inquiries from foreign offices on this second round of promotion will be immediately relayed to the local proponents. EVSA will provide the necessary technical assistance required, throughout the duration of the study, in order to keep the negotiation process moving. The revised work program is shown in Figure 2.



Figure 2  
REVISED WORK PROGRAM



### III. CONSULTANCY ACTIVITIES

The first phase of the consultancy service was the determination of the current status of joint venture negotiations between local and foreign proponents and consequently, identifying their technical assistance requirements. This needs assessment analysis was intended to determine the actual technical assistance to be provided to the project proponent.

#### A. Preliminary Survey

After verbally receiving the Notice to Proceed from Mr. C.A. Newman, UNIDO-Philippines representative, Dr. C.G. Saldana went to Cebu on 3-4 October 1989 to confer with Mr. Joel Mari S. Yu, Assistant Secretary of the Department of Trade and Industry (DTI) and concurrently Regional Director of Region VII, and Mr. Ernesto P. Pintac, Officer-in-Charge of the Board of Investment (BOI)-Cebu.<sup>3</sup>

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<sup>3</sup> See Annex A for a list of other DTI officers approached during the study.

While in Cebu, Dr. Saldana visited five firms to assess the potential assistance required by the proponents. His findings were reported during the Steering Committee (SC) meeting on 5 October 1989.<sup>4</sup> His quick interviews revealed that almost all firms did not meet the right prospective investors during the forum. A possible rematch of the firms with a new set of foreign investors was brought up for consideration by UNIDO.

The preliminary survey provided guidelines on the qualification and composition of the EVSA Team to be fielded in order to meet the consultancy objectives of maximizing success rate and minimizing response time. The results of the survey were also used as inputs in the formulation of the Interview Guide. During the survey, the necessary computer and communication facilities including other support activities needed from the home EVSA office were also identified.

#### B. Steering Committee Meetings

Two Steering Committee meetings were held to commence this engagement. The 27 September meeting discussed the Work Program while the 5 October meeting discussed the projected outputs of the engagement. During the latter meeting which was also attended by Mr. N. Suzuki of the UNIDO Head Office, the group decided that the main objective of the consultancy service is the promotion of

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<sup>4</sup> See Annex B for the minutes of the SC meetings.

on-going joint venture negotiations toward their completion. Furthermore, the study would also document the factors which affected the success or failure of the joint venture negotiation process.

Monthly SC meetings were held to assess the progress of the work and decide on major activities to be undertaken in the light of the data gathered from the field. Two other meetings were held in Manila, 07 November and 14 December 1989 and one meeting was held in Cebu City on 03 February 1990. The meeting in Cebu was preceded by field visits of projects located in Region X and VII by the SC members.

#### C. EVSA Staff Mobilization to Cebu

EVSA mobilized its project staff in Cebu City on 9 October 1989. During the period 9-13 October, preparations for the data gathering activity were undertaken. Interview Guides<sup>5</sup> were formulated based on the preliminary survey and the concerns brought up during the SC meetings. Another set of questions were prepared for the second round of visit. Letters were sent to the Mindanao- and Visayas- based firms, informing the proponents on the availability of EVSA for consultancy services and the scheduled visits in the area. Cebu-based firms were informed

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<sup>5</sup> See Annex C for the questionnaires.

through telephone calls.

Three teams conducted the field survey. One team covered the Southern Mindanao area, another covered the Northern Mindanao area. A third team covered the Cebu-based firms and at the same time manned the Cebu project office. Manila-based staff was tapped to cover the Western Visayas area.

The DTI-Region VI provided office space for the EVSA project staff. This office was used as the communication center for all inquiries regarding the project. Regular staff meetings were held in Cebu to assess the progress of the work and to prepare the monthly reports to the Steering Committee.

#### D. Field Visits and Project Proponents

There were two rounds of visits scheduled for this consultancy service. Face-to-face interview was considered as the most effective means of communicating with the proponents to attain the Contract objectives.

When the detailed schedule of the Northern and Southern Mindanao field visits were made, five firms whose project cost exceeded US\$ 1.50 million were excluded from the list of firms to be visited. However, for Cebu, all firms in the list were included in the schedule, even those whose project cost was more than US\$ 1.50 million. Another firm in Western Visayas was also

maintained in the list despite its project cost of US\$6.0 million. One firm, Porta Coeli Industries, which was already in the finalization stage, was removed from the work program. Three firms were added to the list when EVSA received the UNIDO Investment Profile Forms from DTI/BEMB. The total firms scheduled for visits was reduced to 46 from the 48 firms originally listed in the Work Program.<sup>6</sup>

During the preparation of the schedule for the second-round visit, only the firms with high potential for joint venture were considered. The areas selected were Northern Mindanao, Western Visayas and Cebu. Questionnaires were instead sent to proponents that were still interested in JV but were not included in the visit schedule. Thirty-four firms showed interest to pursue their projects after the first-round visit. Twenty-four firms out of the 34 interested firms were scheduled to be visited in the second round.

The breakdown of the number of proponents which were scheduled for visits and were actually interviewed per area is shown in Table 1. The list of projects that were originally scheduled for visit is given in Annex E. Most of the interviews conducted with the project proponents were done using the Interview Guide. Those proponents who were not available for

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<sup>6</sup> See Annex D for the Work Program.

face-to-face interviews were interviewed by phone or were asked to respond through a mailed survey questionnaire. The breakdown of the number of proponents per type of interview undertaken per round is shown in Table 2.

Table 1  
ACTUAL ACCOMPLISHMENT

Region	Actual Work Schedule				Mailed Questionnaire		
	Scheduled for Visit	30 Nov 1989	Interested Firms <sup>1</sup>	Scheduled for Visit	31 Jan 1990	Sent	Reply
Cebu	21	20 <sup>2</sup>	15	17 <sup>3</sup>	15	2	0
Western Visayas	6	6	4	4	4	0	0
Northern Mindanao	11	11	8	3	3	5	0
Southern Mindanao	8	8	7	0	0	7	1
	46	45	34	24	22	14	1

Notes : <sup>1</sup> As of Progress Report 4 Dec 1989.

<sup>2</sup> Proponent was not available for interview but is still interested in the project.

<sup>3</sup> Steamship Managers, Inc./Tower Construction and Development Corp. and Alenter Cane Corp. were included. Both firms were not fully interviewed during the first round.

Table 2  
DATA GATHERING PROCESS

TYPE	NUMBER OF FIRMS	
	1st Round	2nd Round
FACE-TO-FACE	41	12
PHONE	2	10
MAILED SURVEY QUESTIONNAIRE	2	14 <sup>1</sup>
NOT YET INTERVIEWED	1	0
	46	36

Note : <sup>1</sup> Includes Dacebu Traders, Incorporated and Datingbayan Agro-Industrials Corp. (both in Cebu) which were scheduled for interview.

#### E. Promotion Activities

EVSA worked on three aspects of investment promotion activities: 1) providing technical assistance to firms under the exploratory stage, 2) preparation work for a rematch of some projects with another set of foreign investors and, 3) preparation work for new projects of the original proponents and completely new proponents for first-round match-up with foreign investors.

#### Technical Assistance

Projects under the exploratory stage were regularly monitored so that any advisory assistance required were immediately provided. During the field visits, the teams were able to assess the advisory requirements of seven firms under the



exploratory stage. The proponents were advised and given suggestions on the best way to proceed with the negotiation process. They were also informed of the availability of EVSA Corporation to provide further technical assistance and to help comply with the corresponding documentation requirements in order to facilitate the successful completion of the joint ventures.

### Rematch

During its regular monthly meeting, the Steering Committee (SC) agreed to take steps required for finding new potential JV partners for those local firms which were still interested in pursuing their project with another set of foreign investors. The data gathered from the interviews indicated that not all firms were attractive to the foreign investors. To assess the suitability of each local firm for foreign joint venture tie-up, EVSA set up the following criteria which a local partner should meet:

1. Desire/motivation and need for joint venture partner,
2. Financial capacity or availability of other assets that may be put up as counterpart to the joint venture undertaking,
3. Scale of business operation as an indication to foreign investors on the investment requirement and profit potential of the project, and

4. Project types which the foreign company cannot do alone without a local partner.

Each interested firm was analyzed based on the above criteria. The UNIDO Investment Profile (UIP) Form of the selected firms were updated based on the new information gathered during the survey. In addition to the updated Form, EVSA prepared a company and project profile<sup>7</sup> emphasizing the firm's and project's strengths and opportunities. The completed UIP Forms and profiles were transmitted to UNIDO, Manila office and DTI/BEMB for distribution to foreign offices of UNIDO, embassies, chamber of commerce and trade organizations, among others.

To effectively promote the objective of the Investment Forum, EVSA also updated the UIP Form and prepared the company and project profile of the other firms with low JV potentials. Although these firms have weaknesses as per criteria, these weaknesses were treated as opportunities for alternative investment schemes. The consultant emphasized in the profile write-up the possible investment alternative for these projects.

The completed forms were also transmitted to UNIDO and DTI/BEMB offices but at a later date than the first batch. These

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<sup>7</sup> See Annex F for the company and project profile and Annex G for the name address and contact person of each firm.

second batch of project forms and profiles will also be transmitted to the same offices to which the first batch was sent<sup>e</sup>.

### New Projects

Inquiries for the inclusion of new projects in the follow-up activities were received during the field survey. The SC members agreed that new projects shall also be included in this second round promotion activities. Most of the new projects are sponsored by the same proponents and some by new proponents.

EVSA provided blank UIP Forms to the local sponsors. However, some firms (particularly old proponents) were just interviewed and the consultant prepared the new UIP Form. Similar preparation work as in the rematching was followed for this activity. The company and profile of the new projects with complete information are shown in Annex H.

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<sup>e</sup> See Annex P for the final set of projects for rematch.

## F. Follow-up Activities

Within the five-month contract period, EVSA contacted the proponents through mail (public and private carrier), telephone calls, telegrams and plant visits (for firms in Cebu). The follow-up content varied from a simple status inquiry to additional information necessary to update the UIP Form and a listing of interested foreign buyers or investors. These follow-up communications kept the proponents informed on the promotion activities that were being undertaken.

#### IV. SURVEY RESULTS AND TECHNICAL ASSISTANCE

##### A. Preliminary Survey

The total firms scheduled for the first round was reduced to 46 from the 48 firms listed in the Work Program. After the preliminary survey, 45 firms were visited, including Manukan Marble Corporation, which is already in the finalization stage of negotiation. However, this firm was not included in the further analysis because its negotiation was being facilitated by another consultancy firm.

Out of the 44 firms interviewed, 77 percent (34 firms) of the firms are still interested in pursuing their projects while 18 percent (8 firms) are no longer interested. Those not interested have either discontinued their project (75%) or have met other foreign partners (25%) who were not participants of the Forum. The breakdown of respondents into those still interested and those not anymore interested are shown in Table 3.

The results of the survey confirmed the initial finding that most of the local participants did not consider the foreign investors they met during the Investor Forum as prospective JV partners. Of the 44 firms interviewed, 80 percent or 35 firms have had no follow-up or communicated with the foreign firms only once after the Forum. One project is under negotiation and

seven are in the exploratory stage. The projects' status is summarized in Table 4.

Table 3  
INTEREST OF LOCAL PROPONENTS

<u>Field Visit Results</u>	<u>1st Round</u>		<u>2nd Round</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Still Interested	34	77%	21	58%
Not Interested	8 <sup>1</sup>	18%	2 <sup>4</sup>	6%
Not Known	2 <sup>2</sup>	5%	13 <sup>5</sup>	36%
	<hr/>	<hr/>	<hr/>	<hr/>
	44 <sup>3</sup>	100%	36	100%

Note : <sup>1</sup> List of proponents not interested in pursuing the project.

All Season Farms, Inc. - project discontinued  
 Cebu Chamber of Commerce & Industry - project discontinued  
 Hijos de F. Escano, Inc. - project discontinued  
 Migeva Ex-import Corp. - project discontinued  
 Orient Foods Corp. - has foreign partner already (not with UNIDO Forum)  
 Pacific Traders and Manufacturing Corp. - has foreign partner already (not with UNIDO Forum)  
 Aquarius Prawn Hatchery - project discontinued  
 EMP Exim International Co., Inc. - stopped operations

<sup>2</sup> Projects with unknown status.

Alenter Cane Corp. - project deferred to Jan 1990  
 Oromex Processing Plant - survey questionnaire not yet completed and returned

<sup>3</sup> Manukan Marble Corporation was not included.

<sup>4</sup> Anrima Industries shut down its operation in 1 Jan 1990 due to lack of market.

Alenter Cane Corp. decided to shelve its project indefinitely.

<sup>5</sup> Mailed survey questionnaires were sent. Waiting for proponents to reply.

Table 4  
PROJECT STATUS

Status	Number of Proponents		Remarks
	1st Round <sup>1</sup>	2nd Round	
With JV Partner	2	0	Found JV partner but not with a UNIDO Investment Forum participant.
Finalization	0	0	
Negotiation	1	1	DTI-XI with Mapimpianti (Italy) However, negotiations might be deferred due to withdrawal of grant money from Italian government.
Exploratory	7 <sup>2</sup>	0	No further communication from prospective investors.
Failed/Aborted Negotiation	1	1	Foreign partner (not with Forum) wants Local Project to be registered with BOI. BOI application disapproved.
No Follow-Up or Only One Communication After Forum	27		
No Follow-up After 1st Round Visit		19	
Not Known	0	13	No response was received as of preparation of final report.
Project Discontinued	6	2	
	44 <sup>3</sup>	36	

Note : <sup>1</sup> As of Progress Report 4 Dec 1989

<sup>2</sup> List of projects in the exploratory stage.

Siley-Saravia Food Corporation  
BESTACOR  
Catmon Development Corporation  
Hanover Worldwide Trading  
United Fercon International, Inc.  
RNF Enterprises  
Centeno/Betsmor Aqua Culture Development Corporation

<sup>3</sup> Manukan Marble was excluded as negotiations are on-going and is being facilitated by another firm.

On the average, each of the subject firms met with three foreign investors introduced to them during the Forum. As shown in Annex I, most of the foreign firms did not communicate with the local firms after the Forum with only a few making further contacts. The interviews revealed four reasons why the local firms did not continue communicating with the foreign firms they met during the Forum:

- 1) Some foreign firms were apparently interested only in selling their equipment under direct sales arrangements and not in investing in local ventures.
- 2) Local proponents did not consider the foreign firms they met as appropriate for their requirements.
- 3) Local proponents encountered technical and legal problems in pursuing further their projects.
- 4) Local proponents subsequently lost interest in their projects.

The survey also revealed that some of the actual needs of the project have changed considerably since the preparation of the UNIDO Investment Profile. The updated project needs of each firm are shown in Annex J. This information was utilized to update the UNIDO Profile Form of the proponent for re-submission to trade contacts and UNIDO offices in other countries. The summary of the project needs showed that almost 75 percent of the proponents require financing or equity investment and that about 60 percent require market access. Other project requirements in



the order of importance are supply of equipment, technical expertise, technology transfer, management and marketing expertise. The summary of the project needs assessment is shown in Table 5.

Table 5  
PROJECT NEEDS ASSESSMENT

<u>Needs</u>	<u>Number of Proponents</u>		<u>Number of Proponents</u>	
	<u>1st Round<sup>1</sup></u>	<u>Percentage</u>	<u>2nd Round<sup>2</sup></u>	<u>Percentage</u>
Financing	25	74%	15	71%
Equipment/Supplies	13	38%	7	33%
Market Access	19	56%	13	62%
Technology	8	24%	6	29%
Expertise				
Technical	12	35%	6	29%
Management	5	15%	2	10%
Marketing	4	12%	4	19%

Note: <sup>1</sup> As of Progress Report 4 Dec 1989, total number of interested proponents is 34. Respondents with deferred project, discontinued project, and completed project were excluded.

<sup>2</sup> As of preparation of final report, total number of interested proponents is 21.

#### B. Consultancy Services

The second round of field visits was scheduled on the fourth month of the consultancy period. Firms with strong JV potentials and in the exploratory stage were selected for field visits.

Twenty-four out of the 34 interested firms (as determined during the first-round visit) were targeted to be visited. Those that could not be visited were followed up through mailed survey questionnaires.

It is interesting to note that 21 out of 23 firms that were contacted were still interested to pursue their respective projects. The other two firms lost interest in their respective projects, with one of the firms closing down due to lack of market. The status of the firms that were sent survey questionnaires is not yet known pending receipt of their reply.

All of the firms under the exploratory stage that were visited were not able to progress. These firms want to be included in the second round of promotion activities. Two other firms that were also in the exploratory stage appeared to have aborted their effort because their initial talks with prospective foreign partners did not push through. The summary result of the survey of these firms is shown on Table 6.

Based on new information, four projects were upgraded from "not suitable" to "suitable" for joint venture with foreign partners. The assessment of the projects' suitability for joint venture is shown in Table 7. The revised profiles of these projects are shown in Annex K:

Table 6  
CURRENT STATUS OF PROJECT UNDER EXPLORATORY STAGE  
As of 2 February 1990

Proponent	Current Status
Bestacor	Proponent feels that exploratory talks will not push through. Instead of the Passion fruit seeds, the food processing consultant from France sent a Christmas card. Proponent construed this to be a loss of interest. Wants to be rematched.
Catmon Development Corporation	Award of lease was recalled and proponent is currently appealing. Proponent has informed its prospective partner that as of the moment, they cannot give the 25-year lease required for the talks to continue.
Centeno/Betamor Aqua Culture Development Corporation	Proponent has not responded to several follow-up letters after first round visit. During that visit, the proponent informed the consultants that Warren Co. (USA) requested for additional information. However, the proponent did not respond as he thought UNIDO/DTI would be doing this for him. The proponent was advised to renew communications with Warren Co.
Hanover Worldwide Trading	Garditalia Srl did not arrive in the country for the scheduled meeting. No communication/explanation was received. Proponent considered this as loss of interest and wants to be included in the second round of rematching activities.
RNF Enterprises	Proponent has not responded to several follow-up letters after first round visit. The proponent could not be contacted in his real estate office during the second round visit.
Silay-Saravia Food Corporation	Mamipianti has not responded to all communication from proponent. Initiated communications with Milupa AG of Germany.
United Fercon International, Inc.	United Brands has not responded to communication of proponent. Osimex has shown interest on the project as per letter dated 2 Nov 1989. Proponent will provide the requested information.

Table 7  
JOINT VENTURE SUITABILITY OF REVISED OR NEW PROJECTS

FIRM	PROJECT DESCRIPTION	PROJECT COST (US\$ M)	CRITERIA				REMARKS
			1	2	3	4	
<b>REVISED</b>							
DATAFAB ENGINEERING EXPONENTS	Steel alloy foundry	1.00	§	§	§	§	Resatch
DAVAO ORIENTAL MINING CORPORATION	Gold mining and production of gold chains	.48	§	§	§	§	Resatch
FIRST FARMERS MILLING & MKTG COOPERATIVE	Integrated prawn project	6.60	§	§	§	§	Resatch
STEAMSHIP MANAGERS, INC. / TOWER CONSTRUCTION AND DEV'T CORP.	Container repair yard	TBD <sup>2</sup>					Resatch
<b>NEW</b>							
ASIAN ARTS, INC.	Rattan furniture	NA <sup>3</sup>	§	§	§	§	Resatch
STO. TOMAS INTEGRATED DEVELOPMENT COMPLEX	Organic fertilizers from agricultural waste	.86-1.1	§	X	§	§	Not suitable
<b>OTHERS</b>							
ANR: A INDUSTRIES	Wooden Household and Gift Articles	NA <sup>2</sup>	X				Proponent stopped operations 1 Jan 1990

Note : <sup>1</sup> Project cost inflated by ten percent.  
<sup>2</sup> To be determined.  
<sup>3</sup> Needs market access only.

### C. Current Status

Sixteen months after the Philippines Investment Forum, the 46 projects covered in this consultancy service have attained different stages of development. The summary of current status of the projects is shown in the table below. The listing of the

firms for each category is shown in Annex L.

Summary Table

PARTICULAR	Number of Proponents/Projects
Found JV partner with Forum Participant	0
Found JV partner not with Forum Participant	2
Project initiated with own resources	5
Met foreign investor at Forum suitable for initial talk	8
Still communicating during first round of field visits	3
Still communicating during second round of field visits	0
Communicating with other/new foreign firms during second round of field visits	2
Did not meet any suitable foreign investor at Forum	38
Project Discontinued	6
Proponent stopped operating	2

Note : A proponent/project can be in one or two item(s) and total is not 46.

Two firms were able to form a JV with a foreign partner. However, both foreign partners were not participants of the forum. Five project proponents decided to continue with their project even without a foreign partner.

Of the 46 firms visited, only eight were able to meet with foreign participants suitable for initial talks. Of this, only three were determined to have on-going communication with potential partners during the first-round visit. It was noted

that these firms did not receive any additional communication from the prospective foreign partners when the second-round visits were made. However, two of these firms have initiated talks with other prospective partners.

Thirty-eight of the 46 firms were not fortunate enough to meet suitable potential partners during the Forum. This included six proponents who have already discontinued their projects and two which have already stopped their operation.

#### D. Technical Assistance

After the preliminary survey, for the purpose of giving advisory assistance, the 21 proponents that were suitable for joint-ventures and were still interested in pursuing their respective projects were divided into two groups. The first group consisted of proponents at the exploratory stage of JV negotiation and the other of firms to be rematched with another set of investors. Some of the firms at the exploratory stage also wanted to be rematched.

During the field visits, the teams were able to assess the advisory requirements of the seven firms under the exploratory stage. Three firms had to answer/satisfy the request for samples and/or informations of their prospective partners. On the other hand, two firms were awaiting the reply of the foreign firm. One firm was waiting for the award of its lease on a piece of

government land which has some legal impediments, and the other was preparing its feasibility study. These firms were informed of the availability of EVSA Corporation in helping them in their negotiations and its corresponding requirements until the joint venture was successfully undertaken. The listing of the firms and their corresponding advisory requirements are shown in Table 8.

Each interested firm in the other group was analyzed based on the criteria shown in Section-III.E. The results of the assessment are shown in Annex M. Fourteen (14) firms were selected for rematching. Three firms at the exploratory stage also requested to be rematched since they were, at that time, still at the preliminary negotiation stage with their prospective partner. The list of project proponents arranged according to joint venture suitability is shown in Annex N. The projects for rematching and in the exploratory stage have a total cost of US\$ 21.07 million. This excludes some projects whose costs were still undetermined pending the determination of technology to be employed and the markets to be targeted.

The company and project profile of the above firms were prepared and the UNIDO Investment Profile Form was updated. Letters were sent to the proponents to request for additional information necessary to update the forms.

Table 8  
ADVISORY NEEDS ASSESSMENT<sup>1</sup>

PROJECT PROPONENT	PROJECT COST, (US\$ M)	ADVICE GIVEN/REQUIRED
BESTACOR	TBD <sup>2</sup>	Given ideas on communication with prospective investor. Requested DTI to follow-up proponent in drafting letter.
Catmon Development Corporation	2.75	Award of lease to the proponent was contested. Meeting with Ombudsman scheduled on Dec. 6. Might need legal assistance. BOI already informed of the situation.
Centeno/Betamor Aqua Culture Development Corporation	1.24	Advised proponent to approach BFAR on getting data on acreage and output of the surrounding farms. Requested DTI to follow-up proponent in gathering data.
Hanover Worldwide Trading	0.82	At the moment, the proponent is fully capable of handling the negotiations. Regular follow-up will be done.
RNF Enterprises	5.45	Preparation of feasibility study is ongoing. Proponent was advised that a computer program for Financial Analysis is available at the Cebu Project office.
Silay-Saravia Food Corporation	1.3	Awaiting communication with prospective partner. Requested for a rematch with another set of investors.
United Fercon International, Inc.	1.10	Advised to send samples to the foreign buyer.

Note : <sup>1</sup> As of Progress Report 4 Dec 1989

<sup>2</sup> To be determined



The completed profiles<sup>9</sup> and the updated forms were given both to the firms and to UNIDO for mailing to trade contacts, selected foreign firms, embassies, Chambers of Commerce and foreign UNIDO offices. On its end, the Department of Trade and Industry (DTI) updated its joint venture database using the information in the revised forms and new company and project profile.

Inquiries of interested foreign firms will be immediately relayed to the local proponent. EVSA will provide technical assistance to these firms to guide them in the negotiation process.

A representative of UNIDO-Milan, Mr. Giuseppe Messuti, was assisted in his discussions with local sponsors. Mr. Messuti, who represented several Italian firms, was interested in the following industries: 1) garments, 2) textiles, 3) food processing/packaging, 4) hotel, and 5) foundry.

Four projects were selected. These were: 1) United Fercon, International, Inc., 2) Catmon Development Corp., 3) Bestacor, and 4) Silay Saravia Food Corp. The list of projects and their corresponding contact persons were given and the projects' potential and needs were also discussed.

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<sup>9</sup> See Annex F.

## V. ANALYSIS AND FINDINGS

A preliminary analysis of the projects submitted during The Forum showed that more than half (55%) of the projects belong to the small- and medium-scale enterprise category. The figure for projects covered by this contract is slightly higher at 60%. Out of the 46 projects selected for the study, almost one-fourth fell under the small-scale category. Annex 0 shows the list of projects which were submitted during the Forum while Table 9 gives a summary of this list.

Table 9  
PROFILE OF PROJECTS SUBMITTED DURING THE FORUM

<u>Scale of Projects</u>	<u>Number of Project</u>		<u>Percentage</u>	
	<u>National</u>	<u>EVSA</u>	<u>National</u>	<u>EVSA</u>
Less than or equal to 0.5	32	10	25	23
More than 0.5 but less than 1.0	40	16	31	37
More than 1.0 but less than 1.5	22	9	17	21
More than 1.5	36	8	28	19
Total	130	43 <sup>1</sup>	101	100

Note : <sup>1</sup> Does not total 46 as 3 projects selected by EVSA were not in the list given in the Final Report of H. Klein.

The November 1988 Forum was successful in presenting the country as an alternative investment opportunity. A number of potential foreign partners participated in the Forum and in the

project-related one-to-one discussions with local sponsors. Some of these project-related meetings have resulted in the signing of Letters of Intent.

Out of the 46 projects covered by these consultancy services, only a few firms have met with the right prospective partner and initiated exploratory communication exchanges. In this section, the reasons for the success or failure of the negotiation and promotion process will be discussed based on the interviews with the proponents and the consultants' field observation and analysis. Basically, the analysis will cover only the experience of the covered projects, but the findings and conclusions might be applicable to all projects and the Investment Forum in general.

Follow-up activities by DTI/BEMB started right after the Forum regarding the status and progress of the projects, particularly those with signed Letters of Intent. The office sent out survey questionnaires to the local proponents but was not able to receive a good number of replies. The consultancy service of EVSA Corporation started 11 months after the Forum. The crucial aspect of the work was to assess the current status of the negotiation process and the project itself. In this regard, the consultants decided to conduct the assessment through face-to-face interviews.

During the interviews, the local sponsors expressed their gratitude to the UNIDO and DTI for inquiring into the status of

their project. It was their common perception that the Forum was just a single big event. Although it was explained during the Forum that the November 1988 meeting was just the "first" matching, the local sponsors had different views and perceptions based on the interviews.

"One proponent believes that he will just wait for the right investor to be turned over by UNIDO or DTI to him. Another investor does not want to incur another expense of going to Manila for the rematching. Most proponents do not have a clear idea on who to approach and how to go about the second round of matching process."

The results of the survey showed that most of the local proponents did not meet the right prospective partner. However, no one informed nor requested UNIDO or DTI for a second round of matching. The interviews revealed that almost all proponents were still interested in pursuing their project with another set of investors.

The negotiation process between local and foreign partner that was supposed to be the main activity after the Forum did not take place. The current status of the 46 projects indicated that most firms did not meet the right prospective partner in the Forum and therefore, the process could not go on to the succeeding stages.

In analyzing the reason for the success or failure of the negotiation and promotion process, the following key factors were

considered:

- 1) Type of foreign investors that participated in the Forum.
- 2) Type of projects that were presented, and
- 3) Capabilities of local sponsors.

The reasons gathered in the interview and field observations and analysis by the consultants are grouped and presented in the next sections as the major lessons that can be learned from the November 1988 investment promotion and follow-up activities.

#### KEY FINDINGS

##### A. Foreign Participants

- 1) The foreign participants who came had very diverse interests. This precluded further in-depth discussions of the project with local sponsors. Some local proponents related that the foreign participants were just "window shopping" and no detailed discussion about their project was undertaken.
- 2) Some foreign firms were apparently interested only in selling their equipment or services under direct sales arrangements and not in investing in local ventures. Most of the foreign participants met by most of the local proponents were of this

type.

- 3) Local participants have met foreign consultants representing different clients abroad soliciting a lot of feasibility studies and other data requirements. The pre-investment study appears to be a key requirement by foreign investors and should be addressed as a need in future investment forums.

#### B. Type of Projects

- 1) The project's scale of output and market is small compared to the needs of the prospective JV partner.

The United Brands representative indicated that the capacity of United Fercon and the other producers in Cebu cannot supply its requirement.

The oil-mill proposed by R.O. Ang is a village-type mill and cannot compete with the large millers.

In addition, most of the proponents who submitted new projects during the Forum, were kept busy by the other projects they were handling. Table 10 shows the profile of these new projects.

Table 10  
**PROFILE OF NEW PROJECTS SUBMITTED DURING THE NOVEMBER FORUM**  
 (Limited to those projects selected by EVSA)

PROFILE	NUMBER OF PROJECTS	FIRMS
Proponent operating other project	16	All Season Farms, Inc. Bestacor Catmon Development Corp. Dacebu Traders Inc. Datafab Engineering Exponents Datingbayan Agro-Ind'l Corp. EMP Exim Int'l Corp., Inc. Hanover Worldwide Trdg. Corp. Luvimin Cebu Mining Corp. Matuguina Industries Dev't Corp. Migeva Ex-Import Corporation Oromex Processing Plant R. O. Ang Enterprises Southern Phil. Development Authority Sto. Tomas Integrated Dev't Complex Sugeco Export Corp.
Project already organized but not yet operating	1	Bukidnon Dairy Development
Project not yet organized	5	Cebu Chamber of Commerce & Industry Centeno/Betamor Aqua Culture Development Corp. Department of Trade & Industry - Region 11 RNF Enterprises Vanda Sanderiana Eximport Corp.

Note : Twenty-two of the 46 projects submitted during the Forum were new.

2) Projects are still in the development phase or are socially-oriented projects. These projects are looking for

grant money and not a joint venture partner.

A sample of this projects are: Southern Philippines Development Authority (Soya beans), Datingbayan Agro-Industrial Corp. (Coffee, black pepper and cacao) and Sto. Tomas Integrated Development Complex (Farmer's cooperative and organic fertilizer from agri-waste).

- 3) Some projects need market access only. The Investment Forum might not be the best way to initiate market contact with foreign buyers with established track records. DTI's Bureau of Export Trade Promotion (BETP) and trade fairs might be the best arena for these projects.

Projects that need market access only are: Orient Foods (Dried fruit), Anrima Industries (Wooden household and gift articles), Asian Arts, Inc. (Rattan furniture), and Unique Forms International (Stonecraft).

- 4) Some projects only have specific needs like access to material/design in existing foreign technology. This particular need can be specified in advance to alert interested JV partners.

Projects that have specific needs are: SUGECO Export Corp. (Technology on shrimp waste processing), Bukidnon Dairy Development (Technology on packaging), and Steamship



Managers, Inc. (Technical and training expertise on container van repair).

- 5) Some projects need access to capital only and this is not enough for JV interest.

Some of the projects under this category are: Vanda Sanderiana (Cut flowers), Iligan Mining (Gold Mining).

- 6) Some companies know what they want from foreign JV partners. Their needs could have been communicated to those who came to the Forum. These companies are already strong and should be actively promoted for JV.

These companies are: Palacio Shipping (Lease of ships), Luvimin Mining (Gold Mining), Tradewinds Rattan (Assembled wooden case goods), Bell International (Sporting bags and suitcases), and SV Agro-Industries (Power tillers), and Unique Forms International (Stonecraft).

### C. Local Sponsor Capability

- 1) Some projects are entirely new ventures and proponents have no knowledge or organization to assist them.

Some of these companies are:

Oil-mill	-	R.O. Ang	(rice mill),
Prawn	-	Centeno	(non-operating),
Rubber Gloves	-	RNF Enterprises	(real estate),
Ladies' Shoes	-	Hanover	(furniture), and
Fertilizer	-	Sto. Tomas	(rural banking).

- 2) Some firms are one-man operations and have some problems in project development activities like:

- a. maintaining good state of records
- b. contacting and writing to foreign JV companies
- c. writing down project components and relevant market and production factors for bank and foreign JV inquiries
- d. maintaining good client and banking relations.

The proponents which were interviewed on this category are very busy with their main business and have little time to spare for their project.

A sample of these companies are: RNF Enterprises, Centeno/Betamor Aqua Culture Development, Vanda Sanderiana, Aquarius Prawn Hatchery, and Datafab Engineering Exponents.

