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# ASEAN PRIVATE INVESTMENT AND TRADE OPPORTUNITIES (PITO) PROJECT

## Interim Evaluation 1990-1992

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FINAL REPORT

*Bureau for Private Enterprise  
U.S. Agency for International Development*

*Prepared for: Office of the A.I.D. Representative to ASEAN*

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*Sponsored by: Private Enterprise Development Support Project II  
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Prime Contractor: Coopers & Lybrand*

*December 1992*

**PROJECT IDENTIFICATION DATA SHEET**

1. Country: ASEAN
2. Project Title: ASEAN Private Investment and Trade Opportunities
3. Project Number: 399-0558
4. Project Dates:
  - a. First Project Agreement: April 26, 1990
  - b. Final Obligation Date: FY96 (planned)
  - c. Most recent Project Assistance Completion Date (PACD): September 30, 1996
5. Project Funding:

a.	A.I.D. Bilateral Funding (grand and/or loan)	US\$ 6,045,724
b.	Other Major Donors	US\$
c.	Host Country Counterpart Funds	<u>US\$ 1,020,495</u>
	Total	US\$ 7,066,219
6. Mode of Implementation: US-ASEAN Council for Business and Technology, Technonet Asia and East-West Center
7. Project Designers: ASEAN Governments Ministry of Trade, US-ASEAN Council in ASEAN, Chamber of Commerce and Industry
8. Responsible Mission Officials:
  - a. Mission Director: Lawrence J. Ervin
  - b. Project Officer: Robert T. Dakan
9. Previous Evaluation(s): None

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## **EXECUTIVE SUMMARY**

**Office of the AID Representative to ASEAN**

**Private Investment and Trade Opportunities (PITO) Project**

**Interim Evaluation - August 1992**

### **I. Background**

The Private Investment and Trade Opportunities (PITO) Project was initiated by the Office of the AID Representative to the Association of South East Asian Nations (ASEAN) in April 1990. The Project is designed to increase U.S. investment and trade interests in the six member countries (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand) in ASEAN and is unique in its emphasis on promoting a region rather than an individual country. The PITO Project is also unique among developmental efforts of this type in that the Project is being implemented by private sector organizations in each country, rather than by government agencies.

The PITO Project is being carried out by three grantee organizations. The U.S.-ASEAN Council for Business and Technology (USACBT) is responsible for the Trade and Investment Component of the Project. The East-West Center in Hawaii has responsibility for the Policy and Problem Resolution Component of the Project. Technonet-Asia in Singapore is responsible for carrying out the activities of the Technology Advisory Services Component of PITO. In addition, the Project provided \$200,000 to the Overseas Private Investment Corporation (OPIC) to assist in setting up a fund to provide financing for U.S.-ASEAN joint-ventures and other investments in the region.

Assistance to potential joint-venture partners and importers in each of the ASEAN countries is provided by a local PITO Representative who is a member of the staff and supported by the USACBT. In the U.S., assistance to businesses considering markets or investments in ASEAN is provided through the network and other services provided by the domestic operations of the USACBT.

### **II. Evaluation Purpose and Methodology**

The evaluation of the PITO Project was conducted at an interim stage of the Project. In view of the somewhat unorthodox nature of the Project and implementation strategy, the Office of the AID Representative to ASEAN included an interim evaluation in the project design to provide a check on the effectiveness of the Project and to determine the need for any mid-course corrections. Considerable time was required to negotiate and coordinate changes to the Project Agreement (ProAg) with each of the ASEAN member countries. The first ProAg was signed in April 1990, or six months after authorization of the Project. This evaluation began in June 1992 and, therefore, covers a period of PITO operations that is only slightly more than two years long.

The evaluation methodology relied on interviews with a cross-section of individuals in each of the countries served by PITO to obtain their opinion on the effectiveness of the Project. These individuals included beneficiaries of PITO services, representatives of local business associations, U.S. and host government officials with trade and investment responsibilities in the ASEAN region and the U.S., the PITO Representatives in each country and the personnel responsible for managing PITO activities within each of the grantee organizations. A draft of the results of this evaluation was submitted to the Office of the AID Representative to ASEAN in Bangkok at the conclusion of the field work in August 1992. Follow-up meetings were conducted in September to debrief Department of Commerce and USACBT personnel on the initial findings. A final draft of the evaluation was submitted to AID/ASEAN in October.

The evaluation was conducted by a team assembled by Coopers & Lybrand under its contract to the Private Enterprise and Development Support (PEDS) Project managed by the Bureau for Private Enterprise. The team members were Bob Rourke and Sue-Jean Lee of Coopers & Lybrand and John Mathieson of SRI International.

### **III. Summary Findings**

The overall conclusion of the evaluation team is that the PITO Project is a success as demonstrated by what the Project has put in place to: 1) assist further development of the ASEAN member countries; and 2) provide benefits to U.S. firms through increased trade and investment activity. To appreciate what the PITO Project has accomplished to date, it is important to bear in mind the highly ambitious nature of at least two of the Project's goals: 1) to promote trade and investment on a six-country regional basis; and 2) to implement the Project relying almost exclusively on the private sector in the countries involved rather than on the public sector.

