

**9th**

Training Programme  
on  
**Industrial  
Project  
Preparation  
and Appraisal**  
with  
special focus on  
**Woven Garment Sector**

December 4-23, 1998



**Entrepreneurship Development  
Institute of India**  
Ahmedabad, Gujarat, India



**INTER - REGIONAL  
CENTRE  
FOR  
ENTREPRENEURSHIP  
AND  
INVESTMENT  
TRAINING**

Sponsored by



**UNITED NATIONS  
INDUSTRIAL DEVELOPMENT  
ORGANISATION**



**GOVERNMENT  
OF  
INDIA**





## Module VIII : Industrial / Institutional Visits

- Interactions with Institutions engaged in projects
- Visits to Industrial units

### Financial and Administrative Arrangements for the

1. The **cost of participation is US \$ 2250 (U.S.D. only)** payable once the nomination is accepted.
  - Tuition fee, cost of course material and computer
  - Full board & lodging facilities (single occupancy)
  - Out-of-pocket allowance @ Rs.384/- per day to

Travel costs between the participants' home country and Ahmedabad organisations.

2. **Fellowships are available on a selective basis in selected Countries (LDCs) to cover travel costs and/or**

In some cases, round-trip economy class (or executive) airfare from the airport of departure in home country and Ahmedabad for participation, mentioned above in point (1). However, the cost of participation and the travel costs will have to be borne by the participants.

Those desirous of seeking this facility must apply for a nomination form available from UNIDO/UNDP country offices.

The LDCs are :

- Afghanistan - Cambodia - Maldives
- Bangladesh - Ethiopia - Mozambique
- Bhutan - Lao People's Demo Rep. - Myanmar

3. **Full Fellowships** for the training programme may be sponsored by international or regional funding bodies or national governments. Candidates are encouraged to contact their respective countries.

4. The United Nations Industrial Development Organisation has **any responsibility for :**

- \* Costs incurred by participants with respect to travel as well as costs incidental to travel (passport, visa, etc.)
- \* Compensation in the event of death, disability or illness

### Note :

Participants are strongly advised not to have members of their family in the accommodation available for family members. The sponsors of the programme are not liable for expenses incurred by dependents.

Candidates must duly fill-in the attached nomination form by **7th October 1998**, at the following address. The nomination should be sent to:

Mr.J.Moongananiyil, Project Manager  
Investment and Technology Promotion Branch,  
Investment Promotion and Institutional Capacity Building  
United Nations Industrial Development Organisation  
P.O.Box 300, A-1400 Vienna (AUSTRIA)

### Programme Duration & Venue

The programme is scheduled during **December 1998**.

The programme will be organised at EDI. The Institute is situated in the surroundings 5 kms away from Ahmedabad Airport and is well connected by rail and air with Bombay and Delhi.

### Enquiries may be addressed to

#### Mr.B.P.Murali

Project Director, IRC  
Entrepreneurship Development  
Institute of India, Ahmedabad  
P.O.Bnat - 382 428  
Gujarat, INDIA  
Tel : 91-79-2864331/2869068/2864084  
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## Programme Rationale

World Trade between 1980 - 1995 grew much faster in clothing (+287%) than in textiles (+174%). During the same period, developing countries have registered continuous growth in the exports of textiles and clothing - over 4100% for Indonesia, 1063% for Thailand, nearly 500% for Pakistan, 811% for China, 388% for India and so on. The sector offers significant scope for value-addition to local resources, employment generation and foreign exchange earnings for developing countries. Success of garment manufacturing sector is fast, becoming a function of response time, innovation, flexibility and quality oriented manufacturing environment going beyond best quality/price ratio. Thus, a systematic approach to opportunity mapping, careful formulation of projects and their appraisal keeping in view the emerging trends will steer the sector in the proper direction.

UNIDO studies reveal that lack of appropriate skills to adopt such a systematic approach is a major constraint in several developing countries. Responding to the situation, a training programme on **Industrial Project Preparation and Appraisal (IPPA) with a special focus on Woven Garment Sector** has been planned.

The programme is offered by the Inter-Regional Centre (IRC) for Entrepreneurship and Investment Training sponsored jointly by the UNIDO and Government of India at Entrepreneurship Development Institute of India (EDI). Having conducted eight such training programmes in the past, EDI is offering this programme with a special sectoral focus.

### Programme Objectives

- \* Enhance knowledge and skills of participants in preparation and appraisal of Industrial Investment Projects in general and woven garment manufacturing projects in particular.
- \* Facilitate experience sharing among participants in the area of 'Project Development Cycle'.
- \* Generate awareness on issues involved in export marketing of garments.
- \* Increase awareness level of the participants in the area of appropriate technology/equipments.
- \* Equip the participants with an understanding of techno-commercial aspects of the sector.
- \* Help the participants identify and understand critical issues involved in promoting, formulating and appraising projects for garment manufacturing basically oriented towards exports.



## Participants

The training programme will accommodate 20 participants.

- Nominations are invited from the following institutions engaged in promoting projects in the Garment sector :
  - Development Financial Institutions
  - Commercial Banks
  - Private and Parastatal Project Consultancy Organisations
  - Government Institutions engaged in Industrial Project Preparation and Appraisal
  - Export Processing Zones
  - Free Trade Zones

Each of the above institutions can nominate 2 to 3 officers possessing a University Degree in Engineering/Economics/Business Administration and at least 3 years of hands-on-experience in the field of Industrial Project Preparation, Appraisal and Investment Decision-making.

- Further, entrepreneurs planning to set up their own industrial ventures in woven garment sector will find the programme beneficial.