- 3) Some companies are already strong but just wanted to expand their market base and production capacity. These firms know what they want and can be actively promoted for JV partners.

Some of these companies are: Bell International, Palacio Shipping, Luvimin Mining, and Tradewinds Rattan.

The foregoing analysis and findings point out the diverse procedures and activities necessary to achieve a successful investment promotion. The key elements identified for a successful investment promotion meeting are: 1) screening of forum participants, 2) proper preparation and screening of projects to be presented, 3) structured one-on-one meetings and, 4) close follow-up activities.

## VI. RECOMMENDATION

Although the scope of this consultancy service consists of the follow-up activities only, EVSA believes that the success of the latter activity is highly dependent on the other main activities which is the meeting itself, including the preparation phase. This recommendation, therefore, will deal on these two main activities.

### A. Investment Promotion Meeting

#### 1) Meeting Type

The Investment Forum held last November 1988 was very successful in presenting the Philippines as an investment alternative. Such a forum is very useful in promoting the country and thus, may be held, say every five to six years. In the course of this country promotion drive, it is recommended that Investment Projects Promotions be held.

#### 2) In-between Forum

The in-between meeting should be small and should depend on how many individual cases can be supported by subsequent staff assistance. This meeting can either be on a per industry basis or on a regional scale coinciding with the sub industry of the regional industrial centers. In the "per-industry" type of meeting, the investment banking approach of packaging projects can

be adopted. Industry in the priority sector can be adopted first, particularly those with abundant raw materials.

3) Project Preparation and Promotion

The following should be considered in this phase of promotion activity:

- a) Projects should be screened properly so that only projects attractive to the prospective foreign JV partner will be promoted. In the selection process, these factors might be included as part of the criteria: scale of project and technical and financial capability of the proponent. Worthwhile projects, but are small scale in category, should be encouraged to form into a cooperative or consortium. The help of the chamber of commerce or other trade organization on this aspect should be tapped.
- b) Prepare UNIDO Investment Profile Form for the selected projects. In addition to this Form, a concise company and project profile should be prepared. This profile should contain the qualitative aspect of the company and project emphasizing its strengths and opportunities.
- c) Proper profile preparation can greatly ease the follow-up work.

- d) The number of projects should depend on how many individual cases can be supported by DTI for subsequent staff assistance. Regional offices or consultants can be tapped for follow-up activities.
  
- e) Disseminate project profiles to UNIDO foreign offices, chamber of commerce, embassies, trade organizations and Development Financing Institution (DFI) among others. Interested foreign firms shall be requested to prepare a company profile to be sent in advance to the local sponsor.
  
- f) The meeting should be the starting point of the interaction between the foreign investors and local sponsors. Structured one-on-one meeting should be encouraged with the end-view of starting the negotiation process.
  
- g) Country promotion materials like brochures, displays, video presentations and updated economic background information of the industry in particular and the country in general should also be presented during this meeting. Likewise, promotion documents of sponsoring organizations should be available for display and dissemination.

## B. Follow-up Activities

1) Follow-up activities should already start during the Forum to evaluate the results of the one-on-one meetings and determine further assistance required to facilitate the negotiation process. A pool of specialist and support staff should be on hand to readily give the necessary and accurate information as soon as required. Subsequent staff assistance should be available to guide these projects to fruition.

2) Follow-up activities should be a continuing process. The consultants found out that the occasional visits and face-to-face interviews are the best way to generate sponsors and gather data. Very few proponents responded to mailed questionnaires and letters requesting for additional information or status. In this regard, DTI should consider tapping the services of the regional and provincial offices.

3) UNIDO concentrated its technical assistance to the central office personnel. If the services of the regional and provincial offices are required for subsequent investment promotion, technical assistance for training these personnel is recommended. It is further recommended that all technical assistance with expatriate consultants should have a counterpart, not only from the government but also from the private sector, either through chambers of commerce, non-government organizations (NGOs) or local

consultants.

4) During one of the consultants' field visits with the UNIDO representative, various alternative investment, financing schemes and technical assistance available were presented to the proponents<sup>10</sup>. It is recommended that UNIDO representative or staff closely participate in the follow-up activities in order to promote other available UNIDO (or its attached agency's or organization's) services and assistance.

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<sup>10</sup> See Minutes of Steering Committee Meeting dated 03 February 1990.



ANNEXES

Annex A  
LIST OF DTI OFFICERS APPROACHED DURING THE STUDY

<u>NAME AND POSITION</u>	<u>ADDRESS</u>
<b>WESTERN VISAYAS</b>	
Mr. Diosdado Cadena, Jr. Provincial Director Negros Occidental Provincial Office	Department of Trade & Industry 2/F Milagros Plaza Bldg. Gatuslao-Rosario Sts. Bacolod City, Negros Occidental
Ms. Evelyn O. Veloso Chief Industry and Investments Division Negros Occidental Provincial Office	Department of Trade & Industry 2/F Milagros Plaza Bldg. Gatuslao-Rosario Sts. Bacolod City, Negros Occidental
Mr. Dominic P. Abad Provincial Director Iloilo Provincial Office	Department of Trade & Industry Grd. Floor, NACIDA Bldg. J. M. Basa cor. Peralta Sts. Iloilo City, Iloilo
<b>CEBU</b>	
Mr. Joel Mari S. Yu Assistant Secretary Visayas/Mindanao Regional Office	Department of Trade & Industry Rm. 206, WDC Bldg. Juan Luna cor. P. Burgos Sts. Cebu City, Cebu
Mr. Ernesto P. Pintac Division Chief Investments & Industry Development Division Region VII Regional Office	Department of Trade & Industry Rm. 208, WDC Bldg. Juan Luna cor. P. Burgos Sts. Cebu City, Cebu
Mr. Roberto A. Varquez Officer-in-charge Cebu Provincial Office	Department of Trade & Industry Rm. 201, WDC Bldg. Juan Luna cor. P. Burgos Sts. Cebu City, Cebu
Mr. Javier R. Fortunato, Jr. Provincial Director Negros Oriental Provincial Office	Department of Trade & Industry Rm. 306, Uymatiao Building San Jose St., Dumaguete City Negros Oriental

<u>NAME AND POSITION</u>	<u>ADDRESS</u>
<b>NORTHERN MINDANAO</b>	
Mrs. Nimfa Along Albania Regional Director Region X Regional Office	Department of Trade & Industry Luna corner Corrales Sts. Cagayan de Oro City
Ms. Liza M. Alcantar Division Chief Investments & Industry Development Division Region X Regional Office	Department of Trade & Industry Luna corner Corrales Sts. Cagayan de Oro City
Ms. Lorna Marcos Board of Investments Region X Regional Office	Department of Trade & Industry Luna corner Corrales Sts. Cagayan de Oro City
Mr. Alfonso F. Alamban Provincial Director Misamis Oriental Provincial Office	Department of Trade & Industry Luna corner Corrales Sts. Cagayan de Oro City
Mr. Nasser T. Chavez Provincial Director Bukidnon Provincial Office	Department of Trade & Industry Capitol Bldg. Malaybalay, Bukidnon
Ms. Mamok Pangandanan Assistant Regional Director Region XII Regional Office	Department of Trade & Industry Development Bank of the Philippines Iligan City
Ms. Marilou G. Quinco Provincial Director Iligan Provincial Office	Department of Trade & Industry Mezzanine Floor, DBP Bldg. Noria Palao, Iligan
Mr. Ramonito Acaac Provincial Director Misamis Occidental Provincial Office	Department of Trade & Industry Casing Bldg. S G. P. Onejano St. Oroquieta City, Misamis Occident
<b>SOUTHERN MINDANAO</b>	
Mr. Tedulo T. Pasawa Division Chief Industry Investment Division Davao Regional Office	Department of Trade & Industry 3/F Escalona Bldg. Ponciano Reyes Street Davao City, Davao
Ms. Christine P. Rizado Officer-in-charge, Davao City	Department Of Trade & Industry 3/F Escalona Bldg. Ponciano Reyes Street Davao, Davao City

NAME AND POSITION  
SOUTHERN MINDANAO (continuation)

ADDRESS

Mr. Danny Siazon  
Division Chief  
Industry Investment Division  
So. Cotabato Provincial Office

Department of Trade & Industry  
Millado Bldg., National Hi-Way  
Gen. Santos City, So. Cotabato

Mr. Noemi Gumana  
Provincial Director  
Sultan Kudarat Provincial  
Office

Department of Trade & Industry  
1st Door, Lapuz Building  
Tacurong, Sultan Kudarat

MINUTES

STEERING COMMITTEE MEETING

Pre-Investment Consultancy Services

September 27, 1989

10:00 - 11:00 AM

Attendees:

UNIDO : Christian A. Newman (CAN)  
DTI-BOI/BEMB : Virgilio P. Mallari (VPM)  
EVSA Corp. : Francisco C. Roble (FCR)

1. The group decided that the Steering Committee shall be composed of UNIDO - represented by C. A. Newman, DTI-BOI/BEMB - represented by V. P. Mallari, and EVSA Corp. - represented by C. G. Saldana/F. C. Roble.
2. The group discussed the Work Program submitted by EVSA. Based on CAN and VPM queries and comments the following items were clarified:
  - a. All the firms listed in Annex D-2 of the Work Program will be visited or contacted.
  - b. EVSA should try to visit or contact regularly the Cebu based firms.
  - c. Prepare a monthly status report for the Steering Committee meeting.
  - d. Target for three signed joint venture agreement.
  - e. Coordinate with DTI regional and provincial offices.
3. UNIDO advised that EVSA should vigorously promote this project. EVSA suggested to hold one of the Steering Committee meeting in Cebu project office.

Prepared by: F. C. Roble

MINUTES

STEERING COMMITTEE MEETING

Pre-investment Consultancy Services

October 5, 1989

11:00 - 11:45

Attendees:

UNIDO : C. Newman  
: N. Suzuki  
DTI-BOI/BEMB: V. Mallari  
EVSA : C. Saldana  
: F. Roble  
: F. Gumaru

1. The Steering Committee presented the Work Program to N. Suzuki and clarified from him the projected output of the consultancy services. The group agreed on the following outputs:
  - a. The primary objective of the consultancy services is the promotion of joint venture negotiations to completion.
  - b. The study will also document the factors which affected the success or failure of the joint venture negotiation process.
2. It was also clarified that EVSA should not include the firms which are being covered by other firms.
3. EVSA reported that based on their initial run of five (5) firms in Cebu, most of the local firms were not able to meet the right prospective foreign partner during the Forum. Most of the foreign firms were equipment suppliers who are interested only in selling machineries or equipment and not in investing in local ventures. If the trend continues, UNIDO should consider rematching the proponents with other set of investors.
4. CAN indicated that the November Forum was just the first stage of the investment promotion. The participants were informed that if they were not able to meet the right partners, they should inform UNIDO. Another set of investors will be matched with their project.

Prepared by: F. C. Roble

MINUTES

STEERING COMMITTEE MEETING

Pre-investment Consultancy Services

November 7, 1989

2:00 - 3:30 PM

Attendees:

UNIDO : C. Newman  
DTI-BOI/BEMB: V. Mallari  
C. Yu  
EVSA : C. Saldana  
F. Roble

1. EVSA made a report on the progress of the work in the project site. Twenty eight (28) out of 46 firms to be visited have been interviewed. The breakdown of the number of firms interviewed per Visayas and Mindanao area is shown in attached Table 1.
2. Out of the 28 firms visited, four firms are no longer interested to pursue their project. (See Table 2)
3. Most of the firms interviewed indicated that they did not meet the right investors during the forum. Only four firms have an on-going communication with their prospective partners and the rest have no follow-up or only one communication after the forum. (See Table 3) A lot of these projects require equity investments and some needs market access only. The breakdown of the proponent's project needs is shown in Table 4.
4. The preliminary results of the data gathered from the field visits showed that a rematch of local proponents with a new set of foreign investors is necessary. However, the interview has revealed that not all firms were suitable for joint venture. EVSA has set up four criteria to assess the firms joint venture suitability. The criteria and analysis of each firm is shown in Table 5. Out of the 24 interested firms, EVSA has selected nine firms that are suitable for joint venture (JV).
5. UNIDO informed the group that a rematch can be initiated for these interested firms. In this regard, EVSA will select firms suitable for JV and update their UNIDO forms with inputs from the firms. EVSA together with UNIDO will select prospective trade contacts or firms that might be interested with the project.

6. Based on the new information DTI/BEMB will update its database for possible matching with JV inquiries. DTI/BEMB also informed EVSA that they can inquire from the Bureau of Export Trade Promotions (BETP) regarding foreign firms interested to trade on different products from the country.
7. EVSA will write to local proponents and update them on the prospects and other alternative courses of action for their project.
8. The group agreed that the next committee meeting will be held at Cebu City on December 7 and 8, 1989.

Prepared by: Francisco C. Roble



Table 1  
ACTUAL ACCOMPLISHMENT

Region	Number of Proponents			
	Work Program Annex A		Actual Work Schedule	
	Forum List	Status Report 21 Feb 1989	Scheduled for Visit	Visited as of 3 Nov 1989
Cebu	21	14	21 <sup>1</sup>	12 <sup>5</sup>
Western Visayas	4	4	6 <sup>2</sup>	- <sup>5</sup>
Northern Mindanao	12	5	11 <sup>3</sup>	10 <sup>4</sup>
Southern Mindanao	11	10	8 <sup>3</sup>	6 <sup>4</sup>
	48	33	46	28

- Notes :
- <sup>1</sup> Added Hanover, Worldwide Trading but excluded Porta Coeli Ind. Included companies whose project costs were greater than US\$1.5 million.
  - <sup>2</sup> Added Bestacor (Dumaguete) and All Seasons Farm (Guimaras).
  - <sup>3</sup> Excluded companies whose projects were greater than US\$ 1.5 million.
  - <sup>4</sup> Proponents were not available for interview.
  - <sup>5</sup> Visits and interviews are on-going.

Minutes 11-7-89

**Table 2**  
**INTEREST OF LOCAL PROPONENTS**

<u>Field Visit Results</u>	<u>No. of Respondents</u>	<u>%</u>
Still Interested	24	86
Not Interested	4	14
	----- 28	----- 100

**Table 3**  
**PROJECT STATUS**

<u>Status</u>	<u>No. of Proponents</u>	<u>Remarks</u>
Finalization	0	
Negotiation	1	DTI-XI with Mapimpianti (Italy): Possible grant from Italian government.
Exploratory	4	
Failed/Aborted Negotiation	1	Foreign Partner (not with Forum) wants Local Project to be registered with BOI. BOI application disapproved.
No Follow-Up or Only One Communication After Forum	21	
	----- 27	

Note: Manukan Marble negotiation is on-going and is being facilitated by SGV.

Minutes 11-7-89

Table 4  
PROJECT NEEDS ASSESSMENT

<u>Needs</u>	<u>No. of Respondents</u>	<u>Percentage of Total Respondents</u>
Financing	19	68
Equipment/Supplies	6	21
Market Access	9	32
Technology	3	11
Expertise		
Technical	7	25
Management	3	11
Marketing	2	7

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Table 5  
ASSESSMENT OF JOINT VENTURE SUITABILITY

FIRM	PROJECT COST	CRITERIA				REMARKS
		1	2	3	4	
REGION 7						
ALENTER CANE	1.50	X				Currently developing resort. Might reconsider in Jan '90.
CATMON DEV'T	2.50	*	*	*	*	Market access/marketing expertise
CEBU CHAMBER	5.00	X				Not interested in project.
DATINGBAYAN	0.60	*	*	X	*	Not attractive/New project started developing.
ELIJOS	-	X				Will not push through with project.
LUVIMIN	varies	*	*?	*	*	P 5.0 maximum participation
MATUGUINA	3.00	*	X	*	*	W/ JV partners but requires BOI-registration
PALACIO SHIPPING	1.50	*	*	*?	*	Small shipping line
TRADEWINDS	0.72	*	*	*	*	Prefer European partners.
UNIQUE FORMS	-	*	*	*	*	Access to European market. Has foreign partner.
UNITED FERCON	0.51	*	*	*?	*	Needs financing/market access
SANDERIANA	0.50	*	*	*?	*	Very long gestation period
REGION 10						
AQUARIUS	0.33	X?	X			Main proponent emigrated.
BUKIDNON DAIRY	1.09	*	?	?	*	Each coop with processing
DATAFAB	0.85	*	X	*	*	
MOROSCOPE	0.70	*	*	*	*	
JB ENTERPRISES	1.45	*	*	*?	*	local financing
PHIL-AGRO	0.60	*	*	X	X	Technical expertise for three months.
RNF ENTERPRISES	1.40	*	*	*	*	Real estate assets
REGION 11						
DAVAO ORIENTAL	1.00	*	*?	*	*	Not actively pursuing project
TTI-XI	-	*	*	*	*	Only facilitates the project. Possible Italian grant.
OROMEX	0.53					Proponent not available for interview.
TO. TOMAS	0.65	X				Wants financing for other project.
SPDA	1.44	*	*	*	*	Not yet able to develop profitable soya bean variety. Possible grant in process.
ZELEV	0.51	X				Wants market access instead.

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Table 5  
(Con't)

FIRM	PROJECT COST (US\$ M)	1	2	3	4	REMARKS
REGION 12						
CENTENO/BETAMOR	1.24	?	X?	X?	*	Warren asks for data on surrounding areas. Owns the land.
ILIGAN MINING	0.50	?	X	?	*	
R.O. ANG ENTERPR TORRENA	0.59 0.43	*	*?	X	*	Consultant based in Bulacan. Proponent not available for interview.

Legend:

- \* Pass
- X Fail
- ? Doubtful

CRITERIA FOR ASSESSING JOINT VENTURE CAPABILITY OF LOCAL PROPONENTS

1. Desire/motivation and need for Joint Venture
2. Financial capacity/other assets to put up as counterpart
3. Scale of business potential: interest for foreign investors who need to get through a costly process.
4. Project type which foreign company cannot do alone

Minutes 11-7-89

MINUTES

STEERING COMMITTEE MEETING

Pre-Investment Consultancy Services

EVSA CORP. OFFICE, MAKATI

December 14, 1989

2:00 - 3:30 PM

Attendees:

UNIDO : C. Newman  
DTI-BOI/BEMB : V. Mallari  
          : C. Yu  
EVSA : C. Saldana  
      : F. Roble

1. This meeting was held in Manila in lieu of the Dec. 7 and 8 meeting scheduled in Cebu City. EVSA presented the Progress Report that will be submitted to UNIDO, Vienna. The consultant has interviewed 45 firms out of 46 firms scheduled for visit. The 45 firms interviewed included one project that is in advance stage of negotiation which is being facilitated by other firm and therefore excluded from further analysis.
2. The results of the survey showed that most of the local firms did not consider the foreign investors they met during the Investors' Forum as prospective JV partners. Of the 44 firms, one project is under the negotiation stage, seven are at the exploratory stage and the rest have no further communication or follow-up with the investors they met at the forum.
3. Most of the firms interviewed, 34 out of 44 firms, are still interested to pursue their project. Based on the criteria for joint venture suitability analysis, only 14 firms were found suitable for "rematch." At the same time, three firms under the exploratory stage also requested for a rematch since they are still at the preliminary negotiation stage with their prospective partner.
4. EVSA also reported that they are currently preparing the company and project profile and updating the UNIDO Investment Profile of the firms suitable for rematch. These shall be transmitted to UNIDO for distribution to foreign UNIDO offices, chambers of commerce and trade associations.

5. UNIDO indicated that it will take 6 to 8 weeks before we can receive some feedback or inquiries on this exercise. In this regard, the group decided that all communication from foreign offices shall be channelled through UNIDO or EVSA offices for ease of control and monitoring.
6. A list of interested foreign buyers were gathered from DTI-BETP office and this shall be sent to corresponding local firms who need market access for their products.
7. In the succeeding months, EVSA shall be working on two aspects of investment promotion: a) providing assistance to firms under exploratory stage, and b) preparation work for a rematch with another set of foreign investors.
8. The second round of field visits is scheduled to start on the second week of January 1990. The next Steering Committee Meeting is tentatively scheduled to be held in Cebu City on the last week of January.

Prepared by : F.C. Roble

MINUTES

STEERING COMMITTEE MEETING

Pre-Investment Consultancy Services

Cebu City

February 3, 1990

9:30 - 11:00

Attendees:

UNIDO : C.A. Newman  
EVSA : C.G. Saldana  
F.C. Roble  
F.C. Gumaru  
J.J. Martinez

1. EVSA reported its accomplishment for the month of January, particularly the second round of visits. Twenty four (24) firms were scheduled to be interviewed for this round and the other interested firms were followed-up through mailed questionnaire. Table 1 showed the number of firms to be/was interviewed per region and the number of firms that were given follow-up questionnaires. Annex A showed the list of firms to be interviewed. Twenty-two (22) out of 24 firms were interviewed either face-to-face or by phone. Two proponents were not available for interview and the questionnaires were mailed to them. (See Table 2)
2. Most of the firms interviewed (21 out of 23) were still interested to pursue their project. Only two were not interested --- Anrima Industries (wooden household and gift articles) and Alenter Cane Corp. (wooden furniture).
3. The second round of visit and interview revealed that no firm has progressed to an advance stage of negotiation process. None of the projects under exploratory stage has really taken off. In fact, all the proponents wanted a rematch since their prospective partners failed to arrive or respond to their communication. The detailed analysis of each firm's status is shown in Annex B.
4. On the other hand, UNIDO indicated that the Italian government might not proceed with the planned grant money for the Philippines. In this case, the DTI-XI project which is in the negotiation stage might be deferred indefinitely.



5. EVSA also reported the field visits conducted with the UNIDO representative (See Annex C for the detailed Field Trip Schedule). The group visited 6 proponents --- 3 in Region X and 3 in Region VII. They also visited and met the DTI Region X director and provincial personnel and the Cebu DTI provincial officer and Regional personnel. All the firms visited are still interested to pursue with their project. Mr. C. Newman discussed with them their current needs and explained the possible assistance that UNIDO can offer. A summary report on the discussion of each firm and office visited is shown in Annex D.
6. EVSA also reported that it has completed the updating of the UNIDO Investment Profile Form and the company and project profile. UNIDO has already transmitted the first batch to Vienna and in turn this will be disseminated to offices in other countries.
7. EVSA discussed the work to be done in the succeeding months. Follow-up with the project and proponents will be continued. Inquiries from foreign firms will be relayed immediately to the local proponents. A Draft Final Report is scheduled to be submitted on the 5th month of the Contract period or end of February. EVSA is given 14 days to prepare the Final Report after receiving the comments from Vienna - UNIDO office. Any additional information/data based on the second round of promotion activities will be incorporated in the Final Report as an Addendum.

Prepared by : F.C. Roble

Table 1  
ACTUAL ACCOMPLISHMENT

Region	Firms Selected For Visit	Interested Proponents As of Progress Report 4 Dec '89	Scheduled for Interview As of 31 January 1990		Mailed Questionnaire	
			Scheduled	Actual	Sent	Reply
Cebu	21	15	17	15	2	0
Western Visayas	6	4	4	4	0	0
Northern Mindanao	11	8	3	3	5	0
Southern Mindanao	3	7	0	0	7	1
	46	34	24	22	14	1

Note : \* Tower Construction and Development Corporation/Steamship Managers, Inc. and Alenter Cane Corporation were included. Both firms were not fully interviewed during the first round.

Table 2  
DATA GATHERING PROCESS

TYPE	NUMBER OF FIRMS
FACE-TO-FACE	12
PHONE	10
MAILED SURVEY QUESTIONNAIRE	14
	36

Note : \* Includes Dacebu Traders Inc. and Datingbayan Agro-Industrial Corp. which were scheduled for interview.

Minutes 2.3.90

Table 3  
INTEREST OF LOCAL PROPONENTS

<u>Field Visit Results</u>	<u>No. of Respondents</u>	<u>Percentage</u>
Still Interested	21	58%
Not Interested	1 <sup>1</sup>	6%
Not Known	13 <sup>2</sup>	36%
	<hr/> 36	<hr/> 100%

Note : <sup>1</sup> Annima Industries shut down its operation in 1 January 1990.

Alenter Cane Corporation decided to shelf its project indefinitely.

<sup>2</sup> Mailed survey questionnaires were sent. Waiting for proponents' reply.

Table 4  
PROJECT STATUS

<u>Status</u>	<u>Number of Proponents</u>		<u>Remarks</u>
	<u>Progress Report</u>	<u>Second Round</u>	
Finalization	0	0	
Negotiation	1	1	DTI-XI with Mapimpianti (Italy) However, negotiations might be deferred.
Exploratory	7	0	See Annex B for remarks on each firm.
Failed/Aborted Negotiation	1	0	Foreign partner (not with Forum) wants Local Project to be registered with BOI. BOI application disapproved.
No Follow-Up Communication from Prospective Joint Venture Partner	35	20	
Not Known	0	13	No response was received as of meeting time.
Project Discontinued	0	2	
	<hr/> 44	<hr/> 33	

Minutes 2.8.90

Annex A  
LIST OF PROJECTS SCHEDULED FOR VISIT

LOCATION AND NAME OF PROJECTS

---

V I S A Y A S

I.	REGION :	VI	
	A.	HEADQUARTERS LOCATED IN THE SAME REGION	
	A.1	PROJECT COST BELOW \$ 1.50 MILLION	
		SILAY SARAVIA FOOD CORP.	
		SV AGRO-INDUSTRIES ENTERPRISES INC.	
		SUB-TOTAL	2
	A.2	PROJECT COST ABOVE \$ 1.50 MILLION	
		FIRST FARMERS MILLING & MARKETING COOPERATIVE	
		SUB-TOTAL	1
		TOTAL - REGION VI	3
II.	REGION :	VII (OUTSIDE CEBU)	
	A.	HEADQUARTERS LOCATED IN THE SAME REGION	
	A.1	PROJECT COST BELOW \$ 1.50 MILLION	
		BESTACOR	
		SUB-TOTAL	1
III.	REGION :	VII	
	A.	HEADQUARTERS LOCATED IN THE SAME REGION	
	A.1	PROJECT COST BELOW \$ 1.50 MILLION	
		ALENER CANE CORP	
		ANRIMA INDUSTRIES	
		ASIAN ARTS, INC.	
		DACCBU TRADERS INC.	
		DATING DAYAN AGRO INDL. CORP	
		HANOVER WORLDWIDE TRADING	
		MATUGUINA INDUSTRIES DEVT INC.	
		STEAMSHIP MANAGERS, INC.	
		SUGECO EXPORT CORPORATION	
		TRADEWINDS RATTAN	
		UNIQUE FORMS INTERNATIONAL INC.	
		UNITED FERCON INTERNATIONAL INC.	
		VANDA SANDERIANA EXIMPORT CORP	
		SUB-TOTAL	13

LOCATION AND NAME OF PROJECTS

(continuation of Region VII)

A.2	PROJECT COST ABOVE \$ 1.50 MILLION	
	CATMON DEVELOPMENT CORP.	
	LUMMIN CEBU MINING CORPORATION	
	PALACIO SHIPPING INC	
	SUB-TOTAL	3
		16

B.	HEADQUARTERS LOCATED IN OTHER REGION	
	B.1 PROJECT COST BELOW \$ 1.50 MILLION	
	BELL INT'L/COVERTEK	
	SUB-TOTAL	1
	TOTAL - REGION VII	17

TOTAL - VISAYAS 21

MINDANAO

II. REGION : X

A.	HEADQUARTERS LOCATED IN THE SAME REGION	
	A.1 PROJECT COST BELOW \$ 1.50 MILLION	
	DATAFAB ENGINEERING EXPONENTS	
	MICROSCOPE PARK DEVT CORP.	
	DE ENTERPRISES	
	SUB-TOTAL	2

TOTAL - VISAYAS AND MINDANAO 24

FIRM	PROJECT DESCRIPTION	PROJECT COST (USD \$)	CATEGORIES				REPORTS
			1	2	3	4	

EXPLOIATARY (As of Progress Report 4 December 1969)

FIRM	PROJECT DESCRIPTION	PROJECT COST (USD \$)	1	2	3	4	REPORTS
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological

EXPLOIATARY (As of Progress Report 4 December 1969)

FIRM	PROJECT DESCRIPTION	PROJECT COST (USD \$)	1	2	3	4	REPORTS
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological
EXPLOIATARY CORPORATION	Exploratory (Medical and all)	2,750	1	1	1	1	Biological

PROJECT COST (US\$ M)	PROJECT DESCRIPTION	FIRM	CRITERIA				REMARKS	Current Status as of 31 January 1969
			1	2	3	4		

As of Progress Report 4 December 1967

OPENS (As of Progress Report 4 December 1967)

100	Production of high yield wheat	Wheat	1	1	1	1	1	No communication from proponent. USIBD reports that the Italian grant is not suitable.
200	Production of high yield wheat	Wheat	1	1	1	1	1	No communication from proponent. USIBD reports that the Italian grant is not suitable.
300	Production of high yield wheat	Wheat	1	1	1	1	1	No communication from proponent. USIBD reports that the Italian grant is not suitable.

NOT SUITABLE (As of Progress Report 4 December 1967)

100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Proponent already has technical consultants but still wants to look for other consultants to keep up with technological developments. Project is not suitable as suitable for Jb.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Government funding is more appropriate for project as it has social and economic benefits.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Proponent states project but still needs assistance for feasibility phase of the project. Project is re-evaluated as suitable for Jb.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.
100	Production of high yield wheat	Wheat	1	1	1	1	1	1	Not suitable	Waiting for proponent to reply to previous communications.

NOTE: 1 - Needs market access only.  
 2 - Project cost inflated by ten percent.  
 3 - To be determined

Annex C  
PRE-INVESTMENT CONSULTANCY SERVICES

SCHEDULE OF ACTIVITIES

Field Visit and Steering Committee Meeting  
January 31 - February 3, 1990

January 31, 1990                      Wednesday

5:40	-	7:00 AM	-	Leave for Cagayan de Oro City
7:00	-	8:00	-	Coffee Break
8:00	-	9:30	-	Leave for Valencia, Bukidnon
9:30	-	11:30	-	Plant Visit: JB Enterprises
11:30	-	1:30 PM	-	LUNCH BREAK, Leave for Malaybalay, Bukidnon
1:30	-	3:30	-	Plant Visit: Horoscope Farm Development Corporation
3:30	-	5:00	-	Leave for Cagayan de Oro City
5:00			-	FREE TIME

February 1, 1990                      Thursday

8:30	-	10:00 AM	-	DTI Region X and Misamis Oriental Provincial Office Visit
10:00	-	11:30	-	Plant Visit: Datafab Engineering Exponents
11:30	-	1:30 PM	-	LUNCH BREAK
2:40	-	3:20	-	Leave for Cebu City
3:30	-	5:00	-	Check-in Hotel
5:00			-	FREE TIME



February 2, 1990      Friday

8:30 - 9:30 AM - DTI Region VII and Cebu Provincial  
Office Visit

9:30 - 11:30 - Plant Visit: Unique Forms Int. Inc.

11:30 - 1:30 PM - LUNCH BREAK

1:30 - 3:30 - Plant Visit: Tradewinds Rattan

3:30 - 5:00 - Plant Visit: United Fercon Int. Inc.