It was also the conclusion of the evaluation team that the AID/ASEAN Office has managed a complex project involving 3 grantees and 6 countries in a highly effective manner. While the major components of the Project clearly are all related, they also encompass quite diverse activities. As a result, the Project components are carried out by different organizations because no one organization could be expected to be equally qualified in providing services under two, let alone four, of the components. Carrying out PITO services at the country level also requires coordination with local business organizations and the US&FCS officer which further adds to organizational complexity and coordination requirements.

The evaluation confirmed that the need and the demand for the services offered by PITO still exist. If anything, they are more intensive than at the time the Project was designed. In the time since the PITO Project was set up, the ASEAN member countries have agreed to creating an ASEAN Free Trade Area (AFTA). The AFTA should increase intra-regional trade and investments significantly and will also provide major opportunities for U.S. investors who previously were put off by the small size of the local markets in ASEAN countries. The PITO Project can be of considerable help to U.S. firms renewing their interest in the ASEAN markets as well as to firms that are new to the region. The PITO offices in the ASEAN countries are now staffed adequately and organized to provide services in an effective manner. In view of the prolonged start-up for the offices, the evaluation team agreed that it would be premature at this

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time to evaluate the offices in terms of the number of inquiries or potential transactions they have handled. This activity might be included, more sensibly, in the final evaluation of PITO.

#### **IV. Major Recommendations**

The findings and conclusions of the evaluation team result in a number of recommendations for improving the effectiveness of the PITO country programs and the implementation of the individual components of the PITO Project. These recommendations appear in the appropriate sections of the attached report and in some instances are simply restatements at the country-specific level of one of the three major recommendations suggested by the team for improving the overall effectiveness and responsiveness of the PITO Project. These major recommendations are as follows:

**Increase the level and extent of support provided to PITO Country Programs by the U.S.-ASEAN Council for Business and Technology (USACBT).**

The USACBT should devote more effort to developing and supporting the management responsibilities, i.e., staffing and support services, of the PITO country operations, as well as the programmatic functions such as coordinating PITO activities involving other U.S. Government agencies and other PITO grantees. The USACBT should increase the capacity of the PITO Project Secretariat to provide management support, in addition to its investment development activities, by providing additional staff resources for this activity. This activity is not likely to require a full-time individual, but might be covered through a contract or other part-time arrangement. In addition, the USACBT should provide more timely and complete information on its Washington-originated activities, such as missions and seminars, so that the PITO country representatives can publicize and coordinate these activities locally in a more effective manner.

**Promote PITO Services more actively.**

While PITO has gained a good reputation and local recognition, the PITO Representatives should be instructed to advertise the objectives of PITO and the services it provides to increase local awareness of the Project even further. At present, knowledge about PITO is not widespread because it has been spread more by word-of-mouth than through more far-reaching media. An elaborate promotion campaign is not required. It will suffice in most instances to run a small advertisement monthly in one or two local newspapers.

**Curtail the Activities of the Policy and Problem Resolution Component.**

With the pending formation of the ASEAN Free Trade Area (AFTA) and other related economic cooperation activities in the region, the purposes of the Policy and Problem Resolution Component of PITO virtually have been overtaken by events. The current activities of the East-West Center, which are largely promotional rather than problem resolution-oriented, should be merged into the promotional activities of the USACBT. The Council has been primarily responsible for promoting the ASEAN region and U.S. interests in the region and has the necessary experience and relationships to carry out these activities.

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## **EVALUATION REPORT**

### **PRIVATE INVESTMENT AND TRADE OPPORTUNITIES PROJECT (PITO) PROJECT**

#### **I. PROJECT BACKGROUND AND DESCRIPTION**

This report presents an interim evaluation of the Private Investment and Trade Opportunities (PITO) Project at the end of the first two years of project activities. The principal objectives of the evaluation are (a) to measure progress towards achieving the project's purpose; (b) review the effectiveness of the implementing organizations in meeting project benchmarks; (c) identify and analyze problems inhibiting progress; (d) recommend actions to correct problems; (e) assess the grantees' management of their respective components; and (f) assess project sustainability.

The evaluation was conducted by a team assembled by Coopers & Lybrand under its contract to the Private Enterprise and Development Support (PEDS) Project managed by the Bureau for Private Enterprise. The team members were Bob Rourke and Sue-Jean Lee of Coopers & Lybrand and John Mathieson of SRI International.

#### **Timing**

The team began the evaluation in mid-June, 1992 with meetings in Washington, D.C. with AID, the US-ASEAN Council for Business and Technology (USACBT), the Department of Commerce and the U.S.-Asia Environmental Partnership to obtain an update on the PITO Project and to identify those U.S. organizations that most closely interacted with Project grantees for further interviews. These were followed by meetings with the East West Center in Hawaii and the PITO offices in the various ASEAN countries during the months of July and August. A draft evaluation report was submitted to the Office of the AID ASEAN Representative prior to the team's departure from Bangkok in August. The team members subsequently held followup meetings in Washington, D.C. during September to brief the Department of Commerce and the USACBT on initial findings of the evaluation and to obtain additional input to support project recommendations. A revised draft was submitted to the Office of the AID ASEAN Representative in October, with the final report completed in December, 1992.