The participants need not possess technical qualification in Textile/Garment Sector.

Fluency in English is a must.

## Benefits to Participants

On completion of the training programme, the participants will be able to :

- ◆ understand the emerging trends in the garment sector; market-related issues pertaining to export of woven garments; and parameters of technology choice keeping in view the emerging scenario in the sector;
- ◆ apply such knowledge in the process of decision making to various aspects of project life cycle;
- ◆ identify data requirements and analyse their suitability for preparation of Industrial Feasibility Studies;
- ◆ discuss the stages of feasibility report preparation, understand and practically apply various techniques used;
- ◆ integrate the data gathered into a full-fledged feasibility study;
- ◆ carry out computer supported comprehensive appraisal of financial viability of projects through Computer Model for Feasibility Analysis and Reporting (COMFAR *III Expert*), a UNIDO-developed software;
- ◆ understand the process of assessing a promoter on entrepreneurial competencies; and
- ◆ take rational industrial investment decisions.

The programme offers a unique opportunity to the participants in understanding critical issues involved in Project Preparation, Appraisal and Promotion of manufacturing ventures in the garment sector. **The knowledge and skills acquired during the programme - especially those pertaining to financial analysis and COMFAR *III Expert* are applicable to any industrial sector.**

## Course Content

### **Module I : Project Development Cycle**

- An overview of
  - Project Development Cycle
  - Opportunity mapping in woven garment sector
  - Preparation of feasibility studies and their appraisal

### **Module : II : Market Analysis**

- Introduction
  - Market analysis for Garment Projects : An overview
  - Concept of demand
  - Seasonal and cyclical characters in demand for garments
  - Information needs for market assessment
- Current status of garment sector
  - Demand side :
    - Major importing countries and their profile
    - Necessary and sufficient conditions to access/penetrate the markets for a given product group
  - Supply side :
    - Key exporting countries
    - Their competitive advantages
- Competition
  - Key market segments and their characteristics (with reference to pre-identified product groups and focussing on exports)

- Nature/basis of competition
- Market environment
  - Trade regulations
  - Dynamics involved in world garment trade (going beyond WTO)
  - Market access to major importing countries : Key issues
- Product mix decisions : Factors to be considered
- Pricing : Strategies, prevalent practices, factors to be considered
- Market Assessment (MA) :
  - Key steps in MA
  - Forecasting Sales Revenue : An overview
  - Information sources (web-based)
  - Identifying, assessing and briefing market research organisations for primary data collection
  - Key areas of concern in MA

### **Module III : Technical Analysis**

- Technical appraisal of Garment manufacturing projects : Critical issues
- Issues involved in fabric selection
- Production process :
  - Basic steps
  - Flow charts - line balancing
- Technology/machinery options (with respect to each stage in the production process)
- Impact of new technology on apparel manufacturing
- Parameters for technology assessment
- Machinery configuration (issues pertaining to specialisation versus flexibility)
- Waste reduction
- Factors influencing productivity
- Checklist for use by an Appraisal Officer
- Quality parameters
  - What they are
  - Current practices (in setting standards and measuring them)
  - Factors to look into from appraisal angle
- Project Implementation :
  - Selection of consultants and contracting
  - Scheduling and monitoring

### **Module IV : Environmental Impact Analysis (EIA)**

- Introduction :
  - EIA and its importance in the context of preserving the environment
- Types of wastes/pollutants in a typical garment industry
- Disposal of wastes (Pollution control measures)
- Checklist on EIA for Appraisal Officer

### **Module V : Financial Analysis**

- Project cost and means of finance
- Cost of capital
- Working capital assessment
- Financial statements
- Break-even Analysis
- Financial appraisal techniques
- Impact of inflation on financial appraisal

### **Module VI : Computer Model for Feasibility Analysis and Reporting (COMFAR Expert III)**

- An overview of COMFAR III Expert
- Structure of COMFAR III Expert
- Data entry system
- Sensitivity analysis using COMFAR III Expert
- Report generation and graphic presentation
- Demonstration and practice sessions

### **Module VII : Entrepreneurial Assessment**

- Entrepreneurial Competencies : Awareness and importance of assessing promoter's capabilities.
- Assessing Entrepreneurial Competencies : Exposure to Focused Behavioural Event Interview (FBEI) Technique



## Inter-Regional Centre (IRC) at EDI

Entrepreneurship Development Institute of India (EDI) is an autonomous, not-for-profit institution, sponsored by all-India financial institutions. It is now an acknowledged National Resource Institution committed to investment promotion, entrepreneurship education, training and research. Its efforts in spearheading entrepreneurship movement in India and other developing countries has led to emergence of a range of training programmes and workshops in the area of investment promotion and entrepreneurship development.

Recognising the contribution, the Institute has received support from the World Bank, UNIDO, ILO, Commonwealth Secretariat and several other international agencies. The Institute's international activities cover a range of entrepreneurship and investment promotion related training programmes & workshops. Ever since 1983, the Institute has interacted with 30 developing countries helping them build institutional capabilities for industrial development. So far, over 500 professionals from developing countries have benefited from EDI's capacity building programmes including the one on Industrial Project Preparation and Appraisal co-sponsored by UNIDO.

The EDI Inter-Regional Centre (IRC), jointly set up by UNIDO and Government of India, is the result of UNIDO's strategic thinking that innovative methodologies should be transferred to the developing world through regional institutions with proven skills in the area of entrepreneurship and investment promotion. **IRC's mission** is to develop and strengthen indigenous capacities of selected developing countries in Asia & Africa and Arab countries for investment promotion and entrepreneurship development leading to accelerated industrial development and globalisation of economies.