5:00 - FREE TIME

February 3, 1990      Saturday

9:00 - 9:30 AM - Meet at DTI Conference Room

9:30 - 11:30 - Steering Committee Meeting

11:30 - 1:30 PM - LUNCH BREAK (Sponsored by EVSA)

2:00 - FREE TIME

Annex D  
SUMMARY REPORT

FIELD VISITS 31 January - 2 February 1990  
Misamis Oriental - Bukidnon - Cebu

<u>FIRM</u>	<u>CURRENT NEED</u>	<u>UNIDO ASSISTANCE</u>	<u>FURTHER UNIDO ASSISTANCE</u>
J & E Enterprises (Ramie Fabric)	<ul style="list-style-type: none"> <li>o Market Access</li> <li>o Investment</li> <li>o JV Partner</li> </ul>	<ul style="list-style-type: none"> <li>o Project &amp; Company Profile sent to Vienna &amp; then to other offices.</li> </ul>	<ul style="list-style-type: none"> <li>o Proponent will be introduced to on-going Fiber research consultant and brief on research work being conducted.</li> <li>o Possible assistance in observation or study tour abroad.</li> </ul>
Horseshoe Farm Dev't. Corp. (Expansion Hog Farming)	<ul style="list-style-type: none"> <li>o JV Partner</li> <li>o Equity</li> <li>o Technical Expertise</li> <li>o Future - meat processing</li> </ul>	<ul style="list-style-type: none"> <li>o Project &amp; Company Profile sent to Vienna and Asian countries.</li> </ul>	
Mansaf Eng'g. Exponents (Steel Rolling Foundry)	<ul style="list-style-type: none"> <li>o JV Partner</li> <li>o Equipment Supply</li> </ul>	<ul style="list-style-type: none"> <li>o Will include in investment assistance. However, proponent can provide only P 2 - 3 M as equity for the project cost of \$1 M.</li> </ul>	<ul style="list-style-type: none"> <li>o Possibly, UNIDO can ask from donor country for a grant of foundry eqpt. for Training Institute. This shall be leased by the private sector and serve as R &amp; D facilities for the region. This can be tie-up with the Heat Treatment project in the area.</li> </ul>
DTI-Region V	<ul style="list-style-type: none"> <li>o Investment Assistance</li> <li>o Technical Assistance</li> </ul>	<ul style="list-style-type: none"> <li>o DTI to send new proj. profile to UNIDO office.</li> <li>o Do a project study for possible funding or other assistance.</li> </ul>	<ul style="list-style-type: none"> <li>o UNIDO will look for possible technical assistance from UNDP or other organization.</li> </ul>

<u>FIRM</u>	<u>CURRENT NEED</u>	<u>UNIDO ASSISTANCE</u>	<u>FURTHER UNIDO ASSISTANCE</u>
United Fercon International, Inc. (Mango Processing)	<ul style="list-style-type: none"> <li>o JV Partner</li> <li>o Equity</li> <li>o Market Access</li> </ul>	<ul style="list-style-type: none"> <li>o Project &amp; Company Profile sent to Vienna &amp; then to other offices.</li> </ul>	<ul style="list-style-type: none"> <li>o CAN will take to Vienna the price list &amp; show to interested parties</li> <li>o Will also introduce project and product to French investors.</li> </ul>
Tradewinds Rattan (Assembled wooden Case Goods)	<ul style="list-style-type: none"> <li>o JV Partner</li> <li>o Technical Assistance</li> <li>o Market Access</li> <li>o Design</li> <li>o Eqpt. Suppl.</li> </ul>	<ul style="list-style-type: none"> <li>o Project &amp; Company Profile sent to Vienna &amp; then to other offices.</li> </ul>	<ul style="list-style-type: none"> <li>o CAN will take price list to Vienna-Europe countries and determine if company prices are within competitive range. Requested Tradewinds to follow-up UNIDO or EVSA office on this aspect.</li> </ul>
Unique Forms International, Inc. (Stonecraft Manufacture)	<ul style="list-style-type: none"> <li>o Market Access</li> </ul>	<ul style="list-style-type: none"> <li>o Project &amp; Company Profile sent to Vienna &amp; then to other offices.</li> </ul>	<ul style="list-style-type: none"> <li>o CAN will personally inquire furniture prices in Europe and see if the stonecraft furniture is competitive with other stone products like marble. Requested Unique to follow-up UNIDO office on status of inquiry by end of March.</li> </ul>
ISI-Debu	<ul style="list-style-type: none"> <li>o Working on initial project proposal</li> <li>o Currently working on packaging industry.</li> </ul>	<ul style="list-style-type: none"> <li>o Technical Assistance through UNF</li> </ul>	<ul style="list-style-type: none"> <li>o UNIDO will try to secure slots for Debu office participants on the coming Interpal Fair in Düsseldorf &amp; Munich, W. Germany</li> </ul>

INTERVIEW GUIDE  
UNIDO Investments Forum

Date: \_\_\_\_\_  
Interviewer: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

INTERVIEWEE : \_\_\_\_\_ POSITION: \_\_\_\_\_

1.0 EVSA Corporation has been engaged by DTI/BOI-BEMB, through UNIDO, to assess the status of your joint venture (JV) negotiations with your prospective foreign partners and to provide you with technical assistance, if required, to pursue the JV to completion.

1.1 Has anybody asked/interviewed you regarding the JV status?  
Who? \_\_\_\_\_ When? \_\_\_\_\_ How? \_\_\_\_\_

2.0 November 1988 FORUM

2.1 Who were the company representative/s to the FORUM? Are they still with the company?

<u>PARTICIPANTS</u>	<u>CURRENT POSITION</u>
_____	_____
_____	_____
_____	_____
_____	_____

2.2 Who were the prospective foreign partners you met in the FORUM? What were they offering (technical assistance, capital, equipment, technology, etc.)?

<u>FOREIGN FIRMS</u>	<u>REPRESENTATIVE</u>	<u>POSITION</u>	<u>OFFER</u>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____

2.3 How many times have you communicated with them? When was the last communication? Note: Please request for a copy of the letters.

<u>FOREIGN FIRMS</u>	<u>NO. OF COM.</u>	<u>DATE</u>	<u>CONTENT/NEEDS</u>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____

2.4 What information, data or study was requested? Were you able to provide them? Who helped you? Did you require the services of consultants?

<u>FIRM NO.</u>	<u>INFORMATION/DATA</u>	<u>YES/NO</u>	<u>HOW/WHY</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2.5 What other requirements are necessary to keep the negotiation process moving? \_\_\_\_\_

\_\_\_\_\_

2.6 What government agencies or requirements have or will have a key role in the negotiation process? Have you contacted the agencies? When? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### 3.0 COMPANY PROJECT

Note: Some of the information requested in this section shall be treated as confidential.

3.1 What is your project? Please describe. Is this a new venture? \_\_\_\_\_ an expansion? \_\_\_\_\_ an improvement? \_\_\_\_\_ Indicate existing and new capacities and other information. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3.2 Please describe the company product, existing and/or new, in terms of name, physical description, quality, comparison with other local or foreign brands. Is the product competitive? Get, see or taste/sample if possible. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3.3 What is the current percentage distribution of sales? local? \_\_\_\_\_% foreign? \_\_\_\_\_% Where? Future market? local? \_\_\_\_\_% foreign? \_\_\_\_\_% Are there plans to tap other market areas? What is the current market share? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3.4 Please describe the existing and/or proposed production process. Is this the latest in technology? If not, what is the latest? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.5 What are the existing/proposed equipment used/to be used in the production?

EXISTING

PROPOSED

_____	_____
_____	_____
_____	_____

3.6 Is the production area adequate? Visit the working area and describe the general layout, working condition, cleanliness, etc. Is there space for expansion? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.7 What are the raw materials used? Are they readily available? Imported? \_\_\_\_\_% Cost? \_\_\_\_\_% Is the supply of raw material enough for future requirement? Are there alternative sources?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.8 What is the current capital structure of the company? equity? \_\_\_\_\_% debt? \_\_\_\_\_% How much is your working capital requirement? Is financing readily available? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.9 What are the skilled manpower requirements? Are they readily available? Do they need special training? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.10 When is your scheduled start of the project? Are you still within schedule? \_\_\_\_\_  
\_\_\_\_\_

4.0 ASSESSMENT

Note: Together with the company officer discuss the current requirements/status of the project and the present state of the company in its entirety.

4.1 What do you consider as the strength/weakness of your company?

<u>FACTORS</u>	<u>STRENGTH</u>	<u>WEAKNESS</u>
Product	_____	_____
Technology	_____	_____
Process	_____	_____
Skilled Labor	_____	_____
Capital	_____	_____
Raw Materials	_____	_____
Distribution	_____	_____
Market	_____	_____
Others:	_____	_____

4.3 What are the opportunities you want to exploit? Are there any constraints - preventing the company from growing?\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4.4 What courses of action have you undertaken or will undertake regarding this project? Note: Indicate advises given to the proponent and specify if it is on the technical, financial marketing or production aspect. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**INTERVIEW GUIDE (SECOND ROUND)**

UNIDO Investments Forum

Date: \_\_\_\_\_

Interviewer: \_\_\_\_\_

COMPANY NAME : \_\_\_\_\_

INTERVIEWEE : \_\_\_\_\_ POSITION: \_\_\_\_\_

1.0 Communications

1.1 Have you communicated with any prospective partner or investor or buyer since October, 1989? (If no, proceed to 1.3.) If yes, please specify:

EVSA list

	Investor/Buyer	Date Sent
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Proponent's list

	Investor/Buyer	Date Sent
A.	_____	_____
B.	_____	_____
C.	_____	_____
D.	_____	_____
E.	_____	_____

1.2 Have you received any communication/replies from interested foreign firms? If no communication/replies have been received, proceed to 2.0.

	Date Received	Information Requested	Action Taken
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____



1.3 Please specify the constraints which prevented you from communicating with the prospective investor/buyer.

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Note: Document the assistance given to enable the proponent to communicate with the prospective investors/buyers.

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2.0 Receipt of EVSA Communications

2.1 Have you received any communications transmitted from EVSA Corporation? If yes, how many? \_\_\_\_\_. If not, proceed to 3.0.

Date Received	Mode of Delivery	Action Taken
---------------	------------------	--------------

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

2.2 Have you answered EVSA's letter? When did you send it? What mode?

Date Replied	Mode of Delivery
--------------	------------------

_____	_____
_____	_____
_____	_____
_____	_____

2.3 In the November or December/January communication, we asked for the following:

Additional information requested	Answer
----------------------------------	--------

1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Note to Interviewer: Refer to the copy of the letters sent to check if additional information was requested. Refer to the company

file to verify if the information requested is already on hand.

3.0 Problems encountered/anticipated

3.1 What are the problems you encountered in looking for an investor/buyer? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.2 What potential problems do you foresee which would hinder the realization of the joint venture? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.3 What form of assistance do you require from the government or from the private sector to keep the negotiation process moving?

Assistance Required	Office/Agency
_____	_____
_____	_____
_____	_____
_____	_____

4.0 Future Investment Forum

4.1 Are you interested in presenting your project or other projects on other investment forums? Yes \_\_\_\_\_ No \_\_\_\_\_  
If no, why not? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4.2 Do you have any suggestions to make future investment forums a success? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Annex D-1  
WORK PROGRAM

The crucial aspect of this project is the field visits to the local proponents to determine the status of the joint venture (JV) negotiation and to identify the firms' technical assistance requirements. A comparison of the Investor's Forum List and the 21 Feb. 1989 Status Report from the Bonded Export Marketing Board (BEMB) showed that the number of firms with JV potential decreased. This could be due to actual failure in negotiation or lack of information. The project will attempt to contact all firms included in the original list (See Annex D-2).

Region	No. of Proponents	
	<u>Forum List</u>	<u>Status Report 21 Feb. 1989</u>
Cebu	21	14
Western Visayas	4	4
Northern Mindanao	12	5
Southern Mindanao	11	10
	----	----
TOTAL	48	33

The project will be undertaken in three stages. Stage 1 will mainly cover data gathering to determine the status of the JV negotiation and identify requirements for technical assistance that would facilitate completion of the negotiation. A Proponent Data Sheet and Interview Guide will be prepared. Upon finalization of these documents, the consultants will start the company visits. All of the Cebu-based staff will participate in the first field visits to familiarize with the interview process and the questionnaires. On the succeeding weeks, the team will be divided into three groups and will proceed to interview the firms in the Southern Mindanao, Northern Mindanao and Cebu. The Manila-based staff will interview the firms in the Western Visayas area so that the status profile of the firms will be completed within the first month of the consultancy service. The following is an initial list of the items to be looked into during these field visits and interview:

- 1) Nature of interest of local and foreign proponents.
- 2) Extent of communication that has transpired between the proponents.
- 3) Actual potential problems obstructing the joint venture negotiation.
- 4) Key persons involved in the JV negotiations of both proponents.
- 5) Key government agencies that have a role in facilitating or hindering the negotiation process.

Based on the results of these interviews, the Cebu-based Team shall generate a technical assistance requirements profile.

Actual technical assistance will be provided in Stage 2 based on the profile of the needs assessment of the firms interviewed. If necessary, the requirements of the firms will be referred to technical, marketing, financial and legal experts. Additional back-up support will be provided by the Manila-based staff.

It is envisaged that another round of project visits will be conducted at around the fourth month of consultancy work. This visit will concentrate on projects that are in advance stages of joint venture negotiation. After the visits, the same round of work and reports as the first company visits will be carried out.

Stage 3 will mainly involve the preparation of the technical project report. This will be the fifth and sixth months of the engagement.

Status report shall be submitted to UNIDO two months after commencement of work detailing the task accomplished. A draft final report shall be submitted five months after the start of the contract and shall contain the following:

- 1) A summary of the project accomplishments in terms of equivalent dollar value of exports, investment, employment and regional dispersal of completed joint ventures.
- 2) A summary of the status of projects handled according to the following: joint venture agreements signed, agreement under the finalization, under negotiation, exploratory stage, failed/aborted negotiation.
- 3) A summary of major lessons that can be derived from the projects handled which affected the success or failure of the joint venture negotiations.
- 4) A set of recommendations for increasing the success rate of the setting up of joint venture with foreign investors, based on the lessons learned from the projects handled.
- 5) A project brief on each of the projects handled.

A summary of the activities and work schedule is shown in Annex D-3 and Annex D-4.

Accomplishing the project targets would require constant follow-ups and coordination between the consultant and the firms on one hand, and EVSA and DTI/BOI-BEMB on the other. Furthermore, cooperation of other agencies in responding to inquiries and providing relevant data would also be essential.

Annex D-2  
LISTING OF PROPONENTS

I. CEBU

A. MANDAUE CITY

1. Alenter Cane Corporation
2. Catmon Development Corporation
3. Dating Bayan Agro Industrial
4. Matugina Industries Development
5. Pacific Traders & Manufacturing
6. Porta Coeli Industries
7. Steamship Managers
8. Sugeco Export Corporation
9. Tradewinds Rattan
10. Hanover Worldwide Trading

B. CEBU CITY

1. Anrima Industries
2. Asian Arts
3. Cebu Chamber of Commerce & Industries
4. Dacebu Traders Inc.
5. Hijos de F. Escano
6. Luvimin Cebu Mining
7. Migeva Ex-import Corp.
8. Palacio Shipping
9. Unique Forms International Inc.
10. United Fercon International
11. Vanda Sanderiana Ex-import

C. LAPU-LAPU CITY

1. Bell International/Covertex
2. Bestacor (Dumaguete)

II. WESTERN VISAYAS

A. NEGROS/ILOILO

1. First Farmers Milling & Mktg. Corp., Bacolod City
2. Orient Foods, Negros Occidental
3. Silay Saravia Food Corp., Silay City
4. SV-Agro-Industries, Iloilo City
5. All Season Farms, Inc.

### III. NORTHERN MINDANAO

1. Aquarius Prawn Hatchery, Oroquieta City, Mis. Occ.
2. Bukidnon Dairy, Cagayan de Oro
3. Datafab Engineering, Cagayan de Oro City
4. Emp Exim International, Cagayan de Oro
5. Northern Mindanao Aquatic Resources, Cagayan de Oro
6. Phil-Agro Industrial, Cagayan de Oro City
7. RNF Enterprises, Cagayan de Oro City
8. Centeno/Betamor Aquaculture Dev't., Iligan City
9. Iligan Mining, Iligan City
10. Horscope Farm Development, Bukidnon
11. JB Enterprises, Bukidnon
12. Manukan Marble Corporation, Zamboanga del Norte

### IV. SOUTHERN MINDANAO

1. Anteliz Hotel, Davao City
2. Apo View, Davao City
3. Davao Oriental Mining, Davao City
4. Dept. of Trade Region XI, Davao City
5. Dromex Processing Plant, Davao City
6. Southern Phil. Dev't. Authority, Davao City
7. St. Tomas Integrated Dev't., Davao City
8. Zelev Organic Marketing, Davao City
9. Davao Norte Aqua, Tagum, Davao del Norte
10. Torrena Prawn Farm, Sultan Kudarat
11. United Cotton Growers of Mindanao, Koronadal, South Cotabato
12. R.O. Ang Enterprises

Annex D-3  
SUMMARY OF WORK ACTIVITIES

1. Visit to all project proponents and determine the following:
  - a. Interest of both local and foreign proponents.
  - b. Latest Communication between proponents.
  - c. Problems encountered.
  - d. Key persons involved
  - e. Government and private agencies concerned
  
2. Generate problems profile and provide technical assistance referring to experts, if necessary:
  - a. Technical
  - b. Marketing
  - c. Financial
  - d. Legal
  
3. Follow-up/Communications flow between proponents.
  
4. Status Report Preparation.
  
5. Secondary visit to proponents that are in advance stages of J.V. agreement and repeat activities 2, 3 & 4.
  
6. Draft Final Report Preparation.

Annex D-4  
WORK SCHEDULE

ACTIVITIES	:SEPT		:OCTOBER			:NOVEMBER			:DECEMBER			:JANUARY			:FEBRUARY			:MARCH										
	25-29	1-6	9-13	16-20	23-27	30-3	6-10	13-17	20-24	27-1	4-8	11-15	18-22	25-29	1-5	8-12	15-19	22-26	29-2	5-9	12-16	19-23	26-2	5-9	12-16	19-23	26-30	
Mobilization	====																											
Gala Gathering at H.O.	==	==																										
Project Visits: <sup>1/</sup>																												
- Cebu - based		====	====	====	====	====	====	====	====					====	====	====												
- Southern Mindanao			====	====	====									====														
- Northern Mindanao			====	====	====									====														
- Western Visayas				====	====		====									====												
Prepare Project Brief & Target:					====																							
Advisory Needs: <sup>2/</sup>																												
- Technical			====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====
- Marketing			====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====
- Financial			====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====
- Legal			====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====	====
Follow-ups/																												
Communications							====			====				====														
Status Report						==				==				==						==								
Cebu Office																												
Demobilization																								====				
Draft Final Report																							====	====	====	====	====	====
Review																										====	====	====
Final Report																											====	====

<sup>1/</sup> A more detailed schedule of the first and second trips to follow.

<sup>2/</sup> A detailed schedule based on the results of the first and second trips and the problem profile generated will follow.



Annex E  
LIST OF PROJECTS SCHEDULED FOR VISIT

LOCATION AND NAME OF PROJECTS	SCHEDULED FOR VISIT	
	NO*	1st Round 2nd Round
<b>V I S A Y A S</b>		
<b>I. REGION : VI</b>		
A. HEADQUARTERS LOCATED IN THE SAME REGION		
A.1 PROJECT COST BELOW \$ 1.50 MILLION		
ALL SEASON FARMS, INC.	YES	NO*
SILAY SARAVIA FOOD CORP.	YES	YES
SV AGRO-INDUSTRIES ENTERPRISES INC.	YES	YES
SUB-TOTAL	3	2
A.2 PROJECT COST ABOVE \$ 1.50 MILLION		
FIRST FARMERS MILLING & MKTG COOP.	YES	YES
SUB-TOTAL	1	1
TOTAL	4	3
B. HEADQUARTERS LOCATED IN OTHER REGION		
B.1 PROJECT COST ABOVE \$ 1.50 MILLION		
ISLAND KING ADVAVENTURES	NCR	NO*
SUB-TOTAL		
TOTAL - REGION VI	4	3
<b>II. REGION : VII (OUTSIDE CEBU)</b>		
A. HEADQUARTERS LOCATED IN THE SAME REGION		
A.1 PROJECT COST BELOW \$ 1.50 MILLION		
BESTACOR	YES	YES
B. HEADQUARTERS LOCATED IN OTHER REGION		
B.1 PROJECT COST BELOW \$ 1.50 MILLION		
ORIENT FOODS CORP.	NCR	NO*
SUB-TOTAL	2	1
<b>III. REGION : VIII</b>		
A. HEADQUARTERS LOCATED IN THE SAME REGION		
A.1 PROJECT COST BELOW \$ 1.50 MILLION		
ALENER CANE CORP	YES	YES
ANRIMA INDUSTRIES	YES	YES
ASIAN ARTS, INC.	YES	YES
DACEPU TRADERS INC.	YES	YES
DATING BAYAN AGRO INDL. CORP	YES	YES
HANOVER WORLDWIDE TRADING	YES	YES
MATUGUINA INDUSTRIES DEVT INC.	YES	YES
MIGOVA EX-IMPORT CORP.	YES	NO*
PACIFIC TRADERS AND MFG CORP.	YES	NO*

LOCATION AND NAME OF PROJECTS	SCHEDULED FOR VISIT		
	50*	1st Round	2nd Round
PORTA COELI INDUSTRIES	NO*		NO*
STEAMSHIP MANAGERS, INC. \ TOWER CONSTRUCTION AND DEVELOPMENT CORP.	YES		YES
SUGECO EXPORT CORPORATION	YES		YES
TRADEWINDS RATTAN	YES		YES
UNIQUE FORMS INT'L INC	YES		YES
UNITED FERCON INT'L. INC.	YES		YES
VANDA SANDERIANA EXIMPORT CORP	YES		YES
SUB-TOTAL		15	13
A.2 PROJECT COST ABOVE \$ 1.50 MILLION			
CATHON DEVELOPMENT CORP.	YES		YES
CEBU CHAMBER OF COMMERCE & INDUSTRY	YES		NO*
HIJOS DE F. ESCANO, INC.	YES		NO*
LUVIMIN CEBU MINING CORPORATION	YES		YES
PALACIO SHIPPING INC	YES		YES
SUB-TOTAL		5	3
		20	16
B. HEADQUARTERS LOCATED IN OTHER REGION			
B.1 PROJECT COST BELOW \$ 1.50 MILLION			
BELL INT'L/COVERTEK	NCR	YES	YES
GALERIA ISABEL	NCR	NO*	NO*
HML TRADING & MFG. INC.	NCR	NO*	NO*
SUB-TOTAL		1	1
B.2 PROJECT COST ABOVE \$ 1.50 MILLION			
FILSYN CORP.	NCR	NO*	NO*
SUB-TOTAL			
TOTAL		1	1
TOTAL - REGION VII		23	18
IN REGION VIII			
A. HEADQUARTERS LOCATED IN THE SAME REGION			
A.1 PROJECT COST ABOVE \$ 1.50 MILLION			
PHILPHOS	NCR	NO*	NO*
TOTAL - REGION VIII			
TOTAL - VISAYAS		27	21

LOCATION AND NAME OF PROJECTS	SCHEDULED FOR VISIT	
	HQ* 1st Round	2nd Round
<b>MINDANAO</b>		
<b>I. REGION : IX</b>		
A. HEADQUARTERS LOCATED IN THE SAME REGION		
A.1 PROJECT COST ABOVE \$ 1.50 MILLION		
MANUKAN MARBLE CORP.	YES	NO <sup>2</sup>
SUB-TOTAL	1	0
B. HEADQUARTERS LOCATED IN OTHER REGION		
B.1 PROJECT COST ABOVE \$ 1.50 MILLION		
PNOC	NCR	NO <sup>2</sup>
VINTA FOODS CORP	NCR	NO <sup>2</sup>
SUB-TOTAL		
TOTAL - REGION IX	1	0
<b>II. REGION : X</b>		
A. HEADQUARTERS LOCATED IN THE SAME REGION		
A.1 PROJECT COST BELOW \$ 1.50 MILLION		
AQUARIUS PRAWN HATCHERY /FISH POND	YES	NO <sup>2</sup>
BUKIDNON DAIRY DEV'T	YES	NO <sup>2</sup>
DATAFAB ENGINEERING EXPONENTS	YES	YES
EMP EXIM INTERNATIONAL CO., INC.	YES	NO <sup>2</sup>
HOROSCOPE FARM DEPT CORP.	YES	YES
JB ENTERPRISES	YES	YES
PHIL-AGRO INDUSTRIAL CORPORATION	YES	NO <sup>2</sup>
RNF ENTERPRISES	YES	NO <sup>2</sup>
SUB-TOTAL	8	3
A.2 PROJECT COST ABOVE \$ 1.50 MILLION		
NORTHERN MINDANAO AQUATIC RESOURCES, INC.	NO <sup>2</sup>	NO <sup>2</sup>
SUB-TOTAL		
TOTAL	8	3
B. HEADQUARTERS LOCATED IN OTHER REGION		
B.1 PROJECT COST ABOVE \$ 1.50 MILLION		
MABURAY VINYL CORP.	NCR	NO <sup>2</sup>
REFRATORIES CORP. OF THE PHIL.	NCR	NO <sup>2</sup>
SUB-TOTAL		
TOTAL - REGION X	8	3
C. HEADQUARTERS LOCATED IN THE SAME REGION		
C.1 PROJECT COST BELOW \$ 1.50 MILLION		
BAUANG ORIENTAL MINING CORP.	YES	NO <sup>2</sup>
BOARD OF TRADE - REGION XI (DANAO)	YES	NO <sup>2</sup>
CRUMBS PROCESSING PLANT	YES	NO <sup>2</sup>

LOCATION AND NAME OF PROJECTS	HQ*	SCHEDULED FOR VISIT	
		1st Round	2nd Round
SOUTHERN PHIL. DEVELOPMENT AUTHORITY	YES	YES	NO <sup>2</sup>
STO. TOMAS INTEGRATED DEV'T COMPLEX	YES	YES	NO <sup>2</sup>
ZELEV ORGANIC MARKETING CORPORATION	YES	YES	NO <sup>2</sup>
SUB-TOTAL		6	0
A.2 PROJECT COST ABOVE \$ 1.50 MILLION			
APO VIEW HOTEL		NO <sup>2</sup>	NO <sup>2</sup>
DAVAO NORTE AGUA DEVELOPMENT		NO <sup>2</sup>	NO <sup>2</sup>
DAVAG RAMIE DEVT CORPORATION		NO <sup>2</sup>	NO <sup>2</sup>
UNITED COTTON GROWERS OF MINDANAO, INC.		NO <sup>2</sup>	NO <sup>2</sup>
SUB-TOTAL			
TOTAL		6	0
B. HEADQUARTERS LOCATED IN OTHER REGION			
B.1 PROJECT COST BELOW \$ 1.50 MILLION			
ARAS-ASAN TIMBER COMPANY	NCR	NO <sup>1</sup>	NO <sup>1</sup>
B.2 PROJECT COST ABOVE \$ 1.50 MILLION			
CROWN FRUIT & CANNERY CORP.	NCR	NO <sup>3</sup>	NO <sup>3</sup>
TOTAL - REGION XI		6	0
IV. REGION : XII			
A. HEADQUARTERS LOCATED IN THE SAME REGION			
A.1 PROJECT COST BELOW \$ 1.50 MILLION			
CENTENO/BETANOR AGUA CULTURE DEVELOPMENT CORPORATION		YES	NO <sup>2</sup>
ILIGAN MINING CORP.		YES	NO <sup>2</sup>
D.O. AND ENTERPRISES		YES	NO <sup>2</sup>
TODINA FRANK TAY		YES	NO <sup>2</sup>
TOTAL - REGION XII		4	0
TOTAL - MINDANAO		19	0
TOTAL - VISAYAS AND MINDANAO		46	24

NOTE :

- \* HEADQUARTERS
- 1 MANILA-BASED
- 2 NOT INCLUDED IN STUDY - PROJECT COST ABOVE US\$ 1.50 million
- 3 NO. 1 & 2
- 4 OWNED BY ANOTHER COMPANY/FIRM
- 5 ABANDONED BY CREATORS - PROJECT DEFERRED OR DISCONTINUED
- 6 NO LONGER INTERESTED - NO PARTNER ALREADY
- 7 DEFERRED NOW BY MAIL SURVEY QUESTIONNAIRE

PROPOSANT : ANRIMA INDUSTRIES CO.  
PROJECT : WOODEN HOUSEHOLD AND GIFT  
ARTICLES

PROJECT NO. 55

PROJECT COST : NOT APPLICABLE (NEEDS MARKET ACCESS ONLY)  
CONTACT PERSON : Mrs. Anita Sanchez, Managing Partner

COMPANY PROFILE

Anrima Industries Co. is a partnership registered with the Securities and Exchange Commission in 1988. The partners' paid-up capital is US\$ 11,360.

The company is engaged in the manufacture of high quality wooden household and gift items. The firm started initial operations in January, 1988. Export sales are concentrated in the Japan market. Sales turnover in 1988 was US\$ 50,000 (100% export).

The designs of the items are based on the buyer's specifications. Presently, most of the production are exported because of the higher demand for the products in the international markets.

Due to the availability of raw materials (soft wood) and skilled labor, Anrima is able to produce high quality wooden toys and household items. The company's marketing activities, however, needs to be improved upon.

PROJECT PROFILE

Anrima Industries' proposal is to expand its sales of wooden household and gift items to two (2) ten-footer containers per month of assorted items from the present one (1) ten-foot container van per month. Sales will remain directed towards the export market.

The project is estimated to cost a mere US\$ 17,500. Using the National Economic and Development Authority (NEDA) system of classifying projects, the project would be classified as a cottage-scale project. Financial assistance from a foreign partner is not necessary and is not required by the proponent.

Anrima is utilizing only 20 percent of its capacity. This is a result of its limited access to foreign markets. Anrima is therefore interested in entering into a joint venture with a foreign investor who would create a market for their new products in order to fully utilize their production capacity.

Any foreign participation will be limited to facilitating Anrima's market access to Japan, U.S.A., Canada and Europe. Ownership will remain 100 percent Filipino.

## JOINT VENTURE SUITABILITY

### Motivation

Anrima manufactures wooden household and gift items. The designs of these items are based on the buyer's specifications. Presently, most of the production are exported because of the higher demand for the products in the international markets.

Anrima is utilizing only 20 percent of its capacity. This is a result of its limited access to foreign markets. Anrima is therefore interested in entering into a joint venture with a foreign investor who would create a market for their new products in order to fully utilize its production capacity.

### Financial Capability

With regards to financing, the company has enough capital for their present operations. The project cost of US\$ 17,500 can be easily raised by the company.

### Scale of Project

The project is estimated to cost a mere US\$ 17,500. Using the National Economic and Development Authority (NEDA) system of classifying projects, the project would be classified as a cottage-scale project. Financial assistance from a foreign partner is not necessary.

### Project Strength

Raw materials needed by the company can be sourced domestically. There is no problem with regard to the supply of raw materials and skilled labor. It is only the marketing of its products which needs to be boosted.

Due to the availability of raw materials (soft wood) and skilled labor, the company is able to produce high quality wooden toys and household items.

PROPOSER : ASIAN ARTS, INC.  
PROJECT : RATTAN FURNITURE PROJECT NO. 59  
PROJECT COST : NOT APPLICABLE (NEEDS MARKET ACCESS ONLY)  
CONTACT PERSON : Mr. Wilfredo Buenavidez, V.P. Finance & Adm.

COMPANY PROFILE

Asian Arts Inc. is a corporation established in 1982. It has a paid-up capitalization of around US\$ 364,000. It is registered with the Board of Investments and the Securities and Exchange Commission. The company has been in the rattan manufacturing business for seven years. Within this period, it has developed a good research and development department.

The company's main product lines are high- and medium-end rattan and wicker furnitures for export. In addition, the company is currently producing case goods, bamboo crafts, wrought iron and stonecraft on a pilot scale at their factory in Labangon, Cebu.

At present, 80 percent of sales goes to the US and Japan, with the rest going to Europe and Australia. Export sales in 1989 amounted to US\$ 2.5 million.

The company has no problem in the managerial and technical aspects of operations. It has seven years of experience to back it up. However, it needs market access to move its products more efficiently.

PROJECT PROFILE

The demand for furniture in the US, Japan, and especially Europe is increasing. The company wants to increase its market exposure in the European market. It is estimated that only five percent of the demand is being tapped.

The proposal would allow the company to gain access into the Japanese and European markets for its new line of products. The project may seem small when limited to the manufacture of rattan furniture. However, its new products will increase the depth of its product line.

JOINT VENTURE SUITABILITY

Motivation

The demand for furniture in the US, Japan, and especially Europe is increasing. The company wants to increase its market exposure in the European market. It is estimated that only five percent of the demand is being tapped.

Financial Capabilities

Financing is not a requirement of the project.

Scale of Project

The project may seem small when limited to the manufacture of rattan furniture. However, its new products will increase the depth of its product line.

Project Strength

The company has no problem in the managerial and technical aspects of operations. It has seven years of experience to back it up. However, it needs market access to move its products.



PROPOSER : BELL INTERNATIONAL INC.  
PROJECT : SPORTING BAGS AND SUITCASES PROJECT NO. 48  
PROJECT COST : NOT APPLICABLE (NEEDS MARKET ACCESS ONLY)  
CONTACT PERSON : Mr. George Knoop, President

COMPANY PROFILE

Bell International Inc. is a corporation duly registered with the Securities and Exchange Commission and the Board of Investments as a foreign company (100% foreign-owned - Australian national). The company was established in 1987 and a total of US\$ 2.75 million has been paid up as capital.

The company has skilled technicians and workers for the production of quality sporting bags and suitcases. All of the products are intended for the export market.

The company imports most of its raw materials from Taiwan and Korea. In terms of pricing and costing, Bell products are ten percent cheaper than those manufactured in Taiwan, Korea, and West Germany. This is due to the low labor cost and tax free importation of raw materials of the firms located in Mactan Export Processing Zone (MEPZ).

The company's present capacity is 20,000 pieces per month of suitcases and 6,000 pieces per month of sporting bags. These products are exported to Europe, U.S.A. and some Asian countries.

PROJECT PROFILE

The company is seeking buyers for their products and it hopes to enter into a joint venture with a foreign partner who can give them market access and equity participation (if expansion is necessary). The foreign partner would have to determine the need for an expansion based on the volume and duration of potential orders.

The proponent plans to expand its capacity from 20,000 pieces of suitcases per month to 100,000 pieces per month. With sporting bags, Bell intends to make 20,000 pieces per month from its present production of 6,000 pieces per month. The company plans to increase the number of shifts from one to three shifts per day. Bell hopes to attain the latest technology in suitcases manufacturing from West Germany to improve its product lines and operations.

The company believes that Philippine products are in a better position to compete in terms of cost and quality than other competitor countries like Taiwan and Korea have relatively high costs.