#### **Methodology**

The methodology used to conduct the evaluation included interviews with the three grantee organizations, The USACBT, The East-West Center and Technonet Asia. Telephone interviews were also conducted with the Overseas Private Investment Corporation to get an update on its activities to set up a fund to provide financing for U.S.-ASEAN investment ventures. In addition, U.S. Government agencies and ASEAN government and private sector organizations

that have been involved in project implementation or that have interacted with the grantees or PITO offices were also interviewed to get a broader perspective on the progress to date. These interviews were conducted at meetings held in Washington, Hawaii, The Philippines, Indonesia, Singapore, Malaysia and Bangkok. The number of interviews conducted in each country varied from country to country, depending upon the level of interaction between PITO and local organizations and the maturity of the PITO operations. The evaluation team was satisfied that in each case there was a sufficient amount of information gathered for individual program assessment. A list of the individuals and organizations interviewed is included as Appendix D.

In addition to the interviews, the team also reviewed project documents prepared by the three grantees in the form of progress reports, activity reports or other deliverable products. While these are important indicators for project evaluation, the team has concluded that the success of the PITO Project to date really cannot be based on the number of inquiries, contracts or deals transacted. Rather, it must be measured in terms of what the project has put in place to 1) further development of the ASEAN member countries; and 2) provide benefits to U.S. firms through increased trade and investment activity. As such, much of the team's findings and recommendations are based on the interviews and observations made during on-site meetings. This report is organized to address the overall project assessment as well as findings and recommendations of each ASEAN country.

#### **A. Background**

The PITO Project is a unique project. It is the first AID-financed project ever designed to expand investment and trade activities on a regional rather than an individual country basis. The Project was developed by the Office of the AID Representative to the Association of South East Asian Nations (ASEAN) in Bangkok. The co-operating countries in the PITO Project include all six of the member countries of ASEAN; Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand. Funding for the Project was approved in September, 1989. Negotiations with the six countries, all of which are signatories to the Project Agreement (ProAg) involved considerable time and discussions and were completed in April 1990. This was not the first AID project involving the ASEAN members, but the PITO Project was the first to rely exclusively on private sector organizations in the ASEAN countries for implementation of the Project. This departure from the traditional government-to-government approach to economic development assistance was a source of concern to the ASEAN governments and required a lengthier period to negotiate the ProAg than is typical.

#### **B. Project Objectives and Description**

##### **1. Project Goal and Purpose**

The Project's goal is to contribute to sustained economic growth and development in the ASEAN region. The Project's purpose is to establish a mechanism to promote expanded private sector trade and investment between ASEAN and the U.S. The system will serve to establish networks to facilitate expanded market driven economic activities in Asean countries and productive and

mutually beneficial ASEAN and U.S. trade and investment activity. The rationale underlying the Project is that U.S. firms are missing out on worthwhile business opportunities in ASEAN, and losing their competitive position in world markets in the process, because: 1) U.S. firms lack adequate information about business opportunities in ASEAN; 2) outmoded technology and inadequate standards of local production limit export potential and, therefore, U.S. or other foreign investor interest; 3) conflicting trade policies and unfavorable business climates within the ASEAN countries tend to constrain intra-regional trade and development of the larger markets of interest to U.S. firms and 4) insufficient access to local or other sources of financing in some of the ASEAN countries discourages potential U.S. joint-ventures.

## **2. Project Management and Organization**

The PITO Project is a six-year project that will receive \$13.0 million in funding assistance from AID over a period of five years. Overall monitoring and guidance on PITO activities is provided by a Steering Committee comprised of the Chairpersons of ASEAN Working Committees, members of the ASEAN-US Business Council - U.S. Section, representatives of the national chambers of commerce and industry in each ASEAN country and *ex-officio* members from the Office of the AID Representative to ASEAN. The position of Committee Chair is held by a representative of the country currently serving as the Dialog partner for the ASEAN, a function that rotates every three years among the six member countries.

A smaller group, consisting primarily of the AID Project Officer and the national PITO representatives, serves as Project Secretariat to develop work plans and oversee execution of the Steering Committee directives at the working level.

The objectives of the Project are being addressed through four inter-related sets of activities, or components, each of which is carried out by a separate organization. The Steering Committee reviews and provides guidance on the coordination of project activities at its annual meetings. The US-ASEAN Council on Business and Technology (USACBT) is responsible for assuring that the activities of each component are adequately coordinated at the working level. Management and performance review of PITO activities are provided by the AID Project Officer, Robert Dakan, in the Office of the AID Representative to ASEAN. The four components of PITO are described below.

### **1. Trade and Investment Promotion**

#### **a. Objectives**

The objective of the trade and investment component of the PITO Project is to increase trade, investment and economic links between the ASEAN member countries and the United States, and within and among the ASEAN countries by leveraging the resources of the private sectors in the countries involved. The purpose is to increase business transactions while building the local institutional capacity to sustain the services provided by this component beyond the end of

project assistance. The services provided by this component are primarily promotional and do not include assistance to individual business opportunities.

**b. Implementation**

Responsibility for implementing this component of PITO rests with the US-ASEAN Council for Business and Technology (USACBT). The USACBT received a grant of \$3.0 million in June 1990. Under the grant USACBT is responsible for carrying out promotional activities in the U.S. to attract U.S. businesses to ASEAN and for developing and supporting the PITO representative offices that have been set up in the six ASEAN countries. The representatives in each PITO office are employed by the USACBT and are provided with an operating budget by the Council. The principal responsibilities of the country offices are to provide local companies with easy access to information on U.S. technologies and to develop a database of firms of potential interest to U.S. firms seeking joint-venture partners. These firms can be brought to the attention of U.S. firms through the link that exists between the national PITO offices and the U.S.-based USACBT.

