

Training Programme on

Industrial Project Preparation and Appraisal

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



ORGANISATION

GOVERNMENT OF INDIA



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 UNIDOdeveloped 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

Mule 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 perameters
 - 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

Moudle 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 Develpoment
Institute of India (EDI) is an autonomous,
not-for-profit institution, sponsored by allIndia 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 reparation 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.





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