JOINT VENTURE SUITABILITY

Motivation

The company is looking for buyers for their products and it hopes to enter into a joint venture with a foreign partner who can give them equity participation (if expansion is necessary) and market access. The foreign partner would also determine the need for an expansion depending on the volume and duration of potential orders.

Financial Capability

The company is financially stable. However, the company may need more financing or equity participation from the foreign partner for the expansion plan, if necessary.

Scale of Project

At the moment, expansion is not seriously being considered. What is needed is access to foreign markets for the company's products.

Project Strength

The company believes that Philippine products are in a better position to compete in terms of cost and quality because other competitor countries like Taiwan and Korea have high labor costs which are not competitive with that of the Philippines.

PROPOSER : BESTACOR  
PROJECT : TROPICAL FRUIT PROCESSING PROJECT NO. 33  
PROJECT COST: TO BE DETERMINED  
CONTACT PERSON : Mr. Benedicto Tirambulo, President

COMPANY PROFILE

BESTACOR is a family-owned corporation with a fully paid-up authorized capitalization of US\$ 91,000. Although the corporation was established only in 1982, the proponents have actually been in agri-business for the past 35 years.

With a capacity of 1,400 tons of various fruits from 1985 to 1987, the company was able to average US\$ 273,000 in gross sales per year. All sales went to the domestic market as the company lacks the technological know-how to process the fruits for the export market.

Aside from fruits (pineapple, citrus and mangoes), the company has a sugar plantation, a cattle ranch and a prawn farm. At present, current capacity has decreased to 1,200 tons because some of the land allocated for pineapples were converted back to sugar cane due to the improving prices of sugar.

The company has an overdue long-term debt of around US\$ 45,000. However, it is willing to terminate or reduce the debt burden when a strong joint venture proposal is indicated. Although the company may not be able to put up cash for the project, it will use its land holdings as its contribution to the project's total equity.

PROJECT PROFILE

The proponent is interested in putting up a fruit processing plant to enable it to enter the export market. At the moment, production is limited to unprocessed fruits which are either sold to a fruit processing plant located in the province or to middlemen for subsequent distribution to the domestic market. Processing the fruit would add value to the product resulting in improved profit margins. Processed fruits are mostly sold to the export market and those that come from the Philippines has been accepted in the export market. However, the company does not have the necessary equipment nor the technological and management expertise to operate the plant.

The cost of the project cannot be ascertained at the moment because the proponent does not have an idea of the appropriate plant size. This would have to be determined by the foreign partner based on the supply capacity of the area. A prospective partner is interested in planting Passion Fruit. The project requires at least 400 hectares to supply the need of the plant. The proponent indicated can easily pool 700 hectares if the project so requires.

The proponent is willing to allow the foreign partners to invest to as much as fifty percent of the project cost. Although the Philippine investment laws limit the equity participation of foreigners to 40 percent, this may be waived if at least 70 percent of the production are sold to the export market. The foreign investor is also expected to provide market access to export markets as the proponent is not familiar with export marketing.

### JOINT VENTURE SUITABILITY

#### Motivation

The presence of other fruit producers and the poor road condition (improvements are expected to be completed by 1990) in the project site have resulted in low farm gate prices for the proponent's produce. As a result, motivation for the project is very high.

The proponent is interested in putting up a fruit processing plant to enable it to enter the export market. At the moment, production is limited to unprocessed fruits which are either sold to a fruit processing plant located in the province or to middlemen for subsequent distribution to the domestic market. Processing the fruit would add value to the product which would earn more for the corporation. Processed fruits are mostly sold to the export market and those that come from the Philippines have been accepted in the export market.

#### Financial Capability

The company has an overdue loan of about US\$ 45,000. However, the proponent would take steps to reduce or even terminate the debt if there is a strong indication of a joint venture. Although the company's financial capability is limited, it has the land to offer as its equity participation.

#### Scale of Project

The size of the project cannot be ascertained at the moment because the proponent does not have an idea of the appropriate plant size. This would have to be determined by the foreign partner based on the supply capacity of the area. A prospective partner is interested in planting Passion Fruit. The project requires at least 400 hectares to supply the need of the plant. This does not worry the proponent as he can easily pool 700 hectares if the project so requires.

#### Project Strength

The proponent's vast experience in agri-business will be an advantage to the project. He has 35 years of experience in agriculture. Another advantage is the supply of raw materials which can be easily met by the proponent. Aside from the proponent, farms located in the area can also supply the raw material needs of the plant. What is lacking is the necessary technological and management expertise in operating the processing plant. The foreign investor will also have to assure

Appendix A

access to foreign markets as the proponent is weak in this aspect.

PROPOSER : BUKIDNON DAIRY DEVELOPMENT CORPORATION  
PROJECT : DAIRY PRODUCTS PROJECT NO. 20  
PROJECT COST : DEPENDENT ON PACKAGING TECHNOLOGY TO BE USED:

- a) Tetra-Pak : US\$ 1.008 Million
- b) Tin Can : US\$ 0.908 Million
- c) Tin Can but  
using present  
equipment : US\$ 0.669 Million

CONTACT PERSON : Mr. Eduardo Felaez, Chairman, Regional  
Agriculture & Fishing Council Region X

#### COMPANY PROFILE

Bukidnon Dairy Development Corporation is a cooperative formed in 1988. The proposer is Mr. Eduardo Felaez, 39. He has his own dairy farm and so is experienced coming into this project.

Bukidnon Dairy is actually an amalgamation of eight cooperatives across Northern Mindanao. These cooperatives can serve as distribution centers for the dairy products.

The proposer has advised the interviewer that its name will soon be changed to Northern Mindanao Integrated Dairy Cooperative consisting of eight cooperatives across Northern Mindanao.

#### PROJECT PROFILE

The project is a proposed cooperative of existing dairy raisers in Northern Mindanao. It will produce fresh milk and evaporated milk.

According to the feasibility study done by the proposer, Bukidnon Dairy will be able to produce and sell evaporated and condensed milk at a lower price than all leading brands of milk. The proposer is also capturing the dairy market share from the current 0.25 percent of Northern Mindanao is substantial.

Projected cost for the project will depend on the packaging material used and the necessary equipment for each type of packaging. The firm has three cost schedules (as of March 1988):

- a) Tetra-Pak : US\$ 1.008 Million
- b) Tin Can : US\$ 0.908 Million
- c) Tin Can but  
using present  
equipment : US\$ 0.669 Million

The production capacity for milk is 449,820 liters annually, for a lactation period of 240 days. Production projected during a year 449,820 liters of milk for processing for 12 months, 50 for year ten.

Equity participation is sought from foreign investors for this project. The proponent pegs the equity distribution at 60 percent for the local counterpart and 40 percent for the foreign partner. Products will be 100 percent for the domestic market.

The biggest hindrance the company has now is the limited equity resources needed to package and market their product. With a fresh infusion of capital, Bukidnon Dairy will be able to start operations within six months after a Joint Venture agreement.

Aside from product packaging, another potential problem is the uneducated market for milk in Northern Mindanao. Despite the importance of dairy products in supplementing the vitamin and mineral needs of children, the intake of milk in the country is low compared to other countries. The proponent, however, can solve this partly through helping the Nutrition Program of the government. The program will be done through the public school system and this will create an awareness and a need to drink milk thereby increasing the demand for milk.

One important piece of information to keep in mind is that Mr. Felser is the chairman of the Regional Agricultural and Fishing Council (RAFC) of Region X.

#### JOINT VENTURE SUITABILITY

##### Motivation

According to the feasibility study done by the proponent, Bukidnon Dairy will be able to produce and sell evaporated and fresh milk at a lower price than all leading brands of milk. The potential for increasing the firm's net of share from the current level of 100 percent to 40 percent is substantial.

The proponent will finance the company and will also finance the working capital for the first six months of operation. The proponent will also finance the working capital for the first six months of operation. The proponent will also finance the working capital for the first six months of operation. The proponent will also finance the working capital for the first six months of operation.

##### Financial Capability

The company's financial condition is not known at this time.

##### Scale of Project

The projected cost for the project will depend on the scale of production. The proponent will also finance the working capital for the first six months of operation.

- 1. Land: 100 Million
- 2. Buildings: 100 Million
- 3. Equipment: 100 Million
- 4. Working Capital: 100 Million

Project Strength

Bukidnon Dairy is actually an amalgamation of eight cooperatives across Northern Mindanao. These coops can serve as distribution centers for the dairy products.

Product packaging is the foremost problem of the firm. Aside from this, another potential problem is the uneducated market for milk in Northern Mindanao. Despite the importance of dairy products in supplementing the vitamin and mineral needs of children, the intake of milk in the country is low compared to other countries. The proponent, however, can solve this through helping the Nutrition Program of the government. The program will create an awareness and a need to drink milk thereby increasing the demand for milk.

The nutrition program will be done through the public school system and one of the objectives is to teach the children the value of drinking milk.

One important piece of information to keep in mind is that Mr. Pelaez is the chairman of the Regional Agricultural and Fishing Council (RAFC) of Region X.



PROponent : CATMON DEVELOPMENT CORPORATION  
PROJECT : PANALIPAN BEACH RETIREE  
RESORT COMPLEX  
PROJECT COST : US\$ 2.75 Million  
CONTACT PERSON : Mr. Raymond Flores, President

PROJECT NO. 113

COMPANY PROFILE

The registration of Catmon Development Corporation with the Securities and Exchange Commission is still pending dependent on the resolution of a case.

A legal case was filed questioning the award of the land lease to the proponents by the Department of Environment and Natural Resources (DENR). Although all indications point to the legality of the award, the lease award has not yet been released. Mr. Raymond Flores has been actively pursuing the case since 1980.

The proponents have had their share of success in business. The husband-and-wife team of Mr. and Mrs. Raymond Flores started a piggery business with only five sows in 1969. The number of heads increased to 1,500 in 1988 and the value of the business was assessed at US\$ 273,000.

Another business which resulted to a success was the grocery-dum-dry goods store of the couple, the first in Mandaue City.

Both businesses are now valued at US\$ 582,000.

PROJECT PROFILE

The project is for the development of a 1.1 kilometer shoreline with a 1000 sq. m. beach. The land lease was already awarded to the proponents but there was an opposition to the award.

Catmon will also market access and marketing expertise for the project. Hopefully this need will be supplied by a foreign party.

Basically, the project aims to provide foreign retirees a haven for their golden years. The project will also develop the shoreline to include a hotel and other facilities descriptive of a beach resort.

The project is located in the coastal area of Panalipán, Mandaue City. The project area is 1.1 kilometers long and 100 meters wide.

1. 650 sq. m. lot
2. Beach area
3. 1000 sq. m. lot

Topic: F 5

4. Tree houses
5. Children's playground
6. Gym and Sports facilities
7. Two (2) swimming pools (for adults and children)
8. Pavilion
9. Exhibit hall
10. Kiosk
11. Floating restaurant
12. Yacht club
13. Staff houses.

The project is expected to cost US\$ 2.75 Million.

The use of the club's facilities will be through a membership arrangement. The project has already received favorable inquiries from foreigners.

A waterworks system is being developed by the municipal government specifically for the project. The municipal government is supporting the project because of the multiplier effect of the project on the residents in the area.

The project will be developed in phases. The proponent is financially capable of putting up the required capital for the project.

The whole project's viability now depends on the outcome of the legal case of the proponents with a group contesting Catmon's lease award.

#### JOINT VENTURE SUITABILITY

##### Motivation

The proponent is an existing company since 1970. They have been able to secure a lease for the land from the Department of Interior and Local Government (DILG).

Catmon will supply the lease and a floating platform for the project. High quality water will be supplied by a foreign party.

Basically, the project aims to provide foreign retirees a haven for their golden years. The project will also develop the shoreline to include a hotel and other facilities typical of a beach resort.

##### Financial Capacity

The proponent is financially capable of putting up the required capital for the project.

##### Scale of Project

The project is expected to cost US\$ 2.75 million and it will be developed in phases.

Project Strength

The company won the bidding for the lease of the public land. However, there is a group contesting the lease award granted by the government to Catmon Development Corp. The viability and scheduling of the project is now dependent on the outcome of the case.

The use of the club's facilities will be through a membership arrangement. The project has already received favorable inquiries from foreigners.

A waterworks system is being developed by the municipal government specifically for the project. The municipal government is supporting the project because of the multiplier effect of the project on the residents in the area.

PROponent : CENTENO/BETAMOR AGUA-CULTURE DEVELOPMENT CORPORATION  
PROJECT : PRAWN FARMING PROJECT NO. 10  
PROJECT COST : US\$ 1.24 Million  
CONTACT PERSON: Mr. Narciso C. Centeno, President

COMPANY PROFILE

The corporation was established in 1988. It is headed by Mr. Narciso C. Centeno who is the President, who was either unwilling or unable to divulge financial information of the corporation during the interview. Information from the UNIDO Industrial Investment profile states that:

- 1) Authorized Capital is presently US\$ 47,619.04,
- 2) Present Subscribed Capital is US\$ 9,523.08, and
- 3) Paid-up Capital is presently US\$ 11,904.76.

The company, however, is grossly inadequate in the areas of capital, technology and management. As of now, it is inoperative (established 1988) due to the aforementioned deficiencies.

PROJECT PROFILE

Mr. Centeno would like to pursue prawn farming. The product is to be fresh Jumbo Tiger prawns. Planned annual output is 132,600 kilograms per year, 100 percent of which will be exported. Pond site is at Barangay Daromawang Ilaya, Linao del Norte.

Foreigners met during the Forum were all equipment and/or material suppliers wanting to sell, not invest, to the proposed project. As a result, nothing constructive came out of the Forum for Mr. Centeno. No communication has been established with any of the Forum participants between November 1988 to the present.

A foreign company, Warren Companies, has inquired Centeno/Betamor on their project. Warren, however, asked for data on the neighboring prawn farms (production output, capacity, etc.). Warren acted on its own initiative, i.e., Warren did not participate in the November 1988 UNIDO Forum.

The project is expected to cost US\$ 1.24 million.

The corporation does not have any financial capability to start operations. The proponent does however possess at least 50 hectares on which the prawn ponds could be developed.

Aside from hectareage requirement, Centeno/Betamor has 2000 hectares readily available for the project. Other than that, the foreign investor will have to supply most of the requirements.

Regardless of a glut in the world market for prawns, the proponent believes that his project will be feasible and that better times are soon to come.

#### JOINT VENTURE SUITABILITY

##### Motivation

Regardless of a glut in the world market for prawns, the proponent believes that his project will be feasible and that better times are soon to come.

The company, however, is grossly inadequate in the areas of capital, technology and management. As of now, it is inoperative (established 1988) due to the aforementioned deficiencies.

The proponent does however possess at least 50 hectares on which the prawn ponds could be developed.

##### Scale of Project

The project is estimated to cost about US\$ 1.24 million.

##### Financial Capability

The corporation does not have any financial capability to start operations.

##### Project Strength

The firm does have the required hectareage/ponds for prawns. Aside from hectareage requirement, Denteno/Betamor has skilled labor readily available for the project. Other than that, the foreign investor will have to supply most of the requirements.

At present there is a glut in the world market for prawns so this will be a major factor in the project's joint venture possibilities.

PROFONENT : DACEBU TRADERS AND EXPORTERS CORPORATION  
PROJECT : ACTIVATED CARBON MANUFACTURING PROJECT NO. 69  
PROJECT COST : US\$ 2.27 Million  
CONTACT PERSON : Peter Durano, President

COMPANY PROFILE

Dacebu Traders and Exporters Corp. has been in the business of granulated cocoshell charcoal export since 1968. The company was a founding partner of Davao Central Chemical in 1973, a factory which produces activated carbon in a joint venture between Japanese and Filipino investors. Dacebu sold out some years ago.

The company has 21 years of experience in the manufacture of granulated cocoshell charcoal. This assures the project of a supply of high-quality raw materials. The company is expanding its operations to supply the needs of the activated carbon manufacturing plant. The plant will be located in Davao where there is an abundant supply of cocoshells.

The company has a paid-up capital of around US\$ 91,000. It is now applying with the Securities and Exchange Commission for an increase in capitalization to US\$ 227,000.

Dacebu today has annual exports of US\$ 1 million of granulated cocoshell charcoal. Their main buyer is Japan but other Asian markets are also serviced though in smaller quantities.

PROJECT PROFILE

Activated carbon manufacturing is a highly technical process. The company has acquired the technology on activated carbon processing but still needs technical assistance to operate the plant. Although the company has the raw material supply, it is not able to proceed with the project because of lack of technical expertise. Thus, a foreign partner is needed to introduce the required technological know-how in operating the plant.

The company plans to expand its present production capacity from 2,500 metric tons per month (Cebu-1,000 mt/month, Davao-1,500 mt/month) to 3,500 metric tons per month. The increase in capacity for granulated cocoshell charcoal will be used for the raw material requirements of the company's new project.

The projected plant capacity for the manufacture of activated carbon will be 200 metric tons per month. The plant will be located in Davao. The finished product will also be exported to Asian countries like Japan, Korea, and Taiwan.

The new project will need US\$ 2.27 million. The ownership scheme will be 60 percent for the local proponent and 40 percent for the foreign partner. The proponent will only be able to raise US\$ 0.455 million for the project. The remaining balance of the proponents' sixty percent equity share could be financed by soft loans or long-term loans.

#### JOINT VENTURE SUITABILITY

##### Motivation

Activated carbon manufacturing is a very technical process. Although the company has the raw material supply, it is not able to proceed with the project because of its lack of technical expertise. Thus, a foreign partner is needed to introduce the required technological know-how in operating the plant.

##### Financial Capability

The company can only raise US\$ 0.455 million for the project. It will be required to raise US\$ 1.362 million or 60 percent of the project cost. The company hopes to negotiate for a soft loan to cover the gap.

##### Scale of Project

The project is estimated to cost US\$ 2.27 million.

##### Project Strength

The company has 21 years of experience in the manufacture of granulated cocoshell charcoal. This assures the project of a supply of high-quality raw materials. The company is expanding its operations to supply the needs of the activated carbon manufacturing plant. The plant will be located in Davao where there is an abundant supply of cocoshells.

PROPOSITOR : DATAFAB ENGINEERING EXPONENTS

PROJECT : STEEL ALLOY FOUNDRY (INDUCTION  
FURNACE)

PROJECT NO. 126

PROJECT COST : US\$ 1.0 Million

CONTACT PERSON : Mr. Romulo Dico, General Manager

COMPANY PROFILE

Datafab is an all-Filipino partnership with Mr. Romulo Dico as the managing partner. The company has been in operation for two years and is slowly establishing itself as an innovative, competent and reliable machine engineering and metal fabrication outfit. Its products range from small chocks to large container trailers. It also offers other services such as engine reconditioning and metal grinding.

The firm has an annual gross turnover of US\$ 0.230 million and expects to have a higher income for 1989. Paid-up capital is US\$ 54,500.

PROJECT PROFILE

Cagayan de Oro is one of the industrialized parts of the country. The proponent feels that establishing a steel alloy foundry will be a necessary support facility as the province increases its industrial base (most foundry requirements in the area are largely serviced by Cebu or Manila firms).

-With the foundry, the proponent eventually plans to manufacture equipment and parts such as pumps, speed reducers, valves, etc., maintaining 30 percent of operations for job-shop orders.

Products to be produced are the following:

- |                        |                          |
|------------------------|--------------------------|
| a) Ordinary cast steel | (sav 1040);              |
| b) Chromopoly          | (she 4140);              |
| c) Stainless steel     | (s/s 304, s/s 316);      |
| d) High alloy steel    | heat and acid resistant. |

Annual production are as follows:

- |                        |                    |
|------------------------|--------------------|
| a) Ordinary cast steel | 800 metric tons/yr |
| b) Stainless steel     | 500 metric tons/yr |
| c) High alloy steel    | 200 metric tons/yr |

-----  
Total 1,500 metric tons/yr.

All products will be for the domestic market but the proponent is open to export possibilities.



Datafab will have an advantage later on as more industries enter Mindanao, especially on the northern part of the island. The company has plans of expanding their plant but they do not as yet have the financial capability.

The company has a limited capital and asset base and will have difficulty in raising enough capital to maintain the controlling 51 percent shares of stock should a new firm be established for joint venture purposes.

Interested foreign parties can expect to contribute equity and equipment to the project.

The proposal will cost US\$ 1.0 million. Equity sharing will be 60 percent Filipino and 40 percent foreign.

### JOINT VENTURE SUITABILITY

#### Motivation

Mindanao is developing into an industrial center and the foundry requirements in this area are largely serviced by Cebu or Manila firms. The proponent, particularly Mr. Dico, has proposed setting up a foundry to service the industries in the region.

With the foundry, the proponent eventually plans to manufacture equipment and parts such as pumps, speed reducers, valves, etc., maintaining 30 percent of operations for job-shop orders.

Products to be produced are the following:

- |                        |                          |
|------------------------|--------------------------|
| a) Ordinary cast steel | (sav 1040);              |
| b) Chromopoly          | (she 4140);              |
| c) Stainless steel     | (s/s 304, s/s 316);      |
| d) High alloy steel    | heat and acid resistant. |

Annual production are as follows:

- |                        |                    |
|------------------------|--------------------|
| a) Ordinary cast steel | 800 metric tons/yr |
| b) Stainless steel     | 500 metric tons/yr |
| c) High alloy steel    | 200 metric tons/yr |

Total 1,500 metric tons/yr.

Interested foreign parties can expect to contribute equity and equipment to the project.

#### Financial Capability

The company has a limited capital and asset base and will have difficulty in raising enough capital to maintain the controlling 51 percent shares of stock should a new firm be established for joint venture purposes.

Scale of Project

The project cost as of August, 1988 is US\$ 0.85 million. The adjusted cost for 1989 is US\$ 1.0 million.

Project Strength

Datafab will have an advantage later on as more industries enter Mindanao, especially on the northern part of the island. The company has plans of expanding their plant but they do not as yet have the financial capability.

PROponent : DATINGBAYAN AGRO-INDUSTRIAL CORPORATION  
PROJECT : COFFEE/CACAO AND BLACK PEPPER PROJECT NO. 2  
BY INTERCROPPING  
PROJECT COST : US\$ 136,000 - 227,000  
CONTACT PERSON : Mr. Maximo Ricohermoso, President or  
Mr. Eric Veloso, Manager, Special Projects

COMPANY PROFILE

DATINGBAYAN was established in 1987 with an authorized capitalization of US\$ 454,500 of which US\$ 227,000 is subscribed and paid-up. Annual gross sales on seaweeds, seaweed products, carrageenan and foliar liquid fertilizer reach US\$ 1.25 million. More than 90 percent of their products are exported.

The company is headed by Mr. Maximo A. Ricohermoso who was cited by the government in 1989 for his active involvement in countryside investments.

PROJECT PROFILE

The project aims to develop the coconut plantation of the farmers in Marinduque to a more profitable enterprise through the intercropping of coffee, cacao and black pepper.

The project is divided into three phases covering a period of nine years:

- Phase 1 (first 3 years) : Nurseries and initial plantation establishment;
- Phase 2 (second 3 years) : Plantation expansion and post-harvest facilities development with the setting up of ten new nurseries, development of 3,000 hectare plantation and establishing dryers and pilot-scale processing plant;
- Phase 3 (third 3 years) : Establishment of processing plant and expansion of plantation by 5,000 hectares.

The process involves utilizing an unproductive 10,000 hectare coconut plantation by intercropping coffee, cacao and black pepper in between the trees. Available indigenous local resources will be tapped and will form the basis for designing and implementing the project. The proponent will provide the material or farm inputs, technical and farm management expertise. The farmer will provide the land and will take care of the plants.

Although Datingbayan is financially stable, it cannot finance the project as its funds are tied-up with projects directly related to Datingbayan's line of business. It is hoped that the initial phase of the project will be financed by the

LEAD program of the Department of Agriculture.

The project is estimated to cost between US\$ .136-.227 million. The project is classified as a small-scale project. However, it is designed to be a source of cash crops for the farmers in the short-term. The long-term will hopefully see a medium-scale processing plant for the crops.

Aside from the existing plantation, the project has an advantage of having an organized farmers' cooperative that will be equipped with the necessary management and technical skills for contract growing.

The project, however, may be too small to attract foreign investment. Also, developing the plantation to reach the desired level of output for the processing plant will take six years. Investors may not be interested to invest in a project with a long gestation period.

#### JOINT VENTURE SUITABILITY

##### Motivation

Datingbayan's project site in Marinduque is a 10,000 hectare coconut plantation. The proponent would like to see this plantation become more profitable by planting crops in between the coconut trees. Proposed crops are coffee, cacao and black pepper.

The project is a brainchild of Mr. Ricohermoso as a way of helping the farmers in his hometown.

To be able to realize this agricultural scheme, Datingbayan needs capital to finance at least the first phase of the project.

##### Financial Capability

Although Datingbayan is financially stable, it cannot finance the project as its funds are tied-up with projects directly related to Datingbayan's line of business. It is hoped that the initial phase of the project will be financed by the LEAD program of the Department of Agriculture.

##### Scale of Project

The project is estimated to cost between US\$ .136-.227 million. The project is classified as a small-scale project. However, it is designed to be a source of cash crops for the farmers in the short-term and a medium-scale processing plant in the long term.

Investors may not want to be involved with a project with a long gestation period. It will take at least six years before the project generates income.

Project Strength

Aside from the existing plantation, the project has an advantage of having an organized farmers' cooperative that will be equipped with the necessary management and technical skills for contract growing.

The project, however, may be too small to attract foreign investment. Also, developing the plantation to reach the desired level of output for the processing plant will take six years. Investors may not be interested in investing in a project with a long gestation period.

PROPONENT : DAVAO ORIENTAL MINING CORPORATION (DOMC)  
PROJECT : GOLD MINING AND PRODUCTION OF PROJECT NO. 17  
GOLD CHAIN  
PROJECT COST : US\$ 1.1 Million  
CONTACT PERSON : Mr. Alexander T. Yap, Manager

COMPANY PROFILE

Established in 1987, DOMC's authorized capital is around US\$ 73,000. Subscribed and paid-up capital is US\$ 18,000.

The main product of the company are refined gold bars. The production output is estimated at 20 kilograms per week of refined gold. Most of the sales go to the export market which is 90 percent of the total sales and the rest go to the domestic market. Other products are chromite, silver, and platinum. The average annual gross sales ranged from US\$ 0.8 to US\$ 1.0 million.

The manager of the corporation is also engaged in the mineral laboratory business.

PROJECT PROFILE

The project involves the small-scale mining of gold and the production of gold chains. A 20 ton-per-day carbon-in-pulp processing plant will be set up to ensure the continuous supply of gold. Analysis shows that between 20-30 grams of gold can be extracted from one metric ton of ore. This translates into a weekly capacity of 2.8 to 4.2 kilograms.

A joint venture is needed because of the capital-intensive nature of the project. It is also needed to bring in designs and technology for the gold chain production.

The project is estimated to cost around US\$ 1.1 million. The foreign investor may invest to a maximum of 40 percent in the project.

The company's financial resources are limited. It does not have enough resources to finance both its current operations and the new project. Financing will have to come from a long-term loan or from infusion of fresh equity.

The raw materials required for the production of gold chains are available. Aside from the company's minesite, there are other minesites in the area which can be tapped to supply the raw material requirements of the project. The minesites are accessible by land and air transportation.

Total production will be geared towards the export market particularly the Asian market. The target markets are Hong Kong and Singapore.

JOINT VENTURE SUITABILITY

Motivation

The company would like to go into the production of gold chains.

The joint venture is needed to acquire the equipment for gold chain production. Aside from this, it is hoped that the foreign partner would make available a constant supply of new designs to keep abreast with market trends.

Financial Capacity

The company's financial resources are limited. It does not have enough resources to finance both its current operations and the new project.

Financing will have to come from a long-term loan or from infusion of fresh equity.

Scale of Project

The project is estimated to cost US\$ 1.1 million.

Project Strength

The peace and order situation in the area has improved significantly specially after the economy picked up. The minesite is accessible by land and air transportation. However, the company's weak financial condition makes the project unattractive despite the presence of abundant raw materials and skilled labor.

The raw materials required for the production of gold chains is available. Aside from the company's minesite, there are other minesites in the area which can be tapped to supply the raw material requirements of the project.

PROFONENT : DR. DOMINGO TORRENA PRAWN FARM  
PROJECT : PRAWN FARMING PROJECT NO. 8  
PROJECT COST : US\$ 469,000  
CONTACT PERSON : Dr. Domingo Torreña, Proprietor

COMPANY PROFILE

Dr. Domingo Torreña established his prawn farm in 1977. He is the proprietor and manager of the farm.

The 10-hectare farm is located in Mindanao, the southernmost island of the Philippines.

Annual gross sales is US\$ 19,000

PROJECT PROFILE

The project is an expansion and modernization of the prawn farm. The farm will be increased from 10 hectares to 20 hectares. Additional investments are required for the necessary equipment to support the increase in production. The equipment are available locally.

The project will enable the proponent to maximize the production capacity of the farm due to the modernization of its existing equipment. The production is expected to reach 39 metric tons, 44 metric tons, and 69 metric tons in 1990, 1991, and 1992, respectively.

The project is estimated to cost US\$ .469 million. Loans and suppliers credits will be used to raise US\$ .203 million and the balance will be raised through equity infusion. The proponent is willing to allow the foreign investor to own as much as 40 percent of the project. Aside from cash, the proponent will put in land, machinery and equipment, and part of the pre-operating cost as his equity contribution.

The Farm is situated in a remote part of Mindanao. The geographical location of its farm will be a factor in the proponent's joint venture suitability because of possible cost uncompetitiveness due to high transportation costs.

JOINT VENTURE SUITABILITY

Motivation

The price of processed prawns went below the breakeven price of most Philippine prawn farmers/processors. To compound the problems of Dr. Torreña, his farm has not reached its maximum level of production largely due to inadequate equipment, technology and financing.

The proponent wants to maximize the potential of his farm to be more competitive for the export market.



Financial Capability

The financial capability of the proponent is not known at the moment.

Scale of Project

The project is estimated to cost US\$ 470,000.

Project Strength

Dr. Torreña Prawn Farm is situated in a remote part of Mindanao. Infrastructure in the area is inadequate and will be a factor in the proponent's joint venture suitability.

A factor working in the proponent's favor is the availability of equipment in the local market. Dr. Torreña, however, has not yet acquired the equipment needed for the project.

The proponent does have the experience required to manage the proposed project.

PROPOSER : FIRST FARMERS MILLING AND MANUFACTURING COOPERATIVE ASSOCIATION, INC. (FFMCAI)

PROJECT : INTEGRATED PRAWN FARMING PROJECT NO. 5

PROJECT COST : US\$ 6.6 Million

CONTACT PERSON: Mr. Antonio Kho, Exec. Asst. to the President

#### COMPANY PROFILE

First Farmers, a 100 percent Filipino-owned corporation, was established in 1964. It is affiliated with five companies all bearing the First Farmers name. The group of companies have diversified interests which complement each other.

FFMCAI is currently involved with sugar milling, poultry feeds and products, and prawn raising, feed milling, and processing. Annual gross sales ranges from US\$10-15 million.

A problem area concerns the marketing of its product. The company admits to the fact that it is weak in marketing.

#### PROJECT PROFILE

Negros Occidental, the province where the project is located is known more for its sugar industry. When the prices of sugar plummeted in 1984, the province experienced one of its worst recessions. It was prawn raising which helped revitalize the economy and the province became a showcase for prawn raising.

The company diversified to prawn culture because of the decline in sugar prices. It is familiar with the technology employed in the industry. However, it was not able to update itself on the changes in production technology.

The prawn raising project was not spared from the recent glut of prawns in the international market. The proponent intends to expand and modernize its operations to maintain its export competitiveness.

First and foremost among its needs is the reduction of production costs. FFMCAI needs technical expertise for this objective. A secondary need is market access as it needs to find alternative markets other than Japan. Finally, the company needs marketing expertise to effectively promote its product. A foreign partner can reasonably expect to provide the proponents' current deficiencies.

The 90-hectare prawn farm will result to an annual production of 4,000 tons of prawn feeds, 1,200 tons of processed prawns, and 500 tons of fresh prawns. It is estimated to cost \$6.6 million.

The company's financial resources are tied-up with its other projects. It has to negotiate for a loan to finance the project's modernization and expansion.

## JOINT VENTURE SUITABILITY

### Motivation

The glut in the international market necessitates a modernization of the company's production technology. The company has to correct its eroding competitive position. At the same time, the company plans to expand its operation.

### Financial Capability

The company's financial resources are tied-up with its other projects. It has to negotiate for a loan to finance the project's modernization and expansion.

### Scale of Project

The project is estimated to cost US\$ 6.6 million.

The 90-hectare prawn farm will result to an annual production of 4,200 tons of prawn feeds, 1,200 tons of processed prawns, and 600 tons of fresh prawns.

The company will only be ready for the European and US markets when the expansion is in place. Without the loan, the company will not be able to implement its expansion program.

### Project Strength

The province where the project is located is known more for its sugar industry. When the prices of sugar plummeted in 1984, the province experienced one of its worst recession. It was prawn raising which helped revitalize the economy and the province became a showcase for prawn raising.