The services provided by the trade and investment component of PITO include:

- Information services, including responses to individual inquiries, market research and sector studies to assist companies in identifying opportunities as well as potential partners;
- Seminars in the U.S. and ASEAN member countries to outreach to companies, present technologies and provide a venue for introducing potential business partners;
- Missions, both to the U.S. and ASEAN member countries, to facilitate contacts and generate trade and investment transactions; and
- Follow-up assistance, including referrals, to assist companies in pursuing business relationships.

These services are available to support trade and investment in all sectors, but are at least initially targeted at the four sectors with considerable growth potential:

- Energy, especially electric power
- Environmental protection
- Food processing and packaging
- Health care equipment and services

Effective delivery of the trade and investment promotion services depends heavily on frequent referrals and exchanges of information between the U.S.-based offices of the USACBT and the in-country PITO representative offices. Organization and leadership of investment missions, both to and from the U.S., are activities which require close coordination of USACBT and PITO office responsibilities and tasks.

A list of the activities carried out under the trade and investment component of PITO through June 1992 is included as Appendix B to this evaluation.

## **2. Technology Promotion and Assistance Services**

### **a. Objectives**

The objectives of the technology promotion and assistance services component of PITO are to promote quality assurance, certification, standards development, new materials application and to facilitate technology transfers between enterprises in the U.S. and ASEAN member countries. Exposure to these technologies is also expected to increase the export potential for ASEAN products, as well as lead to increased licensing and use of specialized U.S. products and systems.

### **b. Implementation**

The technical services of this component are provided under a grant awarded by the Office of the AID Representative to Technonet Asia in November 1990. Technonet serves primarily as a facilitator in organizing the various workshops and seminars it conducts throughout the ASEAN member countries. It draws upon the expertise of U.S. and ASEAN businesses and organizations to provide the technical content of the seminars. These seminars present U.S. companies with opportunities to interact with prospective clients and to discuss potential applications on a first-hand basis.

In scheduling and arranging seminars and workshops, Technonet works directly with the national PITO offices and the relevant trade or professional associations in the host country. A list of the activities carried out by Technonet through July 1992 is included as Appendix C to this evaluation.

## **3. Policy Analysis and Problem Resolution**

### **a. Objectives**

The primary objectives of the Policy Analysis and Problem Resolution component are to enhance U.S. and ASEAN private sector cooperation and to promote economic policies that increase the level of trade and investment activities within and among the member countries of ASEAN. The component relies on creating a network of ASEAN-based research and policy analysis institutions and encouraging dialogue and co-operative research among these institutions to

address policy and other constraints to increased intra-ASEAN and external trade and investment.

**b. Implementation**

The policy analysis and problem resolution component is being carried out by the East-West Center at the University of Hawaii under a grant awarded by AID in July 1990. Under the grant the Center is responsible for developing the network of cooperating research institutions and conducting periodic joint meetings and conferences. Cooperative work with ASEAN institutions so far has tended to involve individual rather than multiple institutions. To date the Center has focussed primarily on developing briefs and related materials directed at U.S. firms with potential interests in ASEAN. In collaboration with local institutes, they have also organized five Business Environment Workshops in the ASEAN countries.

**4. ASEAN Equity Growth Fund**

**a. Objectives**

The objective of the fourth component of the PITO Project is to assist in overcoming the constraint on U.S. small and medium business participation in ASEAN business opportunities because of lack of financing. Grant funding of \$200,000 has been made available to assist the Overseas Private Investment Corporation (OPIC) in establishing the Asia Pacific Growth Fund, which will focus on the ASEAN region but can also be used for financing investments in other Asia Pacific countries, excluding China and Vietnam. The fund will participate with U.S. investors and the local partner in projects and provide an important source of additional capital to those ASEAN countries where access to credit and local capital is limited.

**b. Implementation**

During the past two years, OPIC has worked with the investment banking firm of Hanbrecht & Quist (H&Q) Asia Pacific to establish this fund. H&Q Asia Pacific, which is based in San Francisco and has offices in the Asia Pacific region, will be the fund manager. To raise the fund capital, H&Q selected the firm Benedetto Gartland & Greene to assist with the investment placements. After a slower than anticipated start due to difficulties in generating investor interest especially during the Gulf War, H&Q Asia Pacific together with Benedetto Gartland & Greene organized a delegation of seven financial institutions that visited Taiwan, Singapore and Bangkok earlier this year to gain more exposure to the Asia Pacific markets. As a result of the visit, five of the seven institutions committed \$45 million to the fund by the first closing scheduled for the end of September. Another delegation of interested financial institutions is planned for the Fall of 1992, and it is expected that a total of \$75 million will be raised by the fund's second closing at the end of the calendar year.

OPIC's role in overseeing the fund will include participation in the Policy Board to improve investment policies, appoint key personnel, and approve individual investment projects to ensure

that they are environmentally sound and do not threaten U.S. jobs. Project applications will be submitted directly to the fund but OPIC will be involved in the review and approval process. Once the fund is in place, OPIC, as well as the USACBT and ASEAN PITO offices, will be actively promoting it. OPIC estimates that 4 to 5 projects will be funded per year with a goal of 12 to 15 projects funded by the end of three years. Even with minimal promotion of the fund to date, OPIC has already reviewed three project applications. Many more are expected as the U.S. interest in the Asia Pacific markets, and in particular those in the ASEAN region, continues to grow in the next three years.