The company is one of those which diversified to prawn culture. It is familiar with the technology employed in the industry. However, it was not able to update itself on the changes in production technology.

Another problem area concerns the marketing of its product. The company admits to the fact that it is weak in marketing.

PROPOSER : HANOVER WORLDWIDE TRADING CORPORATION

PROJECT : LEATHER SHOES

PROJECT NO. 47

PROJECT COST : US\$ 820,000

CONTACT PERSON : Mr. Jose Ng, President

#### COMPANY PROFILE

Hanover Worldwide Trading Corporation is a 100 percent Filipino-owned corporation headed by Mr. Jose Ng. The corporation has an authorized capital of US\$ .91 million: 25 percent is subscribed and 25 percent of the subscribed capital is paid-up.

The company exports Philippine-made furnitures and handicrafts; some of which are manufactured by the company. The average annual sales is US\$ .409 million.

Although he does not have any experience in shoe manufacturing, Mr. Ng is familiar with the export market. He has been exporting rattan furniture and stonecraft.

#### PROJECT PROFILE

The proposer is interested in setting-up a shoe factory preferably manufacturing ladies' leather shoes. The planned capacity is 500 pairs of shoes per day but this could be revised depending on the analysis of the prospective partner. The proposer intends to export the entire production.

Mr. Ng recognizes the fact that he has no experience in the business. He is looking for a partner that would bring in the necessary technological expertise to run the plant. The foreign partner must also be willing to invest in fixed assets aside from the needed equipment to ensure a long-term relationship. Mr. Ng wants to avoid equipment suppliers who would leave the company after its investment has been recovered.

The project is small by international standards. It is estimated to cost only US\$ 0.82 million. Mr. Ng is willing and capable of putting up US\$ 500,000 as his equity contribution. Aside from cash, he has several land holdings which could be used for the project. Although he can contribute more than 60 percent of the planned project cost, he is willing to split the ownership equally (50:50) with the foreign partner.

Philippine-made leather shoes are widely accepted in the international market. Mr. Ng feels that the project could be undertaken in Cebu because of the availability of skilled labor for the project.

## JOINT VENTURE SUITABILITY

### Motivation

Philippine-made leather shoes are widely accepted in the international market. Mr. Ng feels that the project could be undertaken in Cebu because of the availability of skilled labor for the project.

### Financial Capability

Mr. Ng will form a new corporation for the project. He has the capacity to put up US\$ 500,000 as his equity for the project. He also owns real estate properties which could be used for the project.

### Scale of Project

The project is small by international standards. It is estimated to cost only US\$ 0.82 million.

The planned capacity is 500 pairs per day but this could be revised depending on the analysis of the prospective partner.

### Project Strength

Mr. Ng recognizes the fact that he has no experience in the business. He is looking for a partner that would bring in the necessary technological expertise to run the plant. The foreign partner must also be willing to invest in fixed assets aside from the needed equipment to ensure a long-term relationship. Mr. Ng wants to avoid equipment suppliers who would leave the company after its investment has been recovered.

Although he does not have any experience in shoe manufacturing, Mr. Ng is familiar with the export market. He has been exporting rattan furniture and stonecraft, some of which he manufactures.

PROPOSER : HOROSCOPE FARM DEVELOPMENT CORPORATION  
PROJECT : EXPANSION/MODERNIZATION OF HOG FARM PROJECT NO. 01  
PROJECT COST : US\$ 1.86 MILLION  
CONTACT PERSON : Mr. Bello M. Casanova, Jr., President

COMPANY PROFILE

Horoscope Farm Development Corp. is a 100 percent Filipino-owned family corporation. It has been in existence since 1967 and its products are coffee, fruits, vegetables and hogs. The company markets its own produce to Manila and Cagayan de Oro. The company falls under the category of a small-scale business and has an annual turnover of US\$ 2 million.

Horoscope has an integrated agri-business. It has a feedmill for hog raising and the hogs' waste is used as fertilizer for its farm products.

PROJECT PROFILE

The demand for pork has substantially increased since the middle of 1988 and is still steadily rising. Horoscope is currently not able to meet the domestic demand. This has prompted the proponent to make plans for expanding production by more than 100 percent.

To realize this expansion, Horoscope will need fresh capital infusion. A joint venture with a foreign party is preferable because the firm also plans to export their products. The foreign investor can conceivably help greatly in technology and in gaining market access. One potential export market is Taiwan which is phasing out pork production.

Horoscope intends to expand its sow level from 800 sows to 2,000 sows. Projected annual production is expected to be 34,000 fatteners with an average of 80 kilos per head. The hogs will entirely be for the domestic market.

Projected cost in 1988 was US\$ 0.700 M. This has been revised in 1989 to include breeders, new stock and the peso devaluation. The proponent has advised the interviewers that the new cost is now between US\$ 1.36 - 1.86 million.

Site and materials for building the facilities needed for the proposed hog raising expansion are already in place, ready for construction.

Equity sharing will be a 60 percent Filipino and 40 percent foreign distribution. Horoscope will be able to afford the 60 percent equity requirement.

## JOINT VENTURE-SUITABILITY

### Motivation

The demand for pork has substantially increased since the middle of 1988 and is so far still steadily rising. Horoscope is currently not able to meet the domestic demand. This has prompted the proponent to make plans for expanding production by 100 percent.

To realize this expansion, Horoscope will need fresh capital infusion. A joint venture with a foreign party is preferable because the firm also plans to export their products. The foreign investor can conceivably help greatly in technology and in gaining market access. One potential export market is Taiwan who is phasing out pork production.

### Financial Capability

The company has the financial capability for the required 60 percent in a proposed joint venture arrangement.

### Scale of Project

The proponent has adjusted the 1988 cost to be between US\$ 1.36 - 1.86 million for 1989.

### Project Strength

Horoscope has an integrated feedmill for hog raising.

Site and materials for construction of facilities needed for the proposed hog raising expansion are already in place, ready for building.

Horoscope intends to expand its sow level from 800 to 2000 heads. Projected annual production is expected to be 34,000 fatteners with an average weight of 80 kilos per head. This will be possible with a 365-day, single shift annual production calendar.

PROponent : ILAGAN MINING CORPORATION  
PROJECT : SMALL SCALE MINING OF GOLD,  
SILVER AND COPPER  
PROJECT COST : US\$ 500,000  
CONTACT PERSON : Mr. Quinal, President

PROJECT NO. 16

COMPANY PROFILE

Iligan Mining is a 100 percent Filipino-owned corporation established 1987 and headed by Mr. Quinal as President. The company is involved in the extraction of gold and silver and has an annual gross income of US\$ 0.212 million.

To date, the firm has spent all of its paid-up capital of US\$ 7,100 in initial exploration and extraction.

The firm's strength is in the proponent's knowledge of areas that have high mineral deposits, technological ability, and a ready market for their products.

PROJECT PROFILE

The proponent of the project is convinced that there is gold in their claim and that he has positively identified a lode.

Extraction capacity will be four tons per day if done by amalgamation for a recovery rate of 30 percent. Sixty percent recovery can be achieved by electroleach process from 25 tons of ore.

The small-scale mining of gold, silver and copper that Iligan Mining is proposing will be situated in Lugat, Misamis Oriental. Exploration cost is US\$ .273 million per block or a total of US\$ 1.91 million for seven blocks. However, only an initial capital infusion of about US\$ 0.5 million is needed to start operations within six months.

The company has a two year permit to develop the site with a lease option for twenty-five years. Joint-venture capital is needed to facilitate the expansion of present recovery efforts (65% of project) and initiate exploratory operations in the claim (30% of project).

However, the company has no financial capability to undertake exploration, much less extraction.

Mining of natural resources requires sixty percent Filipino ownership.



JOINT VENTURE SUITABILITY

Motivation

The proponent of the project is convinced that there is gold in their claim and that he has positively identified a lode.

Financial Capacity

Joint-venture capital will be used to facilitate the expansion of present recovery efforts (65% of project) and initiate new recovery operations in the claim (30% of project).

However, the company has no financial capability to undertake exploration, much less extraction.

Scale of Project

The project is estimated to cost US\$ 0.5 million.

Project Strength

The firm's strength is in the proponent's knowledge of areas that have high mineral deposits, technological ability, and a ready market for their products. Also, mining of natural resources requires sixty percent Filipino ownership.

PROPOSITOR : J AND B ENTERPRISES

PROJECT : Old : Village level ramie degumming with emphasis on  
the utilization of ramie wastes as a source of  
energy for degumming and as organic fertilizer  
New : Ramie fiber processing and handwoven Ramie  
textiles/products

PROJECT NO. : 122

PROJECT COST : US\$ 364,000

CONTACT PERSON: Mr. Emmanuel Alkuno, Proprietor

COMPANY PROFILE

J and B Enterprises is a sole proprietorship business owned by Mr. Emmanuel Alkuno. Established in 1980 originally for degumming ramie, it has now expanded to cottonizing ramie and handweaving ramie fabrics blended with other fibers (banana, abaca, pifa).

The proponent is a tinkerer in machines and has developed, on his own, the equipment needed to degum, dry, card, draw, cottonize and spin ramie fiber. Mr. Alkuno has expressed confidence that he will be able to develop the machinery and equipment for the project.

Management-wise, the proponent oversees everything. An increasing demand for his products, however, will handicap his ability to make all the decisions unless he gets professional managers. Marketing is another aspect where the firm is weak at.

The processing plant is situated in the town of Valencia, Bukidnon Province.

Project Profile

The original project was approved in 1985 (Forest) for degumming ramie and plant products by established and the proponent is currently preparing equipment for fiber processing and handwoven ramie fabric operations (production rates unavailable at this time).

The proponent's products are of high quality and the company has been receiving quite a number of inquiries from foreign parties. Bolstered by the queries, J and B is motivated to increase its production of processed ramie fiber and handwoven ramie fabrics.

To increase capacity and production require a substantial amount of capital. The proponent, however, does not intend to raise additional funds to finance the expansion. The enterprises will rely on credit history to be able to acquire large loans from local banks.

advantage in gaining market access abroad.

An initial cost estimate figures an outlay of US\$ 0.364 million for the expansion operation. Mr. Alkuino puts the maximum foreign contribution at 40 percent of total capital ownership.

J and B can easily source ramie and other raw materials (such as piña, abaca, and banana fiber) needed to process ramie fiber and handweave ramie fabrics. Aside from the raw material availability, skilled labor for both fiber processing and handweaving is also readily available. In fact, Mr. Alkuino has the town of Valencia in the province of Bukidnon and the nearby towns to tap for labor.

### JOINT VENTURE SUITABILITY

#### Motivation

The proponent's products are of high quality and the company has been receiving quite a number of inquiries from foreign parties. Bolstered by the queries, J and B is motivated to increase its production of processed ramie fiber and handwoven ramie fabrics.

To increase capacity, the proponent needs a substantial amount of capital infusion. Mr. Alkuino, the proprietor, however, does not have the financial resources to finance the expansion. The proponent is considered a credit risk by the local banks, largely due to a lack of credit history.

Mr. Alkuino is therefore amenable to a joint venture with a foreign firm to expand the company's operations and as a source of fresh money for the undertaking, not to mention the potential advantage in gaining market access abroad.

Mr. Alkuino puts the maximum foreign contribution at 40 percent of total capital ownership.

#### Financial Capability

As mentioned earlier, the proponent does not have a financial base from which to expand operations.

The firm is currently operating on sales of cottonized ramie sold to textile firms in Manila.

As of October, 1989, 80 percent of capital was sourced from gift. The money was a soft loan granted by the World Bank through the Department of Trade and Industry.

#### Scale of Project

The cost of the proponent's new project is estimated to reach US\$ 0.364 million.

Project Strength

C and B can easily source ramie and other raw materials (such as piña, abaca, and banana fiber) needed to process ramie fiber and handweave ramie fabrics.

Aside from the raw material availability, skilled labor for both fiber processing and handweaving is also readily available. In fact, Mr. Alkino has the town of Valencia in the province of Bukidnon and the nearby towns to tap for labor.

The proponent is a tinkerer in machines and has developed, on his own, the equipment needed to degum, dry, card, draw, cottonize and spin ramie fiber. Mr. Alkino has expressed confidence that he will be able to develop the machinery and equipment for the project.

Management-wise, the proponent oversees everything. An increasing demand for his products, however, will handicap his ability to make decisions unless he gets professional managers. Marketing is another aspect where the firm is weak at.

An opportunity that Mr. Alkino would like to exploit is the availability of a textile plant near Bukidnon. He wants to acquire the plant but is unable to do so because of financial limitations.

PROPOSANT : LUVIMIN CEBU MINING CORPORATION

PROJECT : GOLD MINING

PROJECT NO. 15

PROJECT COST : varies depending on the technology employed in mining the claim. A rough estimate is US\$ 1.5 million.

CONTACT PERSON : Mr. Alfonso Talita, Finance Manager

COMPANY PROFILE

LUVIMIN Cebu Mining Corporation was established in 1972 with an authorized capital of US\$ 227,000 and US\$ 114,000 is subscribed and paid-up.

The company is into coal mining which is its sole product since 1972. The coal mine is located in Cebu. The average production for the past three years was approximately 43,000 metric tons per year.

Although the proponent is in the coal mining business, it filed and got a claim for a gold minesite. The claim properties have total reserves of 20 million short tons of ore with an estimated yield of 1.5 grams of gold per short ton. While it already owns the claim, it does not have the financial capability to start operations.

PROJECT PROFILE

The proponent wishes to diversify to gold mining. The company has claims in Dumalinaw and Lakewood, both in Zamboanga del Sur. The claim properties have total reserves of 20 million short tons of ore with an estimated yield of 1.5 grams of gold per short ton. Presently, the cost is not established.

Gold mining is a capital intensive operation. LUVIMIN owns the claim but does not have the assets to start operations. Because of limited funds, the company is studying the project, outlining the options of mining that claim for gold.

- a) Large-scale mining : this will require the foreign investor to do the mining. LUVIMIN will require royalties from the foreigner.
- b) Small-scale mining : this will be a tie-up with a small developer, foreign or local although LUVIMIN's equity participation will be limited to 50% of the total.

The cost of the project will vary depending on the technology employed in mining the claim. A rough estimate is US\$ 1.5 million.

The proponent is familiar with the mining laws and regulations of the Philippines. The company has the claim as it is only a matter of developing the property and recovering the gold.

#### JOINT VENTURE SUITABILITY

##### Motivation

Although the proponent is in the coal mining business, it filed and got a claim for a gold mine site. The claim properties have total reserves of 20 million short tons of ore with an estimated yield of 1.5 grams of gold per short ton. While it already owns the claim, it does not have the financial capability to start operations.

The company is studying two options for the project. The first option would entail the large-scale operation of the property by a foreign investor. In this case, LUYIMIN will collect royalties from the investor. The second option would involve a tie-up with a small-scale investor (local or foreign).

##### Financial Capability

LUYIMIN has outlined two options in mining their claim for gold:

- a) Large-scale mining : this will require the foreign investor to do the mining. LUYIMIN will just collect royalties from the foreigner.
- b) Small-scale mining : this will be a tie-up with a small developer, foreign or local. LUYIMIN will participate with the investor in the development.

##### Scale of Project

The project is large-scale mining and the estimated cost is \$100 million.

##### Project Strength

LUYIMIN has been in the coal mining business since 1974. The proponent is very familiar with the mining laws and regulations of the Philippines. The claim has already been awarded to the company and it is only a matter of developing the property and marketing the product. Geologic testing and analysis can be done in the country.

PROJECT : EXPANSION OF SHIPPING SERVICE PROJECT NO. 100  
PROJECT COST : TO BE DETERMINED  
CONTACT PERSON : Mr. Florentino Palacio, President

COMPANY PROFILE

Palacio Shipping, Inc. is one of the many shipping companies in Cebu. Established in 1979, it has an annual gross revenue of US\$ 3 million. Its main service is freight forwarding with a secondary service of ferrying inter-island passengers. The company's routes cover the Visayas and Northern Mindanao area which makes it knowledgeable of the shipping market in the area.

The firm currently operates ten boats with an average tonnage of 600 dead weight tons. Eight of the ships are used for cargo while the other two are used to ferry passengers.

PROJECT PROFILE

Traffic to and from the trading province of Cebu, the Philippines' second largest city, has dramatically increased since 1986. Demand for inter-island cargo and passenger shipping, especially in areas where air transport is not present, has never been greater.

The proponent's original proposal (during the November 1988 Forum) of acquiring three additional ships (one for passenger, two for cargo) is already being realized. The proponent has acquired two cargo ships of 1,500 and 1,200 metric tons and is currently negotiating for one passenger ship at 250 - 300 tons dead weight capable of carrying between 400 - 500 passengers.

The company, however, still desires to further expand its services with another four ships. With a foreign partner, the company wants to acquire two 1,200 ton cargo ships and another two 300-ton passenger ships capable of carrying 400-500 passengers each. The vessels can either be purchased or leased.

The project cost will be determined by the age and tonnage of prospective ships and other capital requirements should a foreign investor desire to establish a new company to operate the boats.

Palacio Shipping is willing to convert its existing assets and capital for a new venture with a foreign investor. In this case, a new company will be set up for the joint venture. The company is willing to allow to lease the ships from a foreign investor.

The proponent prefers 17 year old ships which will be depreciated and sold. This allows investment to be recovered within 10 years. Although foreign investors might prefer new ships, the proponent feels that he can convince them to

acquire six ships instead.

Palacio Shipping envisions the company to eventually service the farther neighboring islands, like Palawan, in the long term.

#### JOINT VENTURE SUITABILITY

##### Motivation

Traffic to and from the trading province of Cebu, the Philippines' second largest city, has dramatically increased since 1986. Demand for inter-island cargo and passenger shipping, especially in areas where air transport is not present, has never been greater.

To take advantage of this demand, the proponent has acquired two cargo ships of 1,500 and 1,200 metric tons and is currently negotiating for one passenger ship at 250 - 300 tons dead weight capable of carrying between 400 - 500 passengers.

The company, however, still desires to further expand its services. With a foreign partner, the company wants to add two more 1,200 ton cargo ships and another two 300 ton passenger ships capable of carrying 400-500 passengers per vessel.

Another way in which the company can do business with a foreign investor will be one in which the foreign party provides the ships and Palacio Shipping leases the vessels from the foreign company.

##### Financial Feasibility

Palacio Shipping is willing to convert its existing assets or capital for a new venture with a foreign investor. In this case, a new company will be set up for the joint venture.

##### Costs of Investment

The project cost will depend on the age and tonnage of the ships to be acquired. Other capital requirements needed to start-up the project will also be included in the project cost.

The proponent prefers 17 year old ships which will be reacquired and refitted. This allows investment to be recovered within two years. Although foreign investors might prefer new ships, Mr. Palacio feels that he can convince them to acquire used ships instead.

##### Project Summary

Palacio Shipping needs the cargo and passenger shipping services to be provided in the northern Mindanao area.



PROPOSANT : PHILIPPINE AGRO-INDUSTRIAL CORPORATION  
PROJECT : CORN STARCH PROJECT NO. 37  
PROJECT COST : NOT APPLICABLE (NEEDS TECHNICAL EXPERTISE ONLY)  
CONTACT PERSON: Mr. Virgilio Ang, V.P. Operations.  
Mr. Jheri Gomez, Finance Head

### COMPANY PROFILE

Philippine Agro-Industrial Corp. was established in 1974. It has an authorized capitalization of US\$ 909,000 with 65 percent already subscribed and paid-up.

The firm is 100 percent Filipino-owned and sells all its products in the domestic market. The company has annual gross sales of US\$ 1.145 million. Their plant in Maasin, Niodao Saungon, Bukidnon has a daily plant capacity of 50 metric tons.

### Project Profile

Demand for corn starch is increasing with market prices being more stable than cassava starch. The company would like to take advantage of this opportunity by installing a corn starch processing equipment together with its cassava starch. The capacity is planned at 100,000 50 kilogram bags of corn starch per year. The original equipment design was later estimated at US\$ 9.5 million. However, the company was able to design a new set of equipment that reduced the project cost to US\$ 454,000.

When the proponent's project proposal was submitted during the 1980 Investments Forum, the project was estimated to cost US\$ 600,000.

The firm has no outstanding long-term loan and the Philippine State Bank is willing to grant a loan of 20% of the project cost.

The company has developed expertise in plant but has not yet installed any plant. They need technical expertise in order to verify their design and to correctly choose the technology needed.

### JOINT VENTURE SUITABILITY

#### Motivation

Demand for corn starch is increasing with market prices being more stable than cassava starch. The company would like to take advantage of this opportunity.

The company is confident that the design will be completed and installed within the project.

Financial Capability

The company is very liquid. It is authorized to issue US\$ 900,000 and US\$ 500,000 is already subscribed and paid up. It has no outstanding long-term loan and the Philippine National Bank is willing to grant a loan of US\$ 454,000 for the project.

Scale of Project

The original equipment design was estimated at US\$ 9.5 million. However, the company was able to design a new set of equipment that reduced the project cost to US\$ 454,000.

Project Strength

The proponent was able to reduce the project cost to no more than five percent of the original estimate. Aside from the substantial reduction in cost, infrastructure is already in place.

PROPOSER : R. O. ANG ENTERPRISES  
PROJECT : COCO OIL PROCESSING PLANT PROJECT NO. 120  
PROJECT COST : US\$ 250,000  
CONTACT PERSON : Mr. Roberto O. Ang, Proprietor

#### COMPANY PROFILE

R. O. Ang Enterprises is a sole proprietorship owned and operated by Mr. Roberto Ang. It was established in 1901 and is involved with grain processing and trading.

The major products are rice and rice bran and the average gross sales is US\$ 3 million. Entire sales go to the domestic market.

#### PROJECT PROFILE

Mr. Ang is interested in setting up a coconut and palm oil processing plant. The products will be sold to the domestic market. The proponent is open to export possibilities but a foreign party will have to facilitate export sales.

The estimated project cost is US\$ 250,000. The investment cost will be raised through infusion of equity (US\$ 130,000) and a long-term loan (US\$ 120,000). The proponent is amenable to a 40(local)-40(foreign) share of the equity.

The raw materials for the plant are copra, soy beans, palm kernel and peanuts. All of these are available domestically and near the project site. Copra will be the major raw material as coco oil will be the main product.

The plant's capacity will be determined together with the foreign partner. Raw material supply is not a problem as the proposed site is located in a rural area. What is more important is the availability of skilled labor and equipment. Mr. Ang believes that a certain amount of investment is needed to make the project viable.

Since majority of production will go to the domestic market, it may be hard to convince investors to come in because of the foreign exchange risk. The investment will be in foreign currency while the earnings will be in Philippine pesos. Investors who are not familiar with currency fluctuations may hesitate to put money in the project.

Mr. Ang has had a similar project in the past. The original site proposed for the project was a rural area. The site is now a rural area. The site is now a rural area. The site is now a rural area.

The proponent's current plan is to set up the project at a rural area. The site is now a rural area. The site is now a rural area. The site is now a rural area.

Mr. Ang's weaknesses lie in the technological and managerial aspects of operating a processing plant. Equipment with a high extraction rate are not available locally. This unfamiliarity with the equipment and machinery may make the transfer of technology slow. The foreign partner must be able to offer the technical and managerial expertise to allow a smooth transfer of technology.

### JOINT VENTURE SUITABILITY

#### Motivation

The abundance of raw materials and idle land made Mr. Ang seriously consider the project. He also wanted to utilize his trucks after it delivered the milled rice. These trucks were usually empty after the delivery and the area was a good source of raw materials for the project.

Mr. Ang will need fresh equity and loans to partly finance the project, specially the equipment for the plant. He will also need help in managing the operations of the plant as he does not have the necessary expertise to do so.

#### Financial Capability

The project cost is estimated at US\$ 650,000. Almost half of the estimated cost (US\$ 320,000) will be financed by a long-term loan. The remaining balance will be financed by equity with a proposed 40(local):40(foreign) equity share.

Mr. Ang can negotiate for a long-term loan with one of the banks in the area.

#### Scale of Project

The project is estimated to cost US\$ 650,000. Its size is small by international standards.

Since repatriation of earnings will go to the investor abroad, it may be hard to get local investors to back it because of the foreign exchange risk. The investment will be in foreign currency while the earnings will be in Philippine pesos. Investors who are not familiar with currency fluctuations may hesitate to put money in the project.

#### Project Strength

Mr. Ang has land available for the project. The original site intended for the project was sold for a second rice mill. However, there is still some available for an oil processing plant.

Mr. Ang's business connections and his experience in the necessary skills of negotiating with the government. His current line of business also gives the project a higher priority.

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Milled rice are delivered by Mr. Ang's trucks to buyers in areas where the raw material for the project are located. Thus, the trucks can be used to transport the raw materials after the delivery of the rice.

Mr. Ang's weaknesses lies in the technological and managerial aspects of operating a processing plant. Equipment with a high extraction rate are not available locally. This unfamiliarity with the equipment and machinery may make the transfer of technology slow. The foreign partner must be able to offer the technical and managerial expertise to allow a smooth transfer of technology.

PROponent : RNF ENTERPRISES  
PROJECT : RUBBER SURGICAL & ALL-PURPOSE PROJECT NO. 73  
          GLOVES AND PROPHYLACTICS  
PROJECT COST : US\$ 5.45 MILLION  
CONTACT PERSON: Mr. Rafael Fortich, General Manager

COMPANY PROFILE

RNF Enterprises is a trading company established in 1980. It has an authorized capital of US\$ 227,000 and a paid-up capital of US\$ 56,800.

The firm is based in Cagayan de Oro City and is affiliated with other companies owned by the family members. Annual turnover from the different companies reach US\$ 379,000.

PROJECT PROFILE

The project proposal is to manufacture rubber surgical and all-purpose gloves and prophylactics. The proponent of the project, Mr. Rafael Fortich, was able to contact a ready buyer for the products should this project become operational.

Since the proponent does not have any manufacturing experience, foreign investment will be greatly needed not only in a financial capacity but also in the technology and expertise required to establish the project.

A new corporation will be formed for this project. Equity between RNF and interested foreign parties is negotiable. The estimated capital capacity of the local group is between 30 percent to 40 percent of the total project cost of US\$ 5.45 million. Foreign investors may invest up to 40 percent of the stockholder's equity.

The products will be 100 percent for export. The initial estimate is to export the products to Hongkong for distribution to the United States and Europe.

However, the firm can also enter into a long term sales agreement for the distribution of these products with other interested buyers. Production target is set at a minimum of 10 million finished pair gloves and prophylactics per month.

The plant will be located in an industrial estate. Electricity and other utilities, communication and port facilities, water supply and other infrastructural requirements are available and readily accessible in the estate. Raw materials and labor are also in plentiful supply.

JOINT VENTURE SUITABILITY

Motivation

There has been a recent surge in the demand for rubber surgical and all-purpose gloves and prophylactics. A big factor for this is AIDS.

The proponent of the project, Mr. Rafael Fortich, has a ready buyer for his production should this project become operational.

Since the proponent does not have any manufacturing experience, foreign investment will be greatly needed not only in a financial capacity but also in the technology and expertise to establish the project.

Financial

The project will require that a new corporation be formed. Equity between RNF and interested foreign parties is negotiable. The estimated capital capacity of the local group is between 30 percent to 40 percent of the total project cost set at US\$ 5.45 million.

Scale of Project

The project is estimated to cost US \$5.45 million.

Project Strength

The plant will be located in an industrial estate. Electricity and other utilities, communication and port facilities, water supply and other infrastructure requirements are available and readily accessible in the estate. Raw materials and labor are also in plentiful supply.

A good working relationship has been established with the Fortich family in Ecuador, a strong country in all these aspects.

The firm is willing to enter into long term agreements for the distribution of its products.

PROPOSER : SILAY-SARAVIA FOOD CORPORATION

PROJECT : AGRI-BASED FOOD PROCESSING

PROJECT NO. 123

PROJECT COST : US\$ 1.3 MILLION

CONTACT PERSON : Mr. Gerardo L. Ledesma, Socio-Economic Director

#### COMPANY PROFILE

Silay-Saravia is a 100 percent Filipino-owned corporation. It has an authorized capital of almost US\$ 50,000 which is fully subscribed and 90 percent of which is paid-up.

The corporation was established in 1983 and has supplied nutritious snack food for the UNICEF and to CARE until 1989. Dog-food and infant's weaning food are also manufactured.

The proponent has the advantage of having an existing plant utilizing new German technology. Skilled labor is also available. Raw material supply is assured because the suppliers are farmers who have a contract to grow the raw materials for the company. These farmers come from the city's sugar plantations and they use the land shared by the owners to grow the necessary farm produce.

#### PROJECT PROFILE

The impetus for the project stems from the underutilized capacity of the plant and the presence of abundant raw materials. Actually, the project is already underway but Silay Saravia still feels it is deficient in product development and access to foreign markets.

With product development and the marketing expertise of a foreign partner, the project is envisioned to export at least 70 percent of the plant's production.

The capacity utilization is less than 50 percent of the plant's rated capacity of 400 kilograms per hour. The company is in need of a partner who would go into new product development and at the same time lend marketing expertise. There is a preference for German investors interested in the Asian market as the company's equipment are made from Germany.

Expansion will depend on the needs of the foreign partner and the capacity utilization of the plant. If there is a need to expand, the plant has enough space for additional machinery and equipment. The equipment is designed in modules so it would be easy to expand the capacity.

The corporation has a weak financial condition and may not be able to put in cash equity if requested. However, they want to use the fixed assets of the corporation as its equity share in a joint venture.



If expansion is necessary, the project cost is US\$ 1.3 million for a 1,100 kilogram per hour capacity. The foreign partner may invest in up to 40 percent of the equity of the project. While the project investment needs are small by international standards, it is a large capital outlay for Philippine firms, especially for the company.

#### JOINT VENTURE SUITABILITY

##### Motivation

The impetus for the project stems from the underutilized capacity of the plant and the presence of abundant raw materials. Actually, the project is already underway but Silay Saravia still feels it is deficient in product development and access to foreign markets.

##### Financial Capability

The corporation has a weak financial condition and may not be able to put in fresh equity if requested. However, they want to use the fixed assets of the corporation as its equity share for the joint venture.

##### Scale of Project

The project cost is US\$ 1.3 million. While the project investment needs are small by international standards, it is a large capital outlay for Philippine firms, especially for the company.

##### Project Strength

The proponent has the advantage of having an existing plant utilizing new German technology. Skilled labor is also available. Raw material supply is assured because the suppliers are farmers who have a contract to grow the raw materials for the company. These farmers come from the city's agricultural zone and they use the land shared by the owner to grow the necessary farm produce.

While the production of high quality goods is assured, the company has been unable to market the goods effectively. The company does not have the necessary marketing expertise to realize the project's potential.

PROPOSANT : SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY (SPDA)  
PROJECT : SOYA BEAN PLANTATION AND PROCESSING PLANT PROJECT NO. 122  
PROJECT COST : US\$ 6.0 Million  
CONTACT PERSON : Mr. Solomon Badoy, Administrator, or  
Mrs. Virginia Uy, OIC, Corplanning, or  
Mr. Esa Bayani, Manager, Planning

COMPANY PROFILE

SPDA is a wholly-owned government corporation established in 1975. It is tasked with the economic development of the Southern Philippines. It has an authorized capital of almost US\$ 24 million which is fully subscribed and 68 percent of which is already paid-up.

The corporation has various subsidiaries and affiliates engaged in the production of feeds, poultry, organic fertilizers, coco fibers, salt, fish, etc. The average annual gross sales is US\$ 1.7 million.

PROJECT PROFILE

Soya bean is mostly imported by the country. Therefore, the development of a commercially viable soya bean plantation will benefit the farmers who are the target beneficiaries of the project.

The project has two phases. The first involves the development of a soya bean plantation and the second is the operation of a processing plant to produce refined soya bean oil and soya meal. The planned capacity of the processing plant is five metric tons of refined soya bean oil and 20 metric tons of soya meal per day.

The estimated total cost of US\$ 6 million includes the processing plant. However, EPI- is still in the research and development stage as a variety has not yet been developed. The processing plant will have to wait until the variety has been developed.

While the agency is financially stable, it cannot scatter its resources in projects that are still in the development stage. The agency has to focus its resources on existing income-generating projects. Thus, the project, which is still in the development stage, must be financed through other sources.

As a result of the project, the agency cannot be sold in a joint venture with a foreign investor. However, they would want to be financed through a joint venture. The agency has already submitted the project to the Department of Agriculture - Bureau of Plant Industry, and is currently on an Italian grant. The project is also being considered by the National Economic and Development

Authority.

Prospects for the project are good as it would be easy to persuade the farmers to diversify or intercrop with soya beans. Soya beans are mostly imported and the planned capacity of the project is only a small portion of the national demand. Already, a multinational corporation operating in the country has signified its intentions of purchasing the produce of the project once it has reached commercial quantities.

### JOINT VENTURE SUITABILITY

#### Motivation

Tasked with the economic development of Southern Philippines, SFDA is embarking on a soya bean plantation project. Soya bean is mostly imported by the country. Therefore, the development of a commercially viable soya bean plantation will benefit the farmers who are the target beneficiaries of the project.