**C. Relationship to U.S. and Foreign Commercial Service**

The U.S. and Foreign Commercial Service (US&FCS) of the Department of Commerce is represented in each of the six ASEAN member countries. The US&FCS responsibility for promoting U.S. exports creates some confusion among the staff of the Service regarding the difference between the objectives of the PITO Project and those of the Department of Commerce. Opinions among the US&FCS staff on the PITO Project range from complete opposition to mild support. Not being in the business of economic development, the US&FCS staff tend to see PITO from the Department of Commerce perspective which suggests that the purpose of PITO should be to promote U.S. exports; a purpose that totally duplicates US&FCS responsibilities and, therefore, is unnecessary. The preoccupation of the Department of Commerce with promoting U.S. exports seems to obscure the benefits of promoting U.S. investment in foreign ventures and the equally positive effect that it can have on the U.S. current accounts. Much of the Department of Commerce sentiment toward the PITO Project seems to stem from a lack of understanding of the objectives of the Project and the complementary relationship that they have with the objectives of US&FCS activities. A tendency by the US&FCS officers to hold the view that the Department of Commerce is the only arm of the U.S. Government that should be involved in assisting U.S. businesses overseas also contributes to their largely negative view of the PITO Project. One exception to this tendency, however, is found in Singapore. There the Service has chosen to make use of the resources provided by PITO to complement its own activities; an approach which is fully supported by AID and the project management team.

## **II. PROJECT ACTIVITIES AND ACCOMPLISHMENTS**

### **A. Trade and Investment Promotion Component**

#### **1. Brunei Darussalam**

##### **a. Background**

The PITO program in Brunei has been part of the National Chamber of Commerce and Industry of Brunei and until very recently, did not have any specific resources devoted solely to it by the Chamber. At the time the evaluation was conducted, the team learned that the Chamber just hired two full time staff for the PITO program who would be supervised by the Chamber representative. Since the PITO Secretariat and USAID still had to discuss and review the details of this new development with the Chamber, there is little that can be reported about it in this evaluation.

##### **b. Activities**

The only activity that has taken place in Brunei under the PITO Project thus far is a seminar organized under the Technology Promotion and Assistance Service component. Technonet organized a seminar on "Finding and Licensing New Products & Technology", which also covered franchising, on March 4-5, 1992. The program was presented by a U.S. firm, Technology Search International, and was attended by 25 local participants.

Currently, as a more cost efficient way of program delivery, Technonet is considering combining technology promotion activities for Brunei with ones planned for Singapore in the remainder of 1992. Interested Brunei enterprises will be encouraged to attend the Singapore events so that they will have additional opportunities to learn about U.S. technologies. For 1993, Technonet has planned specific activities for Brunei, including seminars on Quality Control & Packaging Development in Food Processing and on Standards & Quality Development of Wood-based products.

##### **c. Assessment**

While the PITO Trade and Investment Promotion Component has had official representation through the National Chamber during the past two years, there has been virtually no activity under the program. Much of this may be a result of the dominance of the oil and gas industry in Brunei's economy, which has dwarfed the development of other local industries, making it a more difficult environment in which to promote any foreign trade and investment. Yet, as there is need for the country to develop more diversified local industries, trade and investment promotion activities will be important vehicles for introducing new businesses to the market.

The PITO Secretariat and USAID are reviewing the situation. In the meantime, Technonet has been encouraged to develop additional program activities in Brunei.

#### **d. Recommendations**

In view of the low level of project activity thus far, some recommendations for USAID consideration are:

1. Devote an increased effort to publicizing and promoting PITO services to raise the visibility of the program.

PITO activities and services should be publicized and promoted more actively to generate interest from local enterprises. A more aggressive campaign utilizing the media and establishing closer ties to local organizations, followed by organized events, will help PITO become better known. The PITO representative in Brunei should assess the interests of the local business community annually and develop appropriate program activities.

2. Brunei companies should be encouraged to participate in workshops held in other ASEAN countries.

Because of the small size of the business community in Brunei, it is often difficult to justify the expense of a presentation on technology for which there is only a small audience. A more efficient approach would be to invite interested Brunei firms to conferences being held elsewhere in the region. Technonet has already experimented with this idea by inviting several Brunei companies to attend a workshop on food processing in Kuala Lumpur, Malaysia. This proved to be a good alternative for making more workshop programs available to interested Brunei companies.

## **2. Indonesia**

### **a. Background**

The PITO Project in Indonesia started slowly because of changes in both venue and personnel. The PITO office, until recently, was located in KADIN, the National Chamber of Commerce and Industry. The Chamber is a government agency and serves more as a vehicle for expressing official government policies on private sector activities than as an independent association of business persons in Indonesia. While KADIN has an extensive network of offices throughout Indonesia, which was a primary consideration in the decision to locate the PITO office in the Chamber, it has not been possible for PITO to make use effectively of the potential outreach and other support of these regional offices. In June 1992, the PITO-Indonesia office moved to modest quarters in an office building in the Block M section of Jakarta. The area is well-known to Indonesian and foreign business persons and, so, this new location should provide the PITO office with more visibility and ease of access than was the case when the office was housed in

KADIN.

The current PITO country representative, Akmam Aga, has only been in the position about one month. The previous representative lacked sufficient private sector orientation and, as a result, was not effective in promoting or implementing PITO activities in Indonesia. Akmam Aga has considerable relevant experience from his previous assignments with the Ministry of Trade and a trade promotion organization (NIFED). He also has spent several years in the U.S., and exhibits a sound knowledge of business practices in the U.S. and potential opportunities in Indonesia.

Coordination of PITO activities with USAID/Jakarta bi-lateral program activities have been minimal prior to the arrival of Akmam Aga. The limited involvement of the Mission in PITO activities is attributed by the Mission to the turn-over in Mission personnel and the gaps that existed in assignments of personnel who had an interest in coordinating with PITO activities. Mission personnel also cited the shortcomings of the previous representative in failing to keep the Mission advised of PITO activities. The Mission expressed a positive attitude toward PITO activities and welcomed the assignment of Akmam Aga, who is known to several USAID personnel through his previous position with the Ministry of Trade.

**b. Activities**

The activities of the PITO Project in Indonesia have been few in number because of the slow start and other difficulties experienced by the Project.

**1) Missions**

Two missions from the U.S. have visited Indonesia under PITO sponsorship. The first consisted of 21 representatives of 11 U.S. environmental control equipment and services companies and visited Indonesia October 31 - November 6, 1991. Local organizational and logistics difficulties required some involvement by the Office of the U.S. and Foreign Commercial Service (US&FCS) in the Embassy to support the trade mission activities.

The second mission, the U.S. Coal Energy Technology Mission, visited Indonesia in April 1992, and is regarded generally as a better organized and more successful activity.

**2) Information Requests**

The number of inquiries emanating from Indonesia regarding potential joint-venture partners or U.S. sources has been small. Information provided by the USACBT indicated only 6 requests through the period ending December 31, 1991. About twice that number was received from the U.S. regarding market potential and business conditions in Indonesia. This low level of activity seems to be more a result of low-level promotion of the PITO services in Indonesia than an accurate reflection of the level of U.S. investor interest or business opportunities in Indonesia.

### **3) Technology Promotion and Assistance**

Two workshops have been held in Indonesia under the Technology and Assistance component of the PITO Project. These workshops were organized by Technonet Asia, one of the three grantees funded by the PITO Project. A workshop was held on the Development and Improvement of the Capability of the Rubber-Based Product Industry for Export during the two-week period August 27-September 14, 1991. This workshop was attended by 49 representatives of U.S. and Indonesian organizations.

Technonet held a second workshop on May 5-16, 1992 on Appropriate Technology of Pollution Control for Textile Industries in Bandung (Central Java). This workshop attracted 32 U.S. and Indonesian participants. Both the textile and the rubber-based product industry workshops included workshop sessions and visits to producer sites to assess potential applications of the various technologies discussed.

Currently, a seminar on Total Quality Management is scheduled for September of 1992. Activities planned for 1993 include seminars on the topics of Quality Improvement in Processed Food & Application of Advanced Packaging Materials, Standard Development of Wooden Furniture Products, CAD/CAM Application in Plastic Product Quality Improvement and Ceramic Product Quality Development & Safety Certification.

### **4) Policy Analysis and Problem Resolution**

The East-West Center of the University of Hawaii works with the Center for Strategic and International Studies in Indonesia to develop research and coordinate policy development in matters related to intra-ASEAN trade and investment issues. To date the East-West Center has only sponsored one activity in Indonesia; a Business Environment in ASEAN workshop. The activity, which was held in Jakarta, attracted approximately 100 participants, including about 20 representatives of the private sector.

#### **c. Assessment**

The slow start-up and turnover of personnel has adversely affected the accomplishments of the PITO Project in Indonesia to date. However, the appointment of Akmam Aga and the greater visibility that PITO now has in Indonesia portend well for the future of PITO in Indonesia. The Trade and Investment Promotion Support (TIPS) Project nearing implementation by USAID/Jakarta is likely to generate additional interest in PITO activities. It will be important to coordinate the activities of the two projects and there exist real opportunities for carrying out complementary activities that will benefit both projects.

In addition to the limited coordination to date of USAID and PITO activities, communications in both directions between the PITO/Jakarta office and the US&FCS office have also been inadequate. The complementary nature of the responsibilities of these two offices has not been

fully realized although, again, this is likely to change with the clearer vision of the objectives of PITO and the increased emphasis on activities that now characterize the PITO/Jakarta office.

**d. Recommendations**

Current indications are that the PITO effort in Indonesia will pick up considerable momentum as a result of the recent changes in the staffing and venue of Project activities. However, several additional actions are required to assure that the objectives of PITO in Indonesia are achieved.

1. Devote an increased effort to publicizing and promoting PITO services to raise the visibility of the program.

Knowledge of and familiarity with PITO services are not widespread. Inquiries received to date seem to have been more the result of word of mouth referrals than widespread knowledge of the services being offered. Demand for services can be expected to increase significantly if the PITO effort were more visible or better known. As a minimum, the PITO/Jakarta office should place small advertisements in the Indonesian and English language papers once a month to announce the service and invite inquiries. The office should also use its good relationship with KADIN to promote its services through the regional offices of the Chamber.