#### Financial Capability

The estimated project cost of US\$ 6 million includes the processing plant. However, SFDA is still in the research and development stage as a variety has not yet been developed. The processing plant will have to wait until the variety has been developed. The funds will have to be used for the projects research and development work.

While the agency is financially stable, it cannot scatter its resources in projects that are still in the development stage. The agency has to focus its resources on income-generating projects. Thus, the project must be financed through external sources.

#### Scale of Project

The project is estimated to cost US\$ 6 million. However, the updated estimate is not yet available as SFDA has not yet developed a variety that would be commercially viable. Until such time when the variety is developed, the processing plant will have to be shelved temporarily.

#### Project Strength

The agency has already applied for a grant from the Italian government. The application is now with the Department of Agriculture for endorsement.

Prospects for the project are good as it would be easy to persuade the farmers to diversify or intercrop with soya beans. Soya beans are mostly imported and the planned capacity of the project is only a small portion of the national demand. Already, a multinational corporation operating in the country has signified its intentions of purchasing the produce of the project once it has reached commercial quantities.

PROPOSEMENT : STO. TOMAS INTEGRATED DEVELOPMENT COMPLEX  
PROJECT : ORGANIC FERTILIZER FROM

PROJECT NO. 65

AGRICULTURAL WASTE

PROJECT COST : US\$ 515,000 - 407,000  
CONTACT PERSON : Mr. Mariano Solis, PropONENT

COMPANY PROFILE

The incorporation papers of the company are still in process with the Securities and Exchange Commission (SEC) pending the acceptance of the project proposal for funding purposes. Most of the incorporators and key officials have extensive experience in either agriculture or agri-business. The President and Chairman of the Board is a producer of coffee, cacao, pomelo and rambutan aside from being the President and Manager of a rural bank located near the site. Another incorporator has developed a technology in producing fertilizer from agricultural waste.

PROJECT PROFILE

The propONENT is actually interested in the fertilizer project as peripheral support for a planned farmer's cooperative. It is actually the first part of a two phase, long-term development plan which would involve the formation of a cooperative to make available easy financing, transfer of technology, contract growing, etc. to the farmers in the area.

The project proposes to manufacture fertilizer from agricultural waste which is found in large quantities in the area. The planned capacity is 150,000 50 kilogram bags per year which is to increase by 20 percent annually until 1974.

Raw materials for the project are available for the project in the form of accessibility on a pig-based economy. Technology for producing the agricultural waste is already available.

The production of easy credit for the fertilizer will be done by the farmer's cooperative, which will be organized by the propONENT.

The financial requirement for the fertilizer project is easily covered by the cooperative. However, the propONENT's resources, including financial resources, are concentrated on the cooperative. The propONENT is looking for soft loans or grants to start the cooperative which is his primary concern for the project.

The propONENT stated that the fertilizer project is from the STO. TOMAS INTEGRATED DEVELOPMENT COMPLEX project. The fertilizer project is a part of the STO. TOMAS INTEGRATED DEVELOPMENT COMPLEX project. The fertilizer project is a part of the STO. TOMAS INTEGRATED DEVELOPMENT COMPLEX project.

JOINT VENTURE SUITABILITY

Motivation

The proponent would like to develop the farmers' cooperative. However, he is still interested in the fertilizer project as this is needed to support the farmers' cooperative.

Financial Capability

The proponent's 60 percent share in the project will range from US\$ .17 - .24 million. It is not known whether this can be raised by the proponent.

Scale of Project

The fertilizer project is estimated to cost between US\$ .318-.409 million.

Project Strength

Raw materials for the project are available for the project as the area is predominantly an agri-based economy. Technology for converting the agricultural waste is already available.

The market is already determined as the fertilizer will be used by the farmers' cooperative. The cooperative will be organized by the proponent.

The financial requirement for the fertilizer project is small compared to the cooperative. However, the proponent's resources, including financial resources, are concentrated on the cooperative.

PROPONENT : SUGECO EXPORT CORP.  
 PROJECT : SHRIMP WASTE PROCESSING PROJECT NO. 34  
 PROJECT COST : TO BE DETERMINED  
 CONTACT PERSON : Concepcion Lua, President/Gen. Manager  
 Melody Macaraig, Executive Assistant

COMPANY PROFILE

Sugeco Export Corporation was established and registered with the Board of Investments and the Securities and Exchange Commission in 1984. It has an authorized capital stock of US\$ 909,000 and a paid-up capital of US\$ 227,000.

The company started its operations in 1984 and its main product lines are shrimps and prawns which are exported to Japan and the U.S.A. The firm's other marine products are octopus, grouper, mackerel, red snapper, lobster tails, squid, fillets and shark. Value-added products are also available such as cooked shrimps and breaded shrimps. All of these products are exported.

For the past three years, the company was able to maintain its position as one of the top ten export producers of shrimps in the Philippines. The company's export sales for the past three years are as follows:

	<u>1986</u>	<u>1987</u>	<u>1988</u>
SALES	\$4,032,722	\$5,120,719	\$9,521,739

PROJECT PROFILE

The company is producing wastes of about 40-60 metric tons of shrimp heads per month. The shrimp head constitutes about 40 percent of the whole shrimp but it is of low commercial value to prawn processors. The company then sought potential uses of the wastes to increase its commercial value.

The proponents came up with CHITIN and CHITOSAN. Both derivatives have been found to have industrial applications. These may be used for pharmaceuticals, by packaging manufacturers, and poultry and livestock raisers. Due to its potential uses, the demand for this kind of product could conceivably be immense in the local and export market.

This is a pioneering project inasmuch as the technology for this process has not been developed and is unavailable in the country. Although the company was able to extract the chemical in the laboratory, research and development is on-going and the company seeks a joint venture with a foreign company who can supply the technology and equipment for producing the derivatives in commercial quantities. As the project is still in the experimental stage, there is no estimate available for the project cost.

Raw material supply is not a problem as the country is a major exporter of shrimp and prawns. Some are exported without the head as specified by the buyers. Thus, there is an abundant supply of raw material at low prices.

The company is financially strong. However, most of its funds are concentrated in its other projects. Thus, any new project may have to be financed from external sources.

#### JOINT VENTURE SUITABILITY

##### Motivation

The company is producing wastes of about 40-60 metric tons of shrimp heads per month. The shrimp head constitutes about 40 percent of the whole shrimp but it is of low commercial value to prawn processors.

Prior to strict pollution measures, these were being sold as shrimp meal to feed manufacturers. The company then sought other potential uses of the wastes to increase its commercial value.

The proponents came up with CHITIN and CHITOSAN. Both derivatives have been found to have industrial applications. These may be used for pharmaceuticals, by packaging manufacturers, and poultry and livestock raisers.

Due to its potential uses, the demand for this kind of product could conceivably be immense in the local and export market. Unfortunately, the technology is not yet available in the country. This is why the company is interested in entering into a joint venture with a foreign investor who would supply the necessary technology and equipment.

##### Financial Capability

The company is financially strong. However, most of its funds are concentrated in its other projects. Thus, any new project may have to be financed from external sources.

##### Scale of Project

If the technology for extraction is developed, the project can grow to a large-scale project. Because of the unavailability of technology as it would be a pioneering project in the country, the proponent is unable to give a figure for project cost at this time.

##### Project Strength

Although the project is still in its infancy stage, it has a lot of potentials. Chitosan has a lot of industrial applications. If the extraction rate can be increase to make it commercially viable, this could start a new industry.

Raw material supply is not a problem as the country is a major exporter of shrimp and prawns. These are exported without the head as specified by the buyers. Thus, there is an abundant

supply of raw material at low prices.



PROponent : SV AGRO-INDUSTRIES ENTERPRISES, INC.  
PROJECT : "TURTLE" POWER TILLERS AND SECONDARY PRODUCTS PROJECT NO. 91  
PROJECT COST : US\$ 1.0 Million  
CONTACT PERSON : Mrs. Magdalena Villaruz, President or  
Mr. Ramon Buenaflor, Financial Consultant

#### COMPANY PROFILE

Established in 1977, the company is 100 percent Filipino and family-owned (Villaruz Family). SV Agro manufactures motorized farm implements: a "Turtle" power tiller, the "MAC" rice thresher, the "SV" corn sheller, the "MAGS" power tiller and a grain stripper assembly. They sell most of their products to the Visayas-Mindanao area and to a lesser degree, Luzon.

The company's annual gross income averages US\$ 0.4 million. Present plant capacity is 1,500 units per year for the Turtle power tiller and 300 to 400 units per year for the secondary products. Production is dependent on demand and agricultural seasons.

Financially, the company is healthy although they will not be able to afford their desired expansion in the near term (1 to 3 years). Any fresh equity infusion from the proponent would be limited to between US\$ 0.136 million and US\$ 0.227 million.

The proponent has built a name for quality and efficient products. Its power tiller has already been proven abroad in West Africa. The company has the skill and labor requirements. Necessary raw material inputs are available although steel may become a problem in the medium term due to increased demand for steel all over the country.

A domestic distribution network is already existing. The company has also established international business contacts with most ASEAN countries.

It is worthwhile to note that the proponent does not have an international patent for their "Turtle" power tiller, though a Philippine patent has been obtained.

#### PROJECT PROFILE

A joint venture is desired by SV Agro primarily to gain access to foreign markets. Secondly, the proponent wishes to link up with an existing small engine manufacturer. The objective is to manufacture the foreign counterpart's products in the Philippines.

They are seriously considering the export of their main product, the "Turtle" power tiller. Working capital will also be expected from the foreign party to meet increased demand for the proponent's agricultural machinery products, more

particularly the "Turtle" power tiller, and other agricultural machinery.

Italian partners are preferred because of their proximity to the West African market where the company feels the product is highly marketable.

The proponent intends to increase production to 2,500 units per year for the "Turtle" power tiller. The project is expected to cost US\$1 million. Although it may be small by international standards, the product's suitability for Third World farming technology makes it look promising. All it needs is a good marketing program to prove its worth in the export market.

### JOINT VENTURE SUITABILITY

#### Motivation

A joint venture is desired by SV Agro primarily to gain access to foreign markets. Secondly, the proponent wishes to link up with an existing small engine manufacturer. The objective is to manufacture the foreign counterpart's products in the Philippines. An Italian firm is the preference because of the country's proximity to West Africa which is the company's target market for exports.

#### Financial Capability

Financially, the company is healthy although they will not be able to afford their desired expansion in the near term (1 to 3 years). Any fresh equity infusion from the proponent would be limited to between US\$ 0.136 million to US\$ 0.227 million.

#### Scale of Project

The project is expected to cost US\$1 million. Although it may be small by international standards, the product's suitability for Third World farming technology makes it look promising. All it needs is a good marketing program to prove its worth in the export market.

#### Project Strength

The proponent has built a name for quality and efficient products. Its power tiller has already been proven abroad in West Africa. The company has the skill and labor requirements as well as raw material inputs. Steel, though, may become a problem in the medium term due to increased demand all over the country.

A domestic distribution network is already existing. The company has established international business contacts with most ASEAN countries, Italy and West Africa.

It is worthwhile to note that the proponent does not have an international patent for their "Turtle" power tiller, though a Philippine patent has been obtained.

PROPOSANT : TRADEWINDS RATTAN AND HANDICRAFTS, INC.  
PROJECT : WOODEN CASE GOODS PROJECT NO. 56  
PROJECT COST : US\$ 919,000  
CONTACT PERSON : Robert D. Lim, Vice-President

COMPANY PROFILE

Tradewinds Rattan was established in 1978 with an authorized capital of around US\$ 45,400, all of which are already paid-up. It is applying with the Securities and Exchange Commission to increase its capitalization to US\$ 227,000.

The firm manufactures and exports rattan furniture. Other products are case goods, assembled units, wooden day beds and wicker designs.

The company's annual gross sales is around US\$ 2.7 million. Sixty percent of its products are exported to the U.S.A. and 40 percent to other countries like Japan and Europe.

The company is currently producing case goods and panels which are being purchased by an American firm on an exclusive basis.

PROJECT PROFILE

The company has a new project which is to manufacture assembled wooden case goods. The company has been manufacturing semi-finished case goods which are assembled at the country of destination. Recently, it was able to manufacture complete furnitures which was tested and accepted by buyers. The project is estimated to cost US\$ 919,000. The proponent would like to engage a foreign partner, preferably a European, who will provide the design, tools, technical training and market access for the assembled case goods.

The proponent will set-up a new company for the project and the equity share will be 60 percent for the local counterpart and 40 percent for the foreign investor. The company is financially capable of raising its proposed share of the project cost. The land for the proposed project site is ready for construction.

The project proposed is small by international standards. However, proper development could eventually lead to a larger-scale project if the product is accepted in the export market.

JOINT VENTURE SUITABILITY

Motivation

The company has been manufacturing semi-finished case goods which are assembled at the country of destination. Recently, it was able to manufacture complete furnitures which was tested and accepted by buyers. The proponent would like to engage a foreign partner, preferably a European, who will provide the

design and tools and market access for the assembled case goods.

Financial Capability

The company is financially capable of raising its proposed share of the project cost which is estimated at US\$ 919,000.

Scale of Project

The project proposed is small by international standards. However, proper development could eventually lead to a large-scale project if the product is accepted in the export market.

Project Strength

The company's experience in manufacturing semi-finished wooden case goods is an advantage to the project. However, technical training is still needed in the assembly methods as this is still new to the proponent.

The company is currently producing case goods and panels which are being purchased by an American firm on an exclusive basis.

PROPOSER : UNIQUE FORMS INTERNATIONAL, INC.  
PROJECT : STONECRAFT PROJECT NO. 137  
PROJECT COST : NOT APPLICABLE (NEEDS MARKET ACCESS ONLY)  
CONTACT PERSON : Dr. Carlos Ting, President

COMPANY PROFILE

Unique Forms International, Inc. was registered with the SEC in 1987 and started operations in the same year. It has a paid-up capital of US\$ 82,000 with an authorized capitalization of US\$ 227,000. The company is located on a sprawling 9,000 square meter lot in Pagsabungan, Mandaue City, Cebu, Philippines.

The company, established at the start of industry's boom in 1987, manufactures stone-in-laid furnitures and house decors for the export market. At that time, the demand for the product was high. The designs and quality were widely accepted by the buyers in the US which is the company's major market.

The company is currently producing medium- to high-end stone-in-laid furnitures and house decors (stonecraft) for export. The machinery and equipment are brand new with a rated production capacity equivalent to five forty-footer container vans per month. The company employs approximately 50 highly skilled workers who have previously worked in other factories in Cebu and Mandaue cities. Administration and marketing activities are handled by seven personnel. Currently, 95 percent of its sales go to the US market with the rest going to other foreign markets and the domestic market.

The plant has a capacity to ship five to six containers of stonecraft per month. If there is a need to increase the capacity of the plant, the site has ample space for it. The raw material requirement can still be supplied if the increase is substantial.

The company believes that its production method and facilities are superior to other stonecraft manufacturers. They have a reliable source of raw materials and they can easily adapt to current trends in stonecraft.

Currently, very few orders are being accepted because of the low prices offered by the buyers. This was a result of the unpoliced subcontractors who manufactured low quality products by using cheap substandard materials. Traders noted the poor quality of stonecraft and began offering lower prices or reducing the volume of orders. Other manufacturers who maintained their quality were also affected. In order to correct the situation, the Stonecraft Association of the Philippines is urging its members to maintain price and quality levels to protect the industry.

## PROJECT PROFILE

The company is currently producing one to two containers per month out of its five to six containers per month capacity. There is a slowdown in the demand for its products in the US. The company wants to diversify to other markets, preferably Europe, to take up the slack caused by the low demand in the US market.

Financing is not required as the company's main problem is its underutilized capacity. Market access is needed in order to increase capacity utilization.

The company has taken steps to excel in a highly competitive market by focusing on product development, quality control and productivity improvement. Unique Forms is confident that with its superior production facilities, a firm hold on continuous and reliable supply of raw materials and its keen awareness of the market's requirement, it shall become one of the leading manufacturers of stonecraft furnitures in Cebu in 1990.

## JOINT VENTURE SUITABILITY

### Motivation

The company, established at the start of industry's boom in 1987, manufactures stone-in-laid furnitures and house decors for the export market. At that time, the demand for the product was high. The designs and quality were widely accepted by the buyers in the US which is the company's major market.

Presently, there is a slowdown in the demand for its products in the US. The company wants to diversify to other markets, preferably Europe, to take up the slack caused by the low demand in the US market.

### Financial Capability

Financing is not required as the company's main problem is its underutilized capacity. Market access is needed in order to increase capacity utilization.

### Scale of Project

The plant has a capacity to ship five to six containers per month. If there is a need to increase the capacity of the plant, the site has ample space for it. The raw material requirement can still be supplied if the increase is substantial.

### Project Strength

The company believes that its production method and facilities are superior to other stonecraft manufacturers. They have a reliable source of raw materials and they can easily adapt to current trends in stonecrafts.

Currently, very few orders are being accepted because of the low prices offered by the buyers. This was a result of the unpoliced subcontractors who manufactured low quality products by using cheap substandard materials. Traders noted the poor quality of stonecrafts and began offering lower prices or reducing the volume of orders. Other manufacturers who maintained their quality were also affected. In order to correct the situation, the Stonecraft Association of the Philippines is urging its members to maintain price and quality levels to protect the industry.

PROponent : UNITED FERCON INTERNATIONAL, INC.  
PROJECT : MANGO PROCESSING PROJECT NO. 24  
PROJECT COST : US\$ 1.1 MILLION  
CONTACT PERSON : Mrs. Balen Consunji, Assistant General Manager

COMPANY PROFILE

United Fercon International is a family-owned corporation with an authorized capital of US\$ 45,450 which is fully subscribed and paid-up. This will be increased to US\$ 450,000 if a joint venture pushes through. The company was established in 1977 and makes dried mangoes, mango puree and frozen mangoes. It also packages and sells fresh mangoes. These products are currently sold to the domestic market under the Green Farms brand name. Annual gross sales average US\$ 46,500 on a combined production (dried mangoes, mango puree and frozen mangoes) of ten tons per month.

The company enjoys the advantage of having access to a good supply of mangoes. It has orchards and regular sources of mangoes in the area. It also has the necessary skills to process the mangoes for the export market although it needs new equipment to increase its capacity. However, the proponents do not have the expertise to market the product abroad.

PROJECT PROFILE

The company wants to export mango products because of the high price it commands in the export market. However, it is not capable of implementing the project alone. The company plans to export 90 percent of its new production capacity and leave ten percent for the local market. It will need assistance in gaining access to foreign markets to achieve this objective.

United Fercon wants to expand its dried mango processing and modernize its frozen mango operation. It plans to increase its dried mango production to four tons per month or 48 tons per year. This will require the acquisition of new equipment (slicing machines, dryers) which would form the bulk of the estimated cost of the project.

The project is estimated to cost US\$ 1.1 million. The proponent is willing to allow their foreign partner to own as much as 40 percent of the business.

JOINT VENTURE SUITABILITY

Conclusion

The company wants to export mango products because of the high price it commands in the export market. However, it is not capable of implementing the project alone. It needs a foreign partner who will manage the export marketing side of the project.



Financial Capacity

Currently, the company has an authorized and paid-up capital of around US\$ 45,000. This will be increased to US\$ 450,000 if the joint venture pushes through.

Scale of Project

Although the cost of the equipment has doubled, the project's size is still small by international standards. Foreign investors may not be interested in investing in small-scale projects. However, if it will involve only the marketing of the products, interest may be aroused as the relationship is not long-term in nature.

Project Strength

The company enjoys the advantage of having access to a good supply of mangoes for the project. It has orchards and regular sources of mangoes in the area. It also has the necessary skills to process the mangoes for the export market although it needs new equipment to increase its capacity. However, the proponents do not have the expertise to market the product abroad.

PROPOSER : VANDA SANDERIANA EXIMPORT CORP.

PROJECT : ORCHID CULTURE

PROJECT NO. 03

PROJECT COST : US\$ 310,000

CONTACT PERSON : Mrs. Asela Tan, Proponent

### Company Profile

Vanda Sanderiana Eximport Corporation is actually the proposed name of an orchid production company. It is not yet registered with the Securities and Exchange Commission but the proponent, Mrs. Asela Tan, will register the proposed company once she has a partner, foreign or local.

The proponent is willing to go into a joint venture with a foreigner. The local proponent will provide land and building as her equity share and technical knowledge. On the other hand, the foreign proponent shall provide financing (equity) for farm development, stocks and culture media. The proposed equity share is 60 percent local and 40 percent foreign. If a joint venture is unlikely, the proponent would like to finance the project through soft loans.

### Project Profile

The orchid culture project actually started in 1980 but it was not able to take off because the focus of attention shifted to another family business (mango processing) which started in 1984. However, recent events indicated that cut-flower and orchid culture were booming with the local waling waling (Vanda Sanderiana) in the forefront. The project proponent would like to take advantage of this opportunity and so she has redirected her attention to the orchid culture project.

The project proponent's present collection will form part of the population of Vanda Sanderiana, which in the first year will be made up of 1,000 mother plants of Sanderiana (local waling-waling), 5,000 topcuts (imported hybrids but locally sourced to avoid trauma), and 1,000 community pots of Sanderiana sourced from Davao and Leyte.

Based on a very conservative projection, year one will see the purchase of 5,000 topcuts which by year two would produce 15,000 plantlets with a mortality of 20 percent.

The 1,000 Sanderiana community pots are projected to give 15,000 seedlings in the first year with a mortality rate of 50 percent. One-half of these will be available for sale in the same year. The other half will be retained as stock.

Mother plants of Sanderiana will be the source of meristems and seeds, 100 percent of which will be used for breeding purposes for the first two years. The production of seed pods which is projected to produce 500 community pots per year, will increase the plant population by 15,000 seedlings.

The country's climate is very conducive to orchid culture. Technology is up-to-date and very accessible. Thus, supply and quality of the orchids are assured. However, the marketing aspect, especially export marketing, needs to be improved. The forward linkage will have to be established by the foreign partner while the local proponent will take care of the production side.

A major drawback to this project is its long gestation period. It will be six (6) years before an exportable volume can be available for shipment. Sales in the domestic market, however, can start after the first year.

This orchid project is estimated to cost US\$ 0.31 million. The objective of the project is to export 90 percent of its production and leave the rest for the local market.

The project will require financing, either through a joint venture or a soft loan, and access to foreign markets.

#### JOINT VENTURE SUITABILITY

##### Motivation

The orchid culture project actually started in 1980 but it was not able to take off because the focus of attention shifted to another family business (mango processing) which started in 1984. However, recent events indicated that cut-flower and orchid culture were booming with the local waling-waling in the forefront. The project proponent would like to take advantage of this opportunity and so she has redirected her attention to the orchid culture project.

The project requires financing, either through a joint venture or a soft loan, and access to foreign markets.

##### Financial Capability

The proponent is willing to go into a joint venture with a foreigner. The local proponent will provide land and building as her equity share and technical knowledge. On the other hand, the foreign proponent shall provide financing (equity) for farm development, stocks and culture media. The proposed equity share is 60 percent local and 40 percent foreign. If a joint venture is unlikely, the proponent would like to finance the project thru soft loans.

##### Scale of Project

At its peak, production capacity will reach 15,000 seedlings. Half of this will be available for sale within the first year and the entire production will be available on the succeeding years.

Project Synopsis

The country's climate is very conducive to orchid culture. Technology is up-to-date and very accessible. Thus, supply and quality of the orchids are assured. However, the marketing aspect, especially export marketing, needs to be improved. The forward linkage will have to be established by the foreign partner while the local proponent will take care of the production side.

A major drawback to this project is its long gestation period. It will be six years before export operations can start. Sales in the domestic market, however, can start after the first year.

PROPOSANT : ZELEV ORGANIC MARKETING  
PROJECT : GUANO PROCESSING PROJECT NO. 18  
PROJECT COST : NOT APPLICABLE (NEEDS MARKET ACCESS ONLY)  
CONTACT PERSON : Mr. Manuel Velez or Mr. Harry So, Proprietor

COMPANY PROFILE

Zelev Organic Marketing is a sole proprietorship established in 1970 and owned by Mr. Manuel Velez. The company is involved in the production of guano-based fertilizers. Guano or bat droppings are collected from caves. These are processed to produce an organic fertilizer. The fertilizers are packaged in bags weighing 50 kilograms each. The present capacity is 30,000 bags per month. The product is sold locally and exported to Japan. The average gross sales is US\$ 33,000 annually.

PROJECT PROFILE

The use of organic fertilizers in lieu of inorganic fertilizers has been increasing, particularly in environment-conscious foreign countries. Admittedly, the plant's capacity is small to satisfy the fertilizer needs of large foreign companies. However, expansion plans are on hold until such time when export orders are firm and show signs of continuing in the long-term.

An analysis of the fertilizer is presented below:

- 1) Nitrogen: Total 0.5 percent  
Nitrogen as  $NH_3$  0.35 percent  
All nitrogen is organic
- 2)  $P_{205}$  : Soluble in  $H_2O$  and citrate = 2.55 percent  
 $P_{205}$  total = 31.8 percent
- 3) K : MD practically absent

The analyses show that it is not a complete fertilizer. Potassium has to be added to complete the fertilizer and the solubility of the fertilizer depends on the type of soil existing in the farm. However, the fertilizer is organic. This means that it is beneficial to the environment unlike inorganic fertilizer which increases the acidity of the soil. Organic fertilizers, on the other hand, take longer to show its effect on the soil compared to inorganic fertilizers.

Currently, the plant is existing and operating with a large inventory. Market access is the company's immediate need. Financing is not needed at the moment. However, if the demand (foreign or local) exhibits a long-term trend of increasing, Mr. Velez is willing to expand the plant's capacity.

JOINT VENTURE SUITABILITYMotivation

In 1988, the company experienced a strike which stopped operations. As a result, many buyers shifted to other sources. After the strike was settled, operations resumed but buyers were slow to respond. The company now has excess inventory which it wants to dispose. To do so, the Zelev must gain access to foreign markets which use organic fertilizers as most of the domestic market utilizes inorganic fertilizers rather than organic fertilizers.

Financial Capability

Financing is not needed at the moment. The plant is already existing and operating. Market access is the company's immediate need. However, if the demand exhibits a long-term trend of increasing, Mr. Velez is willing to expand the plant's capacity.

Scale of Project

Admittedly, the plant's capacity is small to satisfy the fertilizer needs of large companies. However, expansion plans are on hold until such time when export orders are firm and show signs of continuing in the long-term.

Project Strength

Analysis of the fertilizer show that it is not a complete fertilizer. Potassium has to be added to complete the fertilizer and the solubility of the fertilizer depends on the type of soil existing in the farm. However, the fertilizer is organic. This means that it is beneficial to the environment unlike inorganic fertilizer which increases the acidity of the soil. Organic fertilizers, on the other hand, take longer to show its effect on the soil compared to inorganic fertilizers.

Annex C-1  
DATA ON THE FIRST BATCH OF PROSPECTS FOR DENR/DB

ANREMA INDUSTRIES  
P.O. BOX 316 CEBU CITY or  
279 U. BANA AVE.,  
CEBU CITY (PLANT SITE)  
TEL : 74405  
TELEX : 7428007/7584672  
ANITA Y. SANCHEZ  
MANAGING PARTNER

ASIAN ARTS, INC.  
SALVADOR ST., LAPANCOCH, CEBU CITY  
TEL : 7033127/173-78295308  
TELEX : 66225 AGARTI PH  
WILFREDO F. BUENAVISEZ  
VICE-PRESIDENT FINANCE/ADMINISTRATION

BELL INTERNATIONAL  
OFF. NO. 1, MACTAN EXPORT PROCESSING  
ZONE, LAFU LAFU CITY, CEBU  
06110/86114-19  
TELEX : 48729 VSBELL  
INELDA REYCE KNOOP/GEORGE KNOOP  
PRESIDENT/EXECUTIVE VICE-PRESIDENT

BACEDU TRADERS INC.  
Rm. 301 HENCHAVEZ BLDG., ESCARIO St.,  
CEBU CITY  
TEL : 90474  
TELEX : 24722 NIN PH  
PETE DURANO  
CHAIRMAN - PRESIDENT

NORSCOPE FARM DEVELOPMENT CORP.  
MALAYBALAY, BUKIDNON  
PELLO H. CASANOVA, SR.  
PRESIDENT

J AND P ENTERPRISES  
VALENCIA, BUKIDNON  
EMMANUEL ALBUINO  
PROPRIETOR

LUVININ CEBU MINING CORPORATION  
53 W. QUELLAS ST., CEBU CITY  
TEL : 810479/1247  
VICENTE M. TALITA  
GENERAL MANAGER

PALACIO CHIPPING INC  
ZULUETA COR. MARINI STS. CEBU CITY  
FLORENTINO PALACIO  
PRESIDENT & GENERAL MANAGER

THE LUNA GROUP  
305 J. J. LUNA BLDG. OVERPASS II CRO CITY  
CARROLL R. PORTICH  
PRESIDENT

GILAY BARANIA FOOD CORP.  
JOSE LOZAN ST., GILAY CITY,  
NEGROS OCCIDENTAL  
TEL : 51705/24705  
TELEX : 5544 PFARMS PU  
2/F MIDLAND BLDG.  
403 GEN. GIL PUYAT AVENUE  
BARATI, METRO MANILA  
TEL : 915-4532/617-9824  
GERARDO L. LEDECHA  
SECTO ECONOMIC DIRECTOR

SUGGSO EXPORT CORP. TELCO  
BRAN, MANDAUE CITY, CEBU  
TEL : 81681-84  
TELEX : 48175 SUGSIO PH  
CONCEPCION Y. LUA  
PRESIDENT/GENERAL MANAGER

SV AGRO-INDUSTRIEC ENTERPRISES INC.  
415 COMMISSION CIVIL ST., PARO,  
ILOILO CITY  
TEL : 79325/79912  
TELEX : PTTS910AIGC  
MAGDALENA S. VILLARUZ/RAMON BUENAFLORE  
PRESIDENT/FINANCIAL CONSULTANT

TRADEWINDS RATTAN  
TARON, MANDAUE CITY, CEBU  
TEL : 83414/83952  
TELEX : 48662 TRADE PH  
FACSIMILE : 84721  
ROBERT D. LIM  
VICE-PRESIDENT & GENERAL MANAGER

UNIQUE FORMS INTERNATIONAL INC.  
BAGSABUNGAN, MANDAUE CITY  
CEBU  
TEL : 81640  
DR. CARLOS TING  
PRESIDENT

UNITED PERSON INTERNATIONAL INC.  
50-P GIL TUDTUD ST. MAGLO, CEBU CITY  
TEL : 93017  
TELEX : PT8T6220CICIPU  
MA. BELEN V. CONSENTI  
SALES & MARKETING MANAGER

VANDA SANDERIANA EXIMFORT CORP  
SUNNY HILLS, TALAMBAN, CEBU CITY  
TEL : 05628/9591  
TELEX : 48341 LOFR  
ABELA E. TAN  
GENERAL MANAGER

ZELEV ORGANIC MARKETING CORPORATION  
LICANAN, LASANG, DAVAO CITY or  
9-11 MAGSAYSAY AVENUE, DAVAO CITY  
TEL :  
MANUEL VELEZ/MARBY LO  
PRESIDENT/MANAGER

UNION  
S. O. BOX 226, ILOILO CITY  
TEL : 85320-84075-1-811  
TELEX : 4512 LITOP PH  
TEL : 1-870



Annex 1.1  
DATA OF SECOND BATCH OF SUBJECTS FOR SEARCH

DUNEDIN DAIRY DEVELOPMENT  
262 SACONDA ST., LAPASAN,  
CAGAYAN DE ORC CITY  
EDUARDO R. PELAEZ  
PROponent

PHIL-AGRO INDUSTRIAL CORPORATION  
JULIO PACANA ST., CAGAYAN DE ORC CITY  
TEL : 2222, 1251  
TELEX : 7769 PHCOR PU  
JOERI GOMEZ/DEMOSTHENES R. BU  
FINANCE HEAD/REPRESENTATIVE

DATAFAS ENGINEERING EXPONENTS  
213 DORRALES AVE. EXT.,  
CAGAYAN DE ORC CITY  
TEL : 3229  
HONORIO ALLADO, JR./ROMULO C. DICO  
DIRECTOR/MANAGING PARTNER

R. O. ANG ENTERPRISES  
C/O DEPARTMENT OF TRADE & INDUSTRY  
167 DOOR LAPUZ BLDG.,  
TAGURONG, SULTAN KUDARAT  
ROBERTO O. ANG  
PROPRIETOR

DATINIZAYAN AGRO-INDUSTRIAL CORP.  
SUITE 303-309 CASA MENDOZA BLDG.  
A. CORTEZ AVE., MARBAHE CITY, CEBU  
TEL : 85318, 84012, 88541  
TELEX : 742 48045 MOPI PH  
24632 MOPI PH  
FACSIMILE : 063-32-85318  
ERIC VELOSSO  
MANAGER, SPECIAL PROJECTS

SOUTHERN PHILIPPINES DEVELOPMENT  
AUTHORITY  
DAVAO CITY  
TEL : 84366  
VIRGINIA L. UN/CELEBRON BABY  
OIC, CORPLANNING / PRESIDENT

DAVAO OCCIDENTAL MINING CORPORATION  
111 ALIBONCE BLVD., SAN ANTONIO ST.,  
DASAYON CITY, DAVAO OCCIDENTAL  
TEL : 21100  
21101  
21102  
21103

DR. TOMAS INTEGRATED DEVELOPMENT CORP  
DETERIA STABLE, MADILAW VILLAGE, DAV  
TEL : 42111  
42112  
42113  
42114

FIRST FARMERS MILLING & HATCHERY  
ASSOCIATIVE  
FIRST FARMERS BUILDING, HANBALAGAN,  
LADANG CITY, NEGROS OCCIDENTAL  
TEL : 28101/28017  
TELEX : 8544 FFARM PU  
FAX : 27701 28077  
FACSIMILE : 27701 28077  
27702 28077  
27703 28077  
27704 28077  
27705 28077  
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DR. DOMINGO TORRENA FARM FARM  
C/O DEPARTMENT OF TRADE & INDUSTRY  
167 DOOR LAPUZ BLDG.,  
TAGURONG, SULTAN KUDARAT  
DR. DOMINGO TORRENA  
PROPRIETOR

PROPOSER : ASIAN ARTS, INC.