2. Increase coordination and communication with related organizations.

The activities of the PITO project are of considerable interest and relevance to the activities of the US&FCS, the American Chamber of Commerce (AmCham), KADIN and USAID/Jakarta. The PITO office in Indonesia should work with these organizations to establish a regular schedule of meetings for exchange of information and coordination of activities. One approach might be for representatives of these organizations to meet for an hour before or after the monthly AmCham meetings. Regular meetings of the organizations most involved in developing trade and investment opportunities in Indonesia will be valuable in developing mutually supportive activities and in applying the limited resources of each of the organizations in a way that will achieve greater effectiveness than can be accomplished through separate efforts. In lieu of the meetings, the PITO office should provide a brief monthly report on current and proposed activities to each of the organizations. As activity level increases, the PITO office might also consider a brief newsletter or similar publication that could be distributed through KADIN and AmCham networks.

3. Increase the level of home office support provided to the PITO office in Indonesia.

Several of the improvements needed in the operation of the PITO service in Indonesia stem from the lack of adequate support from the USACBT. Little evidence was found that the Council had helped to get the PITO office off to a good start or had established the coordination between the organizations with related missions in Indonesia. The Jakarta office seems to be operating too much on its own without adequate guidance or assistance from its home office. The USACBT

should monitor the activities of the PITO office more closely and provide more assistance in promoting and linking the activities of the Office with the other components of the PITO Project. In Indonesia, the activities of the three grantees, USACBT, East-West Center and Technonet, have been carried out with limited coordination of each others' activities.

4. Increase the level of follow-up activities.

While the change in personnel within the PITO office was clearly a factor, little evidence was found of follow-up to inquiries initiated at the country level. Each of the PITO offices is developing a database of local firms, but the offices should setup also a system for assuring that follow-up to inquiries occurs. The PITO office should continue to follow up until some sort of closure is reached on the inquiry or it was clear that the inquiry had been abandoned (the reasons for which should be recorded) by the inquirer. This system need not be any more complicated than a chronological filing system that would move the inquiry along at 30-day intervals and trigger a phone call to the requestor until the files were closed.

3. **Malaysia**

a. **Background**

The PITO Malaysia office was initially set up in the offices of the National Chamber of Commerce and Industry of Malaysia (NCCIM). Staffing for the office consisted of a country director and two staff members. However, the staff was not effectively used, with one leaving 4 months after the startup, and the program suffered from lack of Chamber management and guidance. Very little activity was undertaken during this time and any assistance provided was generally on a reactive rather than pro-active basis.

To overcome the problem existing in the office, USACBT negotiated with the Chamber and gained its agreement that the PITO office would be set up as an independent entity. The outcome of this was the establishment of a separate PITO office in May, 1992 managed by Goon Veiven, a former NCCIM staff member. Funding for the PITO office is still channeled through the NCCIM, but Mr. Goon reports to the PITO Secretariat in Bangkok.

Although new to the PITO program, Mr. Goon has made some significant accomplishments in the relatively short time since he assumed the position as director of PITO Malaysia. He has demonstrated a good understanding of PITO objectives and has already started to network with local organizations and the US&FCS to coordinate PITO activities.

b. **Activities**

With a very rough start in Malaysia, the Trade and Investment Promotion Component (TIPC) of PITO as it exists today could only provide information on program activity since its very

recent startup date of June, 1992. However, some information on program activities prior to this time is available from USACBT records and they are included in the appropriate activity summaries which follow. There have been some events in Malaysia under the TPAS and PAPR components and these are also noted in the appropriate paragraphs.

### 1) Seminars

PITO Malaysia has hosted two events:

- Luncheon Talk by Mr. Douglas Hartwick - Counselor for Economic Affairs, American Embassy in Malaysia, held September 19, 1991
- Seminar on "How to Do Business with the U.S.", held November 12, 1991

### 2) Information Requests

According to the USACBT records, there were 28 information requests related to Malaysia as of December 1991. Details of more recent inquiries by country are not available at this time, but the USACBT reports an increase in overall ASEAN inquiries for the first half of 1992. In addition, the American Business Council (ABC), which frequently gets inquiries from both U.S. and Malaysian companies, indicated that it had directed several requests to the PITO office during the past two months and will continue to do so in the future.

### 3) Technology Promotion

Under the Technology Promotion and Assistance Services (TPAS) component of PITO, Technonet Asia works with the Standards and Industrial Research Institute of Malaysia (SIRIM) and the Malaysian Agricultural Research and Development Institute (MARDI) to identify areas of interest to the local market for planning technology exchange workshops. In collaboration with SIRIM and MARDI, Technonet has held four programs in Kuala Lumpur during the past year:

- **May 24 - June 6, 1991 - Application of Flexible Packaging Materials in Food Processing**  
This was jointly organized with MARDI and NCCIM for small and medium scale processors. The seminar objective was to improve the technical knowledge as well as managerial skill of target processors and 51 participants attended. Three U.S. companies were involved in presenting the seminar.
- **October 22-23, 1991 - Better Packaging for Better Foods** This seminar was held in collaboration with MARDI and the Federation of Malaysian Manufacturers (FMM) as a sequel to the May/June packaging seminar. 120 participants attended and 2 U.S. organizations were involved in the presentations.

- **October 21-22, 1991 - Energy Efficiency and Process Control in Cupola Foundries and Foundry Technology Development Trends**  
This session was jointly organized with SIRIM. The seminar featured an expert from the American Foundrymen's Association who provided the latest information on energy efficient technologies available in the U.S.. 20 local firms attended the event.
- **January 13-25, 1992 - CAD/CAM Application in Engineering Industries**  
This seminar was jointly organized with SIRIM. It was attended by 38 participants and 5 U.S. companies were involved in the presentations.