PROJECT : RATTAN FURNITURE

PROJECT NO. (NEW)

PROJECT COST : \$ 16.0 Million

CONTACT PERSON : Mr. Wilfredo Buenavidez, V.P.-Finance &  
Administration

#### COMPANY PROFILE

Asian Arts Inc. is a corporation established in 1982. It has a paid-up capitalization of around US\$ 364,000. It is registered with the Board of Investments and the Securities and Exchange Commission.

The company has been in the rattan manufacturing business for seven years. Through the years, the company has developed the necessary management and technical skills for its operations. In fact, it has a good research and development department. However, it needs market access to move its products more efficiently.

The company's main product lines are high- and medium-end rattan and wicker furnitures for export. In addition, the company is currently producing case goods, bamboo crafts, wrought iron and stonecraft on a pilot scale at their factory in Labangon, Cebu.

At present, 80 percent of sales goes to the US and Japan, with the rest going to Europe and Australia. Export sales in 1988 amounted to US\$ 2.5 million.

#### PROJECT PROFILE

The demand for furniture in the US, Japan and Europe is increasing. More important, it is estimated that only five percent of the demand in the European market is being tapped. This is why the company would like to give more attention to the European market. Aside from Europe, the proponent would also like to gain access into the Japanese market for its new line of products.

Among its product line, only the rattan and wicker line which are already established. The other lines, operating on a pilot scale basis only, showed great potential and the proponent's project would be to develop these lines to their full production capacity. To develop these lines a total of US\$16 million is required. The company is willing to form a joint venture with a foreign investor in order to realize the project. The foreign partner may acquire as much as 40% of the project's equity investment.

If the company is able to fully develop their new products, it has the advantage of offering a deeper line of products to cater to the individual tastes of consumers particularly the Japanese and European market.

## JOINT VENTURE SUITABILITY

### Motivation

The demand for furniture in the US, Japan, and especially Europe is increasing. The company wants to increase its market exposure in the European market since it is estimated that only five percent of the demand is being tapped.

### Financial Capability

The company is pursuing the project on its own until a foreign partner is found. However, the project is financed by short-term loans which is in contrast to the long-term nature of the project.

### Scale of Project

The project is estimated to cost US\$ 16 million. This will be used to fully develop the new product lines of the company.

### Project Strength

The company has no problem in the managerial and technical aspects of operations. It has seven years of experience to back it up.

Sales are projected to reach US\$ 405,000 monthly. Majority of the sales, at US\$ 200,000, would still be the rattan and wicker line. This is followed by the case goods which is projected to earn US\$ 75,000. Bamboo craft and wrought iron are expected to earn US\$ 50,000 each and the stonecraft is projected to rake in US\$ 30,000.

PROponent : **STO. TOMAS INTEGRATED DEVELOPMENT COMPLEX**  
PROJECT : **ORGANIC FERTILIZER FROM AGRICULTURAL WASTE** PROJECT NO. (NEW)  
PROJECT COST : Agri-Waste Fertilizer US\$ 318,000 - 409,000  
Farmer's Cooperative 545,000 - 682,000  
US\$ 863,000 - 1,090,000  
CONTACT PERSON : Mr. Mariano Solis, Proponent

COMPANY PROFILE

The incorporation papers of the company are still in process with the Securities and Exchange Commission (SEC) pending the acceptance of the project proposal for funding purposes. Most of the incorporators and key officials have extensive experience in either agriculture or agri-business. The President and Chairman of the Board is a producer of coffee, cacao, pomelo and rambutan aside from being the President and Manager of a rural bank located near the site. Another incorporator has developed a technology in producing fertilizer from agricultural waste.

PROJECT PROFILE

The project is a two-phased development of an integrated agricultural complex. The fertilizer project which was submitted in the November 1988 Forum is intended as a peripheral support for the planned farmer's cooperative. The long-term development plan would involve the formation of a cooperative to make available easy financing, transfer of technology, contract growing, etc. to the farmers in the area.

The second phase of the project proposes to manufacture fertilizer from agricultural waste which is found in large quantities in the area. The planned capacity is 150,000 50 kilogram bags per year which is to increase by 20 percent annually until 1994.

Raw materials for the project are available for the project as the area is predominantly an agri-based economy. Technology for converting the agricultural waste is already available.

The fertilizer will be mostly used by the members of cooperative and farmers in the neighboring areas will be the secondary market.

The estimated cost of the the fertilizer project is from US\$ .318 - .409 million while the farmer's cooperative will need US\$ .545 - .682 million. If no grant or soft loan can be acquired, the local counterpart will have to contribute 60 percent to the equity while the foreign partner will fill in the gap. The proponent's 40 percent share in the project will range from US\$ .518 - .654 million and it is doubtful if the proponent can raise such amount.

The financial requirement for the fertilizer project is small compared to the cooperative. However, the proponent's resources, including financial resources, are concentrated on the initial organizational work for the cooperative.

The proponent is looking for a soft loan or a grant to start the cooperative which is his primary concern for the moment.

### JOINT VENTURE SUITABILITY

#### Motivation

The proponent primarily interested in developing the farmers' cooperative because of the social dimensions of the project. He is also interested in the fertilizer project as a support for the farmers' cooperative.

#### Financial Capability

A loan application with the Land Bank of the Philippines was approved for this project but the amount was not enough to fully support the cooperative. The proponent is looking for a grant to finance the project.

The proponent's 60 percent share in the project will range from US\$ .19 - .24 million. It is doubtful whether this can be raised by the proponent. An alternative funding scheme, such as a grant or a soft loan, for this project is necessary.

#### Scale of Project

The fertilizer project is estimated to cost between US\$ .318-.409 million and the cooperative is estimated to cost between US\$ .545-.682 million. Altogether, the project would cost between US\$ .863-1.091 million.

#### Project Strategy

Few materials for the fertilizer project are available for the project, while even the fertilizer, an agro-based economy. Technology for converting the agricultural waste is already available.

The market for the fertilizer is already determined as the fertilizer will be used by the farmers' cooperative which will be organized by the proponent. A secondary market is composed of the neighboring communities.

The proponent's experience in rural banking is an important asset in organizing the cooperative because of his familiarity with the farmers' cooperative.

The proponent's experience in rural banking is an important asset in organizing the cooperative because of his familiarity with the farmers' cooperative. The fertilizer project is not a one-time setup and can be sold to the market right after the completion of the cooperative.

Annex I  
 NUMBER OF COMMUNICATIONS BETWEEN LOCAL COUNTERPARTS AND FOREIGN SPONSORS

LOCATION AND NAME OF PROJECT	Number of Interested Foreign Firms Met at Forum	Number of Foreign Firms Who Communicated After the Forum				REMARKS
		None	Once	Twice	On-going	
<b>VISAYAS</b>						
<b>REGION : VI</b>						
ALL SEASON FARMS, INC.	-					
FIRST FARMERS MILLING & MFG. COOPERATIVE	5	5				
SELAY SARAVIA FERT. COOP.	2	1	1			Awaiting reply from foreign firm.
SI AERO-INDUSTRIES ENTERPRISES INC.	3	1	1	1		
<b>REGION : VII</b>						
ALENTER OME COOP	-					
ANGINA INDUSTRIES	5	4	1			
ASIAN ARTS, INC.	2	2				
BELL INT'L/COVERTEK	-					
BESTACOR	1		1			Foreign firm awaiting reply.
CARON DEVELOPMENT CORP.	5	4				1 Local firm awaiting lease award.
CEBU CHAMBER OF COMMERCE & INDUSTRY	2	2				
DADEBU TRADERS INC.	1		1			
DATING BAYAN ASRO INCL. CORP.	7	5	1			
HANDLER WELFARE TRADING	3		2			Local firm wants higher equity from foreign firm.
HOPE CO. B. BROWN, INC.	-					
LIWINGO OIL MINING CORPORATION	4	3	1			
MALIBON INDUSTRIES CO. INC.	-					
MEDIA BROADCAST CORP.	-					
ONE T FIDES CORP.	1	1				
PACIFIC TRADERS AND MFG CORP.	-					
PALEO SHIPPING INC.	3	3				
STEAMSHIP MANAGERS, INC. / TOWER CONSTRUCTION AND DEVELOPMENT CORP.	-					
SURECO EXPORT CORPORATION	3	3				
TRADERING PATRA	2	1	1			
UNIQUE FORMS INT'L INC.	2	2				
UNITED REGION INT'L INC.	4	3	1			Foreign firm asking for sample.
WATER DEVELOPMENT PROJECT CORP.	1	1				

LOCATION AND NAME OF PROJECT	Number of Interested Foreign Firms Met At Forum	Number of Foreign Firms Who Re-Interested After the Forum				REMARKS
		None	Once	Twice	Or-often	
<b>MINDANAO</b>						
<b>REGION : IX</b>						
MAYAPAN MARBLE CORP.						
<b>REGION : X</b>						
AQUARIUS PRAWN HATCHERY /FISH POND	4	4				
BALITONEN DAIRY DEPT	1	1				
BATAFAR ENGINEERING EXPONENTS	5	3	1	1		
EMP EXIM INTERNATIONAL CO., INC.						
HORSCOPE FARM DEVT COOP.	1	1				
JE ENTERPRISES	1	1				
PHIL-AGRO INDUSTRIAL CORPORATION	1	1				
RAF ENTERPRISES	2		2			Local firm is preparing feasibility study.
<b>REGION : XI</b>						
DAVAO ORIENTAL MINING CORP.	1	1				
DEPARTMENT OF TRADE - REGION XI (DAVAO)	2	1				
ORDERX PROCESSING PLANT						
SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY	5	5				
STO. TOMAS INTEGRATED DEVELOPMENT COMPLEX	1	1				
TELEV ORGANIC MARKETING CORPORATION	5	5				
<b>REGION : XII</b>						
CENTENO/ESTANCO AGUA CALIENTE DEVT CORP.	5	1				Foreign firm awaiting data on acreage and production.
DULGAN MINING CORP.	1	1	1			
D.O. AND ENTERPRISES	1	1				
TOPRENA PRAWN FARM	4	4				
Average Number Of Interested Foreign Firms Met At Forum						
	3					

Annex J  
PROJECT NEEDS ASSESSMENT

UNION INVESTMENTS FORUM			E V S A S U R V E Y			
FIRM	PROJECT	IDENTIFIED NEED	1 S T R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)		2 N D R O U N D	
			ACTUAL NEED	REMARKS	ACTUAL NEED	REMARKS
VISAYAS						
REGION 6						
ALL SEASON FARMS, INC.	Fresh vegetables for export	Access to foreign markets, equipment supplv. management experience, technical, training & marketing expertise, supplier's credit, equity, sale of technology	-	Project shelved by proponent. Started another vegetable project under a different project name.	-	-
FIRST FARMERS MILLING AND MARKETING COOPERATIVE	Integrated prawn project	Access to foreign markets, technical expertise, marketing expertise	Technical expertise, access to foreign markets, marketing expertise	Needs to reduce cost of production by improving its technology.	same	Already has technical consultants but wants to keep abreast of latest developments.
SILAY-SARAVIA FOOD CORPORATION	Agri-based food processing; Dog food, infants first solid food	Equity, loans, joint venture, licensing, access to foreign markets, technical & management expertise	Access to foreign markets, marketing and technical expertise, financing, joint venture	Project suffers from underutilized capacity due to market's low acceptance of the products. Needs to target the export market to increase utilization.	same	Presently communicating with Milupa of Germany. Mapimpianti of Italy has not responded to all communications.



E V S A      S U R V E Y

1 S T   R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)

2 N D   R O U N D

UNIDO INVESTMENTS FORUM			1 S T   R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)		2 N D   R O U N D	
FIRM	PROJECT	IDENTIFIED NEED	ACTUAL NEED	REMARKS	ACTUAL NEED	REMARKS
REGION 6 (continuation)						
SV AGRO-INDUSTRIES ENTERPRISES, INC.	"Turtle" power tillers and secondary products	Equity, joint venture, access to foreign markets, management experience, technical expertise	Financing, access to foreign markets, transfer of technology, equipment supply, joint venture	Prefers Italian partner because of its access to the African market.	same	Presently communicating with a number of Vietnamese firms (not with Forum). Wants to know more about economic status of Vietnam.
REGION 7						
OLENTER DAME	Wooden furniture	Equity, joint venture, market access, furniture designs	unknown	Project implementation deferred because of another project. Might reconsider in Jan 1990.	-	Project shelved indefinitely.
AFIMA INDUSTRIES	Wooden household and gift articles	Access to foreign markets, designs, training expertise	same	Needs additional market for its expansion plan.	-	Proponent stopped operations in 1 Jan 1990.
ASIAN ARTS, INC.	Rattan furniture	Access to foreign markets, equity	Access to foreign markets	Needs market access for its new medium- and high-end rattan products.	same	Interested in submitting new project.
ECOL INTERNATIONAL	Sporting bags, suitcases	Access to foreign markets	Access to foreign markets	Prefers European market.	same	Actively looking for market on their own.
PESTACOR	Tropical fruit processing	Joint venture, sale of technology, equipment supply, access to foreign markets, technical expertise	Transfer of technology, financing, equipment supply, access to foreign markets	Supplied fruits to a processing plant but had to stop because of low purchase prices. Wants to go into processing to create value-added.	same	Currently concentrating on sugar plantation business. Still interested in project.

UNIDO INVESTMENTS FORUM			E V S A S U R V E Y			
			1 S T R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)		2 N D R O U N D	
FIRM	PROJECT	IDENTIFIED NEED	ACTUAL NEED	REMARKS	ACTUAL NEED	REMARKS
REGION 7 (continuation)						
DACEBU TRADERS INC.	Activated carbon	Equity, sale of technology, equipment supply	Technical expertise, financing, equipment supply	Has acquired the technology but needs expertise to operate.	-	Proponent not available for interview.
CATHON DEVELOPMENT CORPORATION	Retiree's beach resort	Market access, marketing expertise	same	Lease of land has pending legal case	same	Award of lease was cancelled. Proponent will appeal.
CERU CHAMBER OF COMMERCE & INDUSTRY	Mini-cement plant		-	Only facilitated the processing. The real proponent is no longer interested.	-	-
DATINGRAYAN AGRO-INDUSTRIAL CORP.	Coffee, black pepper, cacao	Equity, joint venture, turnkey project, market access, management, technical, training, and marketing expertise	Financing	JV not yet ready because of low harvest but needs financing for farmer cooperative.	Unknown	Proponent not available for interview.
HANDOVER WORLDWIDE TRADING	Leather shoes	Sale of technology, access to foreign markets, supplier's credit, equity	Transfer of technology, technical & management expertise, access to foreign markets, financing	No experience in the project. Wants long-term relationship with the partner.	same	Prospective investor did not arrive as expected. Wants to be re-matched instead.
MIGOS DE P. ERDANO, INC.	Shipping vessels and shipping service expansion	-	-	Person who handled project not with company anymore. Project shelved.	-	-
LUVIMIN CERU MINING CORPORATION	Sold Mining (reserves of 20 M short tons/1.5 gold/short ton)	Equity, technical expertise, sale of technology, training expertise, access to foreign markets	Equity	The firm needs a foreign investor to develop and mine their claim. LUVIMIN asks only for a royalty. Also open to tie-up but capital contribution will only be up to P 5.0 M.	same	Sent proposal to local investor (Surigao Consolidated Mining Corp).

UNIDO INVESTMENTS FORUM			E V S A S U R V E Y			
FIRM	PROJECT	IDENTIFIED NEED	1 S T R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)		2 N D R O U N D	
			ACTUAL NEED	REMARKS	ACTUAL NEED	REMARKS
(with contribution)						
MANUSUNG INCENT- RIFS DEVELOPMENT CORPORATION	Granulated organic fertilizer and charcoal briquettes	Equity, loans, JV, turnkey project, equipment supply, supplier's credit	Financing, equipment supply	Has prospect JV (not from Forum) but requires BOI-registration. Registration disapproved due to misunderstanding on local content.	same	Constant follow-up failed to push proponent to discuss with the BOI regarding the disapproved registration.
MIGEVA EX-IMPORT CORPORATION	Seaweed farming	Joint venture	-	Project proponent no longer connected with the company.	-	-
ORIENT FOODS CORPORATION	Dried fruit	Access to foreign markets	-	The proponent already has a partner (not from UNIDO Forum).	-	-
PACIFIC TRADERS AND MANUFACTURING CORPORATION	Wooden furniture	Technical expertise, access to foreign markets, designs	-	The proponent already has a partner (not from UNIDO Forum).	-	-
PALACIO SHIPPING, INC.	Shipping expansion before : 3 ships now : 2 - cargo 2 - passenger	Equity, joint venture	Joint venture, lease	After forum, has bought 2-cargo ship 1500 & 1200 MT. Currently negotiating for 1 passenger ship (17 years old).	same	Seeks government assistance in increasing fares to cover increasing costs of operations and maintenance.
STEAMSHIP MANAGERS, INC. / TOWER C. STRUCTION AND DEVELOPMENT CORP.	Steel container repair yard	Sale of technology, technical, training expertise, subcontract- ing, equipment supply	unknown	Not available for interview.	Joint venture, technical and training expertise, equipment supply	Needs to be accredited to enable proponent to do major repair of container vans used for interna- tional transport.
SUGECO EXPORT CORPORATION	Shrimp waste processing	Joint venture, sale of technology, technical expertise	Transfer of technology, technical expertise, financing	Needs technology to process shrimp head waste into CHITIN and CHITOSAN.	same	Has been to Europe and Taiwan in search of possible consultants/ investors.
TRADEWINDS RATTAN	Assembled wooden case goods	Access to foreign markets joint venture, equipment supply, technical expertise	same	Prefer European partner who will give design, equipment and market.	same	Actively looking for possible partners.

E V S A S U R V E Y

1 S T R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)

2 N D R O U N D

UNIDO INVESTMENTS FORUM			1 S T R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)		2 N D R O U N D	
FIRM	PROJECT	IDENTIFIED NEED	ACTUAL NEED	REMARKS	ACTUAL NEED	REMARKS
REGION 7 (continuation)						
UNIQUE FORMS INTERNATIONAL, INC.	Stonecraft manufacture	Access to foreign market	same	Wants alternative market for US because of decreasing sales.	same	Actively looking for possible partners.
UNITED BRANDS INTERNATIONAL, INC.	Mango processing	Equity, licensing, equipment supply, market access	Financing, market access	Currently expanding between 1 - 5 tons/day. Exported some of the products to Japa but stopped when the proper downpayment was not remitted.	same	Was contacted by Osimex but the firm appears to be an equipment supplier. United Brands did not respond to communications.
VANDA SANDERTANA EXPORT CORP.	Orchid culture	Marketing, market access, loans	Financing, market access	Still maintaining stocks & cuttings with 3 personnel but project has not really started.	same	Did not write to the list given by EVSA, because they "looked" like non-buyers.
MINDANAO						
REGION 9						
MANUKAN MARBLE CORPORATION	Marble quarrying and processing	Equity, equipment supply, access to foreign markets, technical expertise	-	Not included, currently under serious negotiation and facilitated by other firm.	-	-
REGION 10						
AQUARIUS PRAWN HATCHERY	Expansion of prawn hatchery	Equity, loans, management expertise, technical expertise, equipment supply	-	Project abandoned due to USA emigration of main proponent.	-	-

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E V S A S U R V E Y

UNIDO INVESTMENTS FORUM			1 S T R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)		2 N D R O U N D	
FIRM	PROJECT	IDENTIFIED NEED	ACTUAL NEED	REMARKS	ACTUAL NEED	REMARKS
REGION 10 (continuation)						
PHINNON DAIRY DEVELOPMENT	Dairy Products	Equity	Equity and technology especially on packaging	Company name will soon be changed to NORTHERN MINDANAO INTEGRATED COOPERATIVE	-	Has not yet answered survey questionnaire.
MANAP ENGINEERING FIRMS	Steel casting foundry	Equity and equipment supply	Equity and equipment supply	Proponent has experience in setting-up foundry facility in another company.	same	Considered for alternative assistance by UNIDO. Might serve as R&D training facility with equipment grant from foreign country.
EMP EXIM INTERNATIONAL CO., INC.	Bamboocrat industry	Equity, JV, market access, equipment supply, management expertise	-	Inoperation for the past 2 months. Taken as loss of interest in the project.	-	Has not resumed operations.
HOROSCOPE FARM DEVELOPMENT CORP.	Exp'n/modernization of hog farming	JV, loans, market access	Access to foreign markets, transfer of technology	Construction materials are already available.	same	Proponent is still actively looking for JV partner.
JR ENTERPRISES	Ramie Degumming	Equity, loans, technical expertise, training expertise and equipment supply	Equity, marketing and management expertise	The firm's original project has now been achieved. The proponent now desires to go into fiber processing of Ramie and market handwoven Ramie textiles.	same	Currently expanding operations. Still interested for JV partner. Might be granted technical assistance.
PHILAGRO INDUSTRIAL CORPORATION	Manufacture of corn starch	Equity, joint venture, market access, technical expertise	Technical expertise	The proponent just needs a technical expert to confirm his plans of putting up the cornstarch plant.	-	Was not available for interview. Interested in another project.
RNF ENTERPRISES	Rubber surgical and all-purpose gloves and prophylactics	Joint venture, technology, equipment supply, access to foreign markets	Joint venture, technology, equipment supply, equity	The proponent is currently preparing the feasibility study.	-	Has not yet answered mailed survey questionnaire.

INITIAL INVESTMENTS FORUM

E V S A S U R V E Y

1 S T R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)

2 N D R O U N D

FIRM	PROJECT	IDENTIFIED NEED	ACTUAL NEED	REMARKS	ACTUAL NEED	REMARKS
REGION II						
DAVAO ORIENTAL MINING CORP.	Gold mining & production of gold chains	Equity, JV, sale of technology, equipment supply, technical expertise	same	Shifted interest to mineral laboratory business. Still willing to push through with project if there is a JV or soft loan.	same	Has already acquired some of the needed machinery. Still interested to pursue project.
[EPT. OF TRADE AND INDUSTRIES - XI]	Breakfast cereals baby food, snacks	Financing, equipment supply, technical expertise	same	Local counterpart now exploring joint venture with Mapiimpianti SPA. It requested a pre-investment study. DTI-XI complied and is awaiting further instructions. The Italian government is interested in giving a grant.	-	Has not yet answered mailed survey questionnaire. Grant from Italian government may not push through.
PROXY PROCESSING PLANT	Gold recovery from tailings	Equity, equipment supply, market access, technical expertise	unknown	Proponent was not available for interview. Survey questionnaire was left.	-	Proponent has not answered any of the communications sent by EVSA.
STO. TOMAS INTEGRATED DEVELOPMENT COMPLEX	Organic fertilizers from agricultural wastes	Equity, loans, joint venture, management, technical, training and marketing expertise	Financial assistance	The project will push through with or without financial assistance. No longer interested in JV but needs financial assistance for project which was not submitted in the forum.	-	Will submit new project which is a system for a farmers' cooperative.
SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY	Soya bean plantation and processing	Equity, equipment supply, technical expertise, training expertise	Financing, transfer of technology, technical expertise, equipment supply	Soyabean plantation & processing to be tested by SPDA. Needs to coordinate with Bureau of Plant Industry, DA, and DOST. Still in research and development stage.	-	Has not yet answered mailed survey questionnaire.

UNIDO INVESTMENTS FORUM			E V S A S U R V E Y			
			1 S T R O U N D (AS OF PROGRESS REPORT 4 DEC 1989)		2 N D R O U N D	
FIRM	PROJECT	IDENTIFIED NEED	ACTUAL NEED	REMARKS	ACTUAL NEED	REMARKS
REGION 11 (continuation)						
ZELEV ORGANIC MARKETING CORP.	Guano processing	Equity	Access to markets	Trying to look for foreign markets. Proponent has written a commercial attache.	-	Has not yet answered mailed survey questionnaire.
REGION 12						
CENTENO/BETAMOR - AGRICULTURE AND DEVELOPMENT CORPORATION	Prawn Farming	Equity, technical expertise, training expertise, management expertise, access to foreign markets	Equity, technical, training and management expertise, access to foreign markets	Prospective investor requests information on the production capacity of the area.	-	Has not yet answered mailed survey questionnaire. Initial impression during interview showed that the proponent is waiting for UNIDO/DTI to handle everything for him.
IRON MINES CORPORATION	Feasibility mining of gold, silver and copper	Equity, joint-venture, management expertise, technical expertise	Equity, joint venture, technical expertise	This firm has actually started operations but has stopped due to acutely insufficient capital funds.	-	Has not yet answered mailed survey questionnaire.
S.O. AND ENTERPRISES	Coco oil processing	Equity, loans, equipment supply, management expertise	same	Consultant is based in Bulacan.	-	Has not yet answered mailed survey questionnaire.
TORRENA PRAWN FARM	Prawn farming	Equity, loans, JV, market access	Financing, access to foreign markets	Needs technology transfer to increase prawn farm productivity.	-	Has not yet answered mailed survey questionnaire.

PROponent : DATAFAB ENGINEERING EXPONENTS  
 PROJECT : STEEL ALLOY FOUNDRY (INDUCTION  
 FURNACE)

PROJECT NO. 126

PROJECT COST : US\$ 1.0 Million

CONTACT PERSON : Mr. Romulo Dico, General Manager

COMPANY PROFILE

Datafab is an all-Filipino partnership with Mr. Romulo Dico as the managing partner. The company has been in operation for two years and is slowly establishing itself as an innovative, competent and reliable machine engineering and metal fabrication outfit. Its products range from small chocks to large container trailers. It also offers other services such as engine reconditioning and metal grinding.

The firm has an annual gross turnover of US\$ 0.230 million and expects to have a higher income for 1989. Paid-up capital is US\$ 54,500.

PROJECT PROFILE

Cagayan de Oro is one of the industrialized parts of the country. The proponent feels that establishing a steel alloy foundry will be a necessary support facility as the province increases its industrial base (most foundry requirements in the area are largely serviced by Cebu or Manila firms).

With the foundry, the proponent eventually plans to manufacture equipment and parts such as pumps, speed reducers, valves, etc., maintaining 30 percent of operations for job-shop orders.

Products to be produced are the following:

- a) Ordinary cast steel (sav 1040);
- b) Chromopel, (che 4140);
- c) Stainless steel (s/s 304, s/s 316);
- d) High alloy steel heat and acid resistant.

Annual production are as follows:

- a) Ordinary cast steel 800 metric tons/yr
- b) Stainless steel 500 metric tons/yr
- c) High alloy steel 200 metric tons/yr

-----  
 Total 1,500 metric tons/yr.

The products will be for the domestic market but the export and foreign trade possibilities.

The plant will have an advantage later on as more industries are established, especially in the northern part of the island. They are planning to expand their plant but they do not expect



yet have the financial capability.

The proposal will cost US\$ 1.0 million. Equity sharing will be 60 percent Filipino and 40 percent foreign. Interested foreign parties can expect to contribute equity and equipment to the project.

The company has a limited capital and asset base and will have difficulty in raising enough capital to maintain the controlling 51 percent shares of stock should a new firm be established for joint venture purposes.

An alternative investment scheme is being considered if financing of the local sponsor would be a problem. The project may be converted into a training facility which can serve as a support facility for the industrialization of the area. The local sponsor will serve as the main counterpart of the private sector on the proposed set-up to be participated by the government and private sectors. The proposed organization, preferably a foundation, is envisaged as a training facility and at the same time serve the foundry and casting needs of the industry within the area. If this would be the case, funding on the part of the proponent would not be a problem as several organizations or donor countries may be approached to give a grant for this project.

JOINT VENTURE SUITABILITY

Motivation

Mindanao is developing into an industrial center and the heavy machinery in this area are largely serviced by Cebu or Manila firms. The proponent, particularly Mr. Dico, has proposed setting up a foundry to service the industries in the region.

With the foundry, the proponent eventually plans to manufacture equipment and parts such as pumps, speed reducers, valves, etc., maintaining 30 percent of operations for job-shop orders.

Products to be produced are the following:

- a) Ordinary cast steel (sav 1040);
- b) Chromopoly (she 4140);
- c) Stainless steel (s/s 304, s/s 316);
- d) High alloy steel (heat and acid resistant).

Annual production are as follows:

a) Ordinary cast steel	500 metric tons/yr
b) Chromopoly steel	500 metric tons/yr
c) High alloy steel	500 metric tons/yr

Total: 1,500 metric tons/yr.

Interested foreign parties can expect to contribute equity and equipment to the project.

Financial Capability

The company has a limited capital and asset base and will have difficulty in raising enough capital to maintain the controlling 51 percent shares of stock should a new firm be established for joint venture purposes.

Scale of Project

The project cost as of August, 1988 is US\$ 0.85 million. The adjusted cost for 1989 is US\$ 1.0 million. There is no estimate yet for the training facility.

Project Strength

Datafab will have an advantage later on as more industries enter Mindanao, especially on the northern part of the island. The company has plans of expanding their plant but they do not as yet have the financial capability.

The proponent has exhibited the necessary technical skills in operating a foundry. He had set-up and run a foundry shop in his previous work assignments with a firm in Cebu.

PROMOTENT : DAVAO ORIENTAL MINING CORPORATION (DOMC)  
PROJECT : GOLD MINING AND PRODUCTION OF GOLD CHAIN PROJECT NO. 17  
PROJECT COST : US\$ 0.474 Million  
CONTACT PERSON : Mr. Alexander T. Yap, Manager

COMPANY PROFILE

Established in 1987, DOMC's authorized capital is around US\$ 73,000. Subscribed and paid-up capital is US\$ 18,000.

The main product of the company is refined gold bars. The production output is estimated at 20 kilograms per week of refined gold. Most of the sales go to the export market which is 80 percent of the total sales and the rest go to the domestic market. Other products are chromite, silver, and platinum. The average annual gross sales ranged from US\$ 0.9 to US\$ 1.0 million.

The manager of the corporation is also engaged in the mineral laboratory business.

PROJECT PROFILE

The project involves the expansion of a small-scale mining of gold and the production of gold chains. A 20 ton-per-day carbon-in-pulp processing plant will be set up to ensure the continuous supply of gold. Analysis shows that between 20-30 grams of gold can be extracted from one metric ton of ore. This translates into a weekly capacity of 2.8 to 4.2 kilograms.

A joint venture is needed because of the capital-intensive nature of the project. It is also needed to bring in designs and technology for the gold chain production.

The gold mining area of the project is estimated to cost around US\$ 0.474 million. This will be primarily used to acquire equipment needed for the processing of the tailings to raw materials for the gold chain production. Investments for the jewelry phase will have to be discussed with the prospective investor.

The foreign investor may invest to a maximum of 40 percent in the project.

The company's financial resources are limited. It does not have enough cash resources to finance both its current operations and the proposed project. Financing will have to come from a long-term investor or bank.

The company also has the land for the production of gold chains. The land is located near the company's mine site. There are also some small-scale gold mines which can be tapped to supply the project. The mine sites are

accessible by land and air transportation.

Total production of the gold chains will be geared towards the export market particularly the Asian market. The target markets are Hong Kong and Singapore.

### JOINT VENTURE POTENTIAL

#### Motivation

The company already has an existing gold mining operation. Aside from expanding its operations, it would like to go into the production of gold chains.

The joint venture is needed to acquire the equipment for gold chain production. Aside from this, it is hoped that the foreign partner would make available a constant supply of new designs to keep abreast with market trends.

#### Financial Capacity

The company's financial resources are limited. It does not have enough resources to finance both its current operations and the new project. Financing will have to come from a long-term loan or from infusion of fresh equity. However, the company already has the existing company operation with all its assets to offer as equity instead of putting in new equity.

#### Scale of Project

The project is estimated to cost US\$ .476 million. This is only for the ore processing phase of the project as the project cost for the gold chain production will have to be determined together with the prospective investor.

#### Availability of Resources

The local economic situation in the area has improved significantly especially after the economy picked up. The mine site is accessible by land and air transportation. The presence of the gold mining operation may be used as the company's equity share.

The raw materials required for the production of gold chains is available. Aside from the company's mine site, there are other mine sites in the area which can be tapped to supply the raw material requirements of the jewelry project.

PROPOSANT : FIRST FARMERS MILLING AND MANUFACTURING COOPERATIVE ASSOCIATION, INC. (FFMCAI)  
PROJECT : INTEGRATED PRAWN FARMING PROJECT NO. 5  
PROJECT COST : US\$ 6.6 Million  
CONTACT PERSON: Mr. Antonio Kho, Exec. Asst. to the President

COMPANY PROFILE

First Farmers, a 100 percent Filipino-owned corporation, was established in 1964. It is affiliated with five companies all bearing the First Farmers name. The group of companies have diversified interests which complement each other.

FFMCAI is currently involved with sugar milling, poultry feeds and products, and prawn raising, feed milling, and processing. Annual gross sales ranges from US\$10-15 million.

PROJECT PROFILE

Negros Occidental, the province where the project is located is known more for its sugar industry. When the prices of sugar plummeted in 1984, the province experienced one of its worst recession. It was prawn raising which helped revitalize the economy and the province became a showcase for prawn raising.

The company was one of those which diversified to prawn culture due to the decline of sugar prices. The proponent intends to expand and modernize its operations to maintain its export competitiveness. After the Forum, the proponent went ahead with its prawn processing plant and feedmill processing plant despite the absence of a foreign investor. It is now in the process of developing an additional 60 hectares for prawn culture. This could increase the percentage from 30 to 90 hectares.

The 100-hectare prawn farm will result to an annual production of 1,200 tons of processed prawns, and 400 tons of prawn feeds. The feedmill will have an annual production of 1,200 tons. The project is estimated to cost US\$6.6 million. Although financing is readily available, the company is open to other sources of financing.

The immediate problem of the company is the lower prices offered by prawn producers in other Asian countries. The government's policy to protect the local feed mill industry put the prawn industry at a disadvantage as the cost of feeds, a major operating cost, are substantially higher than those in other Asian countries.

The major constraint along its needs is the reduction of production costs. FFMCAI needs technical expertise for this objective. While the company already has a pool of technical expertise, to overcome the company does not want to stop there as it needs to continue exploring or trying to fresh ideas to further

reduce operating costs.

A secondary need is market access as it has to find alternative markets other than Japan. Lastly, the company needs marketing expertise to effectively promote its product. A foreign partner can reasonably expect to provide the proponents' current deficiencies.

### JOINT VENTURE SUITABILITY

#### Motivation

Prawn feeds constitute a major part of the operating cost. However, the government's attempt to protect the local feed mill industry resulted to a deterioration of the prawn industry's competitive position in the international market. Secondly, the entry of other Asian countries offering lower prices makes more urgent the need to lower the production cost. Acquiring the services of technical consultants can greatly help on this aspect.

#### Financial Capability

The company does not foresee any problem in financing the project. However, it is open to other financing arrangements.

#### Scale of Project

The balance of the project is estimated to cost US\$ 6.6 million.

#### Project Strength

The company has already started its project. The feed mill and the prawn processing plant is already in operation. Thirty of the 80-hectare farm has already been cultivated.

While the company has technical consultants, it wants to bring in a foreign partner to further reduce its operating cost and also to find other markets for prawn feeds. A secondary need is to get access to markets other than Japan. Lastly, marketing expertise is needed to boost its marketing efforts.

PROJECT: STEAMSHIP MANAGERS, INC./TOWER CONSTRUCTION AND DEVELOPMENT CORP. (TCDC)

PROJECT : STEEL CONTAINER REPAIR YARD PROJECT NO. 99

PROJECT COST : TO BE DETERMINED

CONTACT PERSON : Mr. Robin Ong, President (TCDC) / Mr. Florentin Chin, Finance Manager

### COMPANY PROFILE

Tower Construction and Development Corporation (TCDC) is Filipino-owned and has annual gross revenues of US\$ 0.65 million. Aside from engaging in the construction business, it operates a trucking company and a container deposit yard. Steamship Managers, Inc., a corporation established in 1983, is a shipbroker. TCDC is the mother company of Steamship Managers, Inc.

### PROJECT PROFILE

Repairs to damaged containers are usually made while it is in the depot for economic reasons. TCDC repairs an average of 80 - 100 containers a month. However, it is limited to minor repairs which is defined as any repair worth US\$ 150. For major repair work, proper clearances are first made from the owners before any work is initiated. However, more often than not, major repairs are done in other countries like Hong Kong or Singapore because major repairs must be handled by accredited repair yards.

Shipping out damaged containers result to opportunity losses for the owner of the containers because they cannot use damaged containers to transport goods. Instead of earning revenue for the owner, he incurs shipping costs to transport the damaged containers.

The company believes that the repair of major damages would be beneficial both to the shipper and the owner of the container. On the part of the owner, savings in the shipping cost alone is more than enough to pay for the repair, not to mention the container's availability for loading. On the other hand, the company stands to earn additional revenue from major repair contracts.

The company estimated that work will not only be limited to repairing containers damaged in transit but it can also work on damaged units used to haul goods from other countries. Trade statistics show a higher volume of products exported than what is imported. In the past, some of the goods come in empty just to ship them to the port of destination like Manila, for a fee of 10 dollars. If all damaged containers can be purposely shipped to the port of destination, they can be used to export products.

Initially, the proponent expects a conservative volume of 200 containers per month. This is projected to gradually increase to 1,500 containers per month or even more depending on the country's economic performance. In the long-term, the country could be an excellent hub for major repairs like Hong Kong and Singapore. The country enjoys the advantage of cheaper land and labor costs. Aside from that, the equipment and machinery required for the project is available locally. However, the proponent would like to start with a small capacity as the market is limited by the country's low volume of trade relative to developed or industrialized countries.

The company needs to be accredited by an international body to handle major repairs. The accreditation is based on the international container standards set by this body. The company can work on the accreditation by itself but the process would take at least three years. Entering into a joint venture with an accredited firm will hasten the accreditation.

The company is willing to form a joint venture with a foreign investor. It is also willing to allow the foreign investor to a 40% share of the project's ownership. The investor is expected to provide the necessary technological and training expertise to hasten the transfer of technology and accreditation process.

There is a preference for European partners operating in the Asian region. Asian repair yard owners are not expected to be appreciative of the project's value as the project is in direct competition of its own operations. The proponent also prefers to limit discussions with direct investors.

#### JOINT VENTURE SUITABILITY

##### Motivation

The trade volume imbalance resulted to empty containers coming in to ship out products for the export market. Some of these containers are damaged in transit and the company sees an opportunity in the repair of these containers. However, major repairs are only awarded to accredited repair yards. At the moment, there is no internationally accredited repair yard in the country. The company would like to be one of, if not, the first accredited yard in the country.

##### Financial Capability

The company has the resources to finance the project but is willing to enter into a joint venture with a foreign partner. The foreign partner can expect to own as much as 40% of the project.



Scale of Project

The project cost will have to be determined together with the prospective partner.

Project Strength

The company operates a container deposit and repair yard. As such, it has the necessary experience in repair work though limited to minor contracts. It has done some major repair work but more often than not containers with major damages are sent to other countries.

Since more containers come in empty than what goes out, damaged containers can be shipped in on purpose to undergo repair in the country. Initially, the volume is expected to range from 150 - 200 containers per month. Eventually this is seen to grow to about 1,500 containers per month. Although the volume is small compared to major sea ports, accredited repair yards, specially European firms, may want to establish part of their operations here. In the long-term the volume of trade in the country may equal that of developed countries.

Annex L  
SIGNIFICANT EVENTS WHICH AFFECTED PROJECT

EVENT	NUMBER OF PROPOSANTS	LIST OF PROPOSANTS
Found JV partner with Forum Participant	0	
Found JV partner not with Forum Participant	2	Orient Foods Corporation Pacific Traders and Mfg. Corp.
Project Initiated with own resources	5	Asian Arts, Inc. First Farmers Milling & Mktg. Coop. JB Enterprises Palacio Shipping Inc. Sugeco Export Corporation
Met Foreign Investor at Forum suitable for initial talk <sup>1</sup>	9	Bestacor Catmon Development Corp. Denteno/Betamor Aqua Culture Dept. of Trade & Industry-Region 11 Hanover Worldwide Trading RNF Enterprises Silay Saravia Food Corp. United Fercon Int'l, Inc.
Still communicating during first round of field visits	3	Catmon Development Corp. Dept. of Trade & Industry-Region 11 Hanover Worldwide Trading
Still communicating during second round of field visits	0	
Still negotiating with other potential foreign investor for a second round of field visits	2	Silay Saravia Food Corp. United Fercon Int'l, Inc.
Did not meet any suitable Foreign Investor at Forum <sup>1</sup>	37	See Annex I
Project Discontinued	3	Alenter Cane Corporation All Season Farms, Inc. Aquarius Prawn Hatchery/Fish Pond Cebu Chamber of Commerce & Industry Hijos de F. Escano, Inc. Kigava Ex-Import Corp.
Project Discontinued	2	Arma Industries ERP Exim International Co., Inc.

<sup>1</sup>Note: 1 Item not included in AC as one project may be in several categories.

Annex M  
ASSESSMENT OF JOINT VENTURE SUITABILITY

FIRM	1ST ROUND <sup>1</sup>					2ND ROUND						
	PROJECT COST	CRITERIA				REMARKS	PROJECT COST	CRITERIA				REMARKS
		1	2	3	4			1	2	3	4	
VISAYAS												
REGION 6												
ALL SEASON FARMS, INC.	-	X				Project shelved by proponent.	-	X				
FIRST FARMERS MILLING & MARKETING COOPERATIVE	6.6 <sup>2</sup>	†	†	X	†	Immediate need is production cost reduction technology.	6.6 <sup>2</sup>	†	†	†	†	Upgraded to suitable.
SILAY-SARAVIA FOOD CORPORATION	1.3	†	†	†	†	Needs market to fill underutilized capacity.	1.3	†	†	†	†	
SV AGRO-INDUSTRIES ENTERPRISES INC.	1.0	†	†	†	†	Prefers Italian partner.	1.0	†	†	†	†	
REGION 7												
ALENTER CANE CORPORATION	-	X				Currently developing resort. Might reconsider in Jan '90.	-	X				Project shelved indefinitely.
ANRIMA INDUSTRIES	MA <sup>4</sup>	†	†	†	†	Needs market access.	MA <sup>4</sup>	X				Proponent stopped operations in 1 Jan 90.
ASIAN ARTS, INC.	MA <sup>4</sup>	†	†	†	†	Needs market access on its various products.	MA <sup>4</sup>	†	†	†	†	
BESTACOR	TBD <sup>3</sup>	†	†	†	†	Wants to add value to its fruits by processing(dehydrating) them.	TBD <sup>3</sup>	†	†	†	†	
BELL INTERNATIONAL	MA <sup>4</sup>	†	†	†	†	Market access and financing for expansion.	MA <sup>4</sup>	†	†	†	†	
CATHON DEVELOPMENT CORPORATION	2.75	†	†	†	†	Market access/marketing expertise	2.75	†	†	†	†	
CERU CHAMBER OF COMMERCE & INDUSTRY	-	X				Not interested in project.	-	X				
DADERU TRADE'S INC.		†	X	†	†	Needs joint venture for technology on activated carbon.		†	X	†	†	

FIRM	1ST ROUND <sup>1</sup>					2ND ROUND						
	PROJECT COST	CRITERIA				REMARKS	PROJECT COST	CRITERIA				REMARKS
		1	2	3	4			1	2	3	4	
REGION 7 (continuation)												
DATINGRAYAN AERO-INDUSTRIAL CORP.	0.14-0.23	§	§	X	§	Not attractive/New project started developing 20 has.	0.14-0.23	§	§	X	§	
HANDVER WORLDWIDE TRADING CORPORATION	0.82	§	§	§	X	No previous experience on project submitted.	0.82	§	§	§	X	
HIJOS DE F. ESCAND, INC.	-	X				Will not push through with project.	-	X				
LUVIMIN CEBU MINING CORPORATION (Project cost varies - 1.50 is rough estimate)	1.50	§	§	§	§	P 5.0 maximum participation	1.50	§	§	§	§	
MATUGUINA INDUSTRIES DEVELOPMENT INC.	3.00	§	X	§	§	W/ JV partners but requires BOI-registration	3.00	§	X	§	§	
MIGEVA EX-IMPORT CORPORATION	-	X				Project proponent not connected with the company anymore	-	X				
ORIENT FOODS CORPORATION	-	X				W/ partner but not from UNIDO Forum.	-	X				
PACIFIC TRADERS AND MANUFACTURING CORP.	-	X				W/ partner but not from UNIDO	-	X				
PALACIO SHIPPING INC.	TBD <sup>2</sup>	§	§	§	§	Small shipping line/or additional ships for existing company.	TBD <sup>2</sup>	§	§	§	§	
STEAMSHIP MANAGERS, INC. / TOWER CONSTRUCTION AND DEVELOPMENT CORP.	?					Not yet available for interview.	TBD <sup>2</sup>	§	§	§	§	Was not available for interview the first round.
SUGECO EXPORT CORPORATION	TBD <sup>2</sup>	§	§	§	§	Needs technology on CHITIN processing.	TBD <sup>2</sup>	§	§	§	§	
TRADEWINDS RATTAN	0.92	§	§	§	§	Prefer European partners.	0.92	§	§	§	§	
UNIQUE FORMS INTERNATIONAL INC.	NA <sup>4</sup>	§	§	§	§	Access to European market. Has foreign partner.	NA <sup>4</sup>	§	§	§	§	
UNITED FERCON INTERNATIONAL, INC.	1.10	§	§	X	§	Needs financing/market access	1.10	§	§	X	§	
VANDA SANDERIANA EXIMPORT CORPORATION	0.50	§	§	§	§	Very long gestation period	0.50	§	§	§	§	

REGION 10

AQUARIUS PRAWN HATCHERY/FISH POND	0.33	X				Main proponent emigrated.	0.33	X			
BUKIDNON DAIRY DEVELOPMENT - Project cost depends on packaging: a) Tetra-Pak - 1.008 b) Tin Can - 0.908 c) Tin Can with present equipment - 0.669	varies	§	X	X	§	Each cooperative has its own milk processing equipment. The name will be changed to Northern Mindanao Integrated Dairy Cooperative.	varies	§	X	X	§

FIRM	1ST ROUND <sup>a</sup>					2ND ROUND						
	PROJECT COST	CRITERIA				REMARKS	PROJECT COST	CRITERIA				REMARKS
		1	2	3	4			1	2	3	4	
REGION 10 (continuation)												
DATAFAB ENGINEERING EXPONENTS	1.00	†	X	†	†	Proponent has experience in the foundry business.	1.00	†	†	†	†	May be feasible if converted into a training facility.
ENP EXIM INTERNATIONAL CORPORATION, INC.	-	X				Plant not in operation for the past two months.	-	X				
HOROSCOPE FARM DEVELOPMENT CORPORATION	1.86	†	†	†	†	Needs capital for expansion.	1.86	†	†	†	†	
JB ENTERPRISES	0.36	†	†	†	†	Proposed project is already in place. New project needs financing.	0.36	†	†	†	†	
PHIL-AGRO INDUSTRIAL CORPORATION	0.66 <sup>a</sup>	†	†	X	X	Technical expertise for three months.	0.66 <sup>a</sup>	†	†	X	X	
RNF ENTERPRISES	5.45	†	†	†	†	Has good knowledge of raw material sources.	5.45	†	†	†	†	
REGION 11												
DAVAO ORIENTAL MINING CORPORATION	1.10	†	X	†	†	Not actively pursuing project	1.10	†	†	†	†	Upgraded to suitable.
DEPARTMENT OF TRADE & INDUSTRY	TBD <sup>a</sup>	†	†	†	†	Only facilitates the project. Possible Italian grant.	TBD <sup>a</sup>	†	†	†	†	
ORONEX PROCESSING PLANT	-	X				Proponent not available for interview. Left questionnaire.	-	X				Has not responded to any communications.
STO. TOMAS INTEGRATED DEVELOPMENT COMPLEX	.314-.409	†	X	X	†	Wants financing for other project.	.314-.409	†	X	X	†	
SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY	6.00	†	†	X	X	Not yet able to develop profitable soya bean variety. Possible grant in process.	6.00	†	†	X	X	
ZELEV ORGANIC MARKETING CORPORATION	MA <sup>a</sup>	†	†	X	†	Wants market access instead.	MA <sup>a</sup>	†	†	X	†	
REGION 12												
CENTENO/BETAMOR AQUA CULTURE DEVELOPMENT CORP.	1.24	†	X	†	†	Warren asks for data on surrounding areas. Owns the land.	1.24	†	X	†	†	
ILIGAN MINING CORPORATION	0.50	†	X	X	†	Started operations but stopped due to lack of funds.	0.50	†	X	X	†	
R.O. ANG ENTERPRISES	0.65	†	†	X	†	Needs technology transfer to process coconut oil.	0.65	†	†	X	†	

FIRM	1ST ROUND <sup>1</sup>					2ND ROUND						
	PROJECT COST	CRITERIA				REMARKS	PROJECT COST	CRITERIA				REMARKS
		1	2	3	4			1	2	3	4	
REGION 12 (continuation)												
TORRENA PRAMI FARM	0.47	‡	?	‡	X	Needs technological assistance to increase productivity.	0.47	‡	?	‡	X	

Legend:

- ‡ Pass
- X Fail
- ? Unknown

Criteria:

1. Desire/motivation and need for Joint Venture
2. Financial capacity/other assets to put up as counterpart
3. Scale of business potential: interest for foreign investors who need to go through a costly process  
Project type which foreign company cannot do alone

- Note : <sup>1</sup> As of Progress Report 4 Dec 1989  
<sup>2</sup> Project cost inflated by ten percent  
<sup>3</sup> To be determined  
<sup>4</sup> Needs market access only

Annex N  
PROJECTS ARRANGED ACCORDING TO JOINT VENTURE SUITABILITY<sup>1</sup>

FIRM	PROJECT DESCRIPTION	PROJECT COST (US\$ M)	CRITERIA				REMARKS
			1	2	3	4	
AHRIMA INDUSTRIES	Wooden Household and Gift Articles	NA <sup>2</sup>	§	§	§	§	Reach <sup>3</sup>
BELL INTERNATIONAL	Sporting bags and Suitcases	NA <sup>2</sup>	§	§	§	§	Reach
CATHON DEVELOPMENT CORPORATION	Retiree's Beach Resort	2.75 <sup>3</sup>	§	§	§	§	Exploratory
SUGECO EXPORT CORPORATION	Shrimp Waste Processing	TBD <sup>4</sup>	§	§	§	§	Reach
TRADEWINDS RATTAN	Wooden Case Goods	.92	§	§	§	§	Reach
UNIQUE FORMS INTERNATIONAL INC.	Stonecraft Manufacture	NA <sup>2</sup>	§	§	§	§	Reach
HOROSCOPE FARM DEVELOPMENT CORPORATION	Expansion/Modernization of Hog Farming	1.86	§	§	§	§	Reach
RNF ENTERPRISES	Rubber surgical and all purpose gloves and prophylactics	5.45	§	§	§	§	Exploratory/Reach
DEPT. OF TRADE & INDUSTRY	Breakfast cereals, baby foods, snacks	TBD <sup>4</sup>	§	§	§	§	Negotiation
HANOVER WORLDWIDE TRADING	Leather Shoes	.82	§	§	§	X	Exploratory
DACEBU TRADERS INC.	Activated Carbon	2.27	§	X	§	§	Reach
PALACIO SHIPPING INC.	Shipping expansion	TBD <sup>4</sup>	§	§	§	§	Reach
UNITED FERCON INTERNATIONAL, INC.	Mango processing	1.10	§	§	§	§	Exploratory/Reach
VANDA SANDERIANA EXIMPORT CORP.	Orchid culture	.50	§	§	§	§	Reach
JB ENTERPRISES	Ramie degumming	.36	§	§	§	§	Reach
ZELEV ORGANIC MARKETING CORPORATION	Guano processing	NA <sup>2</sup>	§	§	§	§	Reach
SILAY-SARAVIA FOOD CORPORATION	Agri-based food processing, dog food, infants' first solid food	1.30	§	§	§	§	Exploratory/Reach
SV AGRO-INDUSTRIES ENTERPRISES INC.	"Turtle" power tillers and secondary products	1.00	§	§	§	§	Reach
LUVINIA CEBU MINING CORPORATION	Gold mining	1.50	§	§	§	§	Reach
ASIAN ARTS, INC.	Rattan furniture	NA <sup>1</sup>	§	§	§	§	Reach
BESTACOR	Tropical fruit processing	TBD <sup>4</sup>	§	§	§	§	Exploratory
MATUGUINA INDUSTRIES DEVELOPMENT, INC.	Granulated organic fertilizer and charcoal briquettes	3.00	§	X	§	§	Appeal BOI decision
CENTENO/BETANOR AQUA CULTURE DEV'T CORP.	Prawn farming	1.24	§	X	§	§	Exploratory
SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY	Soya bean plantation and processing	6.00	§	§	X	X	Not suitable
FIRST FARMERS MILLING & MKTE COOPERATIVE	Integrated prawn project	6.60 <sup>3</sup>	§	§	X	§	Not suitable
DATINSPAYAN AGRO-INDUSTRIAL COOPERATION	Coffee, black pepper and cacao	.60	§	§	X	§	Not suitable
PHIL-AGRO INDUSTRIAL CORPORATION	Manufacture of corn starch	TBD <sup>3</sup>	§	§	X	X	Not suitable
DAVAO ORIENTAL MINING CORPORATION	Gold mining and production of gold chains	1.10 <sup>3</sup>	§	X	§	§	Not suitable

FIRM	PROJECT DESCRIPTION	PROJECT COST (US\$ M)	CRITERIA				REMARKS
			1	2	3	4	
TORRENA PRAWN FARM	Prawn farming	.47 <sup>2</sup>	?	?	X	X	Not suitable
R. O. ANG ENTERPRISES	Coco oil processing	.65	X	X	X	X	Not suitable
BUKIDNON DAIRY DEVELOPMENT	Dairy products	varies	X	X	X	X	Not suitable
DAYAFAB ENGINEERING EXPONENTS	Steel alloy foundry	1.00	X	X	X	X	Not suitable
STO. THOMAS INTEGRATED DEVELOPMENT COMPLEX	Organic fertilizers from agricultural waste	.32-.41	X	X	X	X	Not suitable
ILIGAN MINING CORPORATION	Small-scale mining of gold, silver, and copper	.50	X	X	X	X	Not suitable

- Note :
- <sup>1</sup> As of Progress Report 4 Dec 1989
  - <sup>2</sup> Needs market access only.
  - <sup>3</sup> Project cost inflated by ten percent.
  - <sup>4</sup> To be determined
  - <sup>5</sup> Firms for rematch are considered good prospects for joint venture with a foreign partner

Summary :

TYPE	NUMBER	COST	
EXPLORATORY	7	12.7	Includes project with undetermined cost
REMATCH	14	8.41	Includes projects with undetermined cost or market access need only
NOT SUITABLE	11	17.3	
OTHERS	1	3.00	
NEGOTIATION	1	TBD <sup>5</sup>	



Annex D  
PROFILE OF PROJECTS SUBMITTED DURING THE FORUM

PROJECT NUMBER	SPONSOR	PROJECTS SELECTED BY EVSA	TOTAL		FROM 0 - 0.5		FROM 0.5-1.0		FROM 1.0-1.5		MORE THAN 1.5	
			NATL	EVSA	NATL	EVSA	NATL	EVSA	NATL	EVSA	NATL	EVSA
1	HOKOSCOPE	x	.70	.70			.70	.70				
2	DATING	x	.60	.60			.60	.60				
3	VANDA	x	.50	.50	.50	.50						
4	BUSAINS		5.43								5.43	
5	FIRST	x	6.00	6.00							6.00	6.00
6	NORTHERN		2.86								2.86	
7	EIGPERA		.78				.78					
8	TORRENA	x	.43	.43	.43	.43						
9	DAVAO		10.32								10.32	
10	CENTEND	x	1.24	1.24					1.24	1.24		
11	ISLAND		2.43								2.43	
12	DALATAGAN		.65				.65					
13	PNOC		23.08								23.08	
14	CARBEX		1.20						1.20			
15	LUVIMIK	x	40.00	40.00							40.00	40.00
16	ILISAN	x	.50	.50	.50	.50						
17	DAVAOR	x	1.00	1.00			1.00	1.00				
18	ZELEV	x	.51	.51			.51	.51				
19	MANUKAN	x	6.25	6.25							6.25	6.25
20	BUKIDNON	x	1.09	1.09					1.09	1.09		
21	MARSMAN		10.00								10.00	
22	ALLSEASON	x	1.20	1.20					1.20	1.20		
23	CEBU		1.20						1.20			
24	UNITED	x	.51	.51			.51	.51				
25	WISE		1.50						1.50			
26	SUMMER		1.50						1.50			
27	FAMILY		.58				.58					
28	AFC		1.90								1.90	
29	NATIONAL		1.91								1.91	
30	IFORN		1.75								1.75	
31	ORIENT	x	.50	.50	.50	.50						
32	FAMILY		.58				.58					
33	BESTADDF	x	.00	.00	.00	.00						
34	SUGECC	x	.30	.30	.30	.30						
35	VINTA		3.60								3.60	
36	SPDA		2.80								2.80	
37	MIGEVA	x	.31	.31	.31	.31						
38	SPDA	x	1.44	1.44					1.44	1.44		
39	PHIL-APFD	x	.60	.60			.60	.60				
40	LOPENDINGA		.62				.62					
41	VINTA		2.80								2.80	
42	EPDA		2.75								2.75	
43	DAVAOR		10.00								10.00	
44	DATING		2.61								2.61	
45	UNITEDSTATE		1.70								1.70	
46	SCORSSIONE		.50		.50							
47	HANDLER		.52	.52			.52	.52				

PROJECT NUMBER	SPONSOR	PROJECTS SELECTED BY EVSA	TOTAL		FROM 0 - 0.5		FROM 0.5-1.0		FROM 1.0-1.5		MORE THAN 1.5	
			NATL	EVSA	NATL	EVSA	NATL	EVSA	NATL	EVSA	NATL	EVSA
48	BELL	x	.50	.50	.50	.50						
49	CANCIO		1.10						1.10			
50	ARAS-ASAN		1.10						1.10			
51	ARAS-ASAN		1.38						1.38			
52	WOODIRON		.30		.30							
53	EMP	x	1.00	1.00			1.00	1.00				
54	HAYAHAY		.36		.36							
55	ANRINA	x	.01	.01	.01	.01						
56	TRADEWINDS	x	.72	.72			.72	.72				
57	ALETER	x	1.50	1.50					1.50	1.50		
58	PACIFIC	x	.57	.57			.57	.57				
59	ASIAN	x	.60	.60			.60	.60				
60	HNL		1.00				1.00					
61	TRANSPEX		1.00				1.00					
62	GALERIA		.10		.10							
63	PICOP		38.25									38.25
64	OXFORD		3.00									3.00
65	STOTOMAS	x	.65	.65			.65	.65				
66	FILSYN		1.57									1.57
67	STRUCTURAL		.71				.71					
68	QUEEN		.96				.96					
69	DACERU	x	1.45	1.45					1.45	1.45		
70	MADUHAY		3.89									3.89
71	ALLGEMEINE		.13		.13							
72	VACPHIL		1.43						1.43			
73	RNF	x	1.40	1.40					1.40	1.40		
74	LAGUNA		.66				.66					
75	TRANSPORT		.14		.14							
76	LAGUNA		1.50						1.50			
77	VACPHIL		1.00				1.00					
78	PINTAF		1.00				1.00					
79	SANITARY		.50		.50							
80	MARINERA		1.45						1.45			
81	MARINERA		1.53									1.53
82	CEBUCHAN	x	5.00	5.00								5.00
83	REFRACTORY		11.29									11.29
84	CONTINENTA		.51				.51					
85	BELLAMAR		.65				.65					
86	PHILPHOS		5.00									5.00
87	US FOUNDRY		1.27						1.27			
88	METALS		2.48									2.48
89	ACME		.60				.60					
90	ABOITIZ		1.00				1.00					
91	SA ASRO	x	1.00	1.00			1.00	1.00				
92	ABOITIZ		2.50									2.50
93	FAOEE		.50		.50							
94	PHILEC		1.00				1.00					
95	LAPRADOR		1.25						1.25			
96	YAKASAMI		.21		.21							
97	LAPRADOR		.48		.48							
98	STEAMSHIP	x	1.55	1.55								1.55

PROJECT NUMBER	SPONSOR	PROJECTS SELECTED BY EVSA	TOTAL		FROM 0 - 0.5		FROM 0.5-1.0		FROM 1.0-1.5		MORE THAN 1.5	
			NATL*	EVSA	NATL	EVSA	NATL	EVSA	NATL	EVSA	NATL	EVSA
99	HIGGS	x	2.50	2.50							2.50	2.50
100	PALACIO	x	5.00	5.00							5.00	5.00
101	PERTA		.34		.34							
102	NORKIS		.57				.57					
103	LARKADOR		.63				.63					
104	JEWELLRY		1.50					1.50				
105	CHERITH		.58				.58					
106	PLASTINER		.70				.70					
107	TECHNOMODE		.70				.70					
108	TOYS		.29		.29							
109	TRANSPORT		.55				.55					
110	TREES		.60		.60							
111	SCHERER		.50		.50							
112	SULO		4.14								4.14	
113	CATHON	x	2.50	2.50							2.50	2.50
114	ASIANDATA		.20		.20							
115	EGUIDATA		.19		.19							
116	UNIDATA		.20		.20							
117	PEC		.20		.20							
118	FIDG		.20		.20							
119	COMPUTER		.14		.14							
120	SGV		.21		.21							
121	ASIANIMA		3.60								3.60	
122	JB ENTERPR	x	1.45	1.45				1.45	1.45			
123	SILAY	x	1.26	1.26				1.26	1.26			
124	AQUARIUS	x	.33	.33	.33	.33						
125	URONEX	x	.53	.53			.53	.53				
126	DATAFAB	x	.85	.85			.85	.85				
127	RAM		4.00								4.00	
128	TINNEPBELL		.55				.55					
129	PRIVATE		.45		.45							
130	R.C. AVS		.59	.59			.59	.59				
Total Number			100	40	32	14	40	14	22	9	36	8
Sum			210.46	95.16	9.52	3.32	28.53	10.95	29.41	12.63	236	69.80
Percentage to National				33	28	8	31	12	17	7	28	6
Percentage to Group						23		37		21		19

Note : \* National

ADDITIONAL PROJECTS SELECTED BY EVSA FROM BEMB

131	MATUQUINA	1.45
132	UNIQUE	.00
133	STAYE	.00

Annex F  
FINAL SET OF PROJECTS FOR RENATCH

PROJECT NUMBER	FIRM
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**FIRST PRIORITY**

PHI/01	HOROSCOPE FARM DEVELOPMENT CORPORATION
PHI/03	VANDA SANDERIANA EXIMPORT CORP.
PHI/05	FIRST FARMERS MILLING & MKTG COOPERATIVE
PHI/15	LUVIMIN CEBU MINING CORPORATION
PHI/19	ZELEV ORGANIC MARKETING CORPORATION
PHI/24	UNITED FERCON INTERNATIONAL, INC.
PHI/33	BESTACOR
PHI/34	SUGECO EXPORT CORPORATION
PHI/47	HANOVER WORLDWIDE TRADING
PHI/48	BELL INTERNATIONAL
PHI/56	TRADEWINDS RATTAN
PHI/69	DACEBU TRADERS INC.
PHI/73	RNF ENTERPRISES
PHI/91	SV AGRO-INDUSTRIES ENTERPRISES INC.
PHI/98	STEAMSHIP MANAGERS, INC./TOWER CONSTRUCTION AND DEVELOPMENT CORPORATION
PHI/100	PALACIO SHIPPING INC.
PHI/122	J AND B ENTERPRISES
PHI/123	SILAY-SARAVIA FOOD CORPORATION
PHI/126	DATAFAB ENGINEERING EXPONENTS
PHI/137	UNIQUE FORMS INTERNATIONAL INC.
(NEW)	ASIAN ARTS, INC.

TOTAL	21
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**SECOND PRIORITY**

(NEW)	STC. TOMAS INTEGRATED DEVELOPMENT COMPLEX
PHI/02	DATINGBAYAN AGRO-INDUSTRIAL CORPORATION
PHI/08	TORRENA FRAWN FARM
PHI/10	CENTENO/BETAMOR AQUA CULTURE DEV'T CORP.
PHI/14	ILIGAN MINING CORPORATION
PHI/17	DAVAO ORIENTAL MINING CORPORATION
PHI/20	BUKIDNON DAIRY DEVELOPMENT
PHI/39	PHIL-AGRO INDUSTRIAL CORPORATION
PHI/42	SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY
PHI/130	P. G. ANG ENTERPRISES

TOTAL	10
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