Currently Technonet is working on three more events in Malaysia for the remainder of 1992:

- Industrial Toxic Waste Management
- Total Quality Management
- U.S. Technology Commercialization

Activities planned for 1993 are in the areas of ceramic coating for oil and gas industries, industrial automation, wood furniture products and plastics applications in electronic/telecommunications products.

#### 4) Policy Analysis and Problem Resolution

The East-West Center (EWC) at the University of Hawaii worked with the Malaysian Institute of Economic Research (MIER) to organize a seminar as part of its "Business Environment in ASEAN Workshops" series. According to MIER staff, they were only involved in the seminar activity, which included the preparation and presentation of a paper on the Malaysian economy and business opportunities for foreign enterprises.

The Business Environment workshop was held in Kuala Lumpur on July 7, 1992. Attendees included officials from local organizations, academics, representatives from local companies and staff of MIER. Introductory remarks were given by dignitaries, including the U.S. ambassador, and various issue papers were presented by EWC staff, a U.S. company executive, MIER staff and representatives from the Ministry of International Trade and Industry (MITI) and Federation of Malaysian Manufacturers (FMM). The workshop included a roundtable discussion in the afternoon.

PITO Malaysia was not involved in planning the seminar but Mr. Goon did attend the event. Promotional literature for the workshop was prepared and distributed by MIER. The U.S. Embassy FCS and Economic Section were aware of the event but had not seen the promotional pamphlet until the evaluation team showed them a copy.

**c. Assessment**

The broad range of organizations and companies that the evaluation team was able to interview has provided much information for the assessment of the three PITO components in Malaysia. Therefore each component will be addressed separately in the assessment and recommendations sections.

**PITO Malaysia - Trade and Investment Promotion Component**

Since its separation from the NCCIM, PITO has emerged as an entity with much greater potential for achieving its program objectives. In the views of several organizations interviewed, PITO can fulfill a big need in the local market. PITO offers another, perhaps more effective, source for handling business inquiries and disseminating information on U.S. companies because it is located in a facility that allows easy access by local companies. The US&FCS office is currently located in the U.S. Embassy compound. Visitors must go through an elaborate security screening which tends to discourage access to US&FCS and frequent use of the library. Because of the difficulties of access, the US&FCS Commercial Counselor has suggested that the US&FCS library be moved to the PITO office.

In its first two months of operation since June, PITO has handled several inquiries and has demonstrated the ability to respond to them in a timely manner. While one organization commented that it takes US&FCS much longer to respond to an inquiry, it would be unfair to compare the two program's performance at this time. As a new operation, PITO is not handling any where near the volume of requests that US&FCS gets. However, even with that in mind, the comment demonstrates that there is a market need for PITO services. The challenge will be for PITO to develop a good working relationship with US&FCS so that those inquiries that could be handled by PITO will be passed on to them by US&FCS.

Discussions with US&FCS in Malaysia indicate that there was little interaction with PITO when it was previously under the NCCIM. In their view, PITO was totally ineffective. The Commercial Counselor, Paul Walters, and the Economic officer, Steve Carrig, who are quite familiar with the PITO program, both agreed that the separation of PITO from the NCCIM was an improvement and that Goon Veiven would do a better job than his predecessors.

In discussing PITO's project objectives, Paul Walters did not see PITO as a total duplication of US&FCS and acknowledged that there are things PITO can do (e.g. work more closely with local businesses) than US&FCS can. He also felt that PITO might be able to supplement US&FCS information on people or contacts.

Even with his skepticism about what PITO can accomplish, Mr. Walters did indicate a willingness to work with PITO. He has also said that he would be willing to participate in a local steering committee for PITO. He strongly recommended that PITO make itself better known in the market and supported a joint effort between PITO and the ABC to publish a brochure on local organizations that offer business development assistance. He also suggested

that through USIS, PiTO should have its program and services written up in the local media.

The need for PiTO Malaysia to gain more visibility in the community was echoed by several other local organizations interviewed. Not enough is known about the program - what it is, what it does, and how it can work with the local organizations as well as with the US&FCS. More effort should be devoted to discussing interaction and better coordination with these organizations.

#### **Technonet Asia - Technology Promotion and Assistance Services**

Like its efforts in the other ASEAN countries, Technonet's program in Malaysia has been quite successful. Technonet is well respected by the two local organizations (SIRIM and MARDI) with whom it has worked for many years to identify the technological needs of the local market. MARDI covers the agricultural businesses and SIRIM covers most of the rest of the industries targeted for development in Malaysia's plan for the year 2020.

Discussions with SIRIM and MARDI indicate they are only familiar with the PiTO program as represented by Technonet. However, the meetings offered the opportunity for them to learn more about PiTO Malaysia and the evaluation team was able to explore ways in which they could work with Technonet and PiTO Malaysia. Some suggestions along these lines are included in the recommendations provided at the end of the discussion of the PiTO activities in Malaysia.

#### **East-West Center - Policy Analysis and Problem Resolution**

Comments by participants in the workshop organized by the East-West Center were mixed. Two organizations expressed disappointment that no U.S. companies participated in the seminar. The observation was made that the audience was mostly academics and therefore not the most appropriate for exchanging thoughts on business issues. Another comment was that the tone of the presentations was on the "preachy" side and the talks seemed more like one-way gripe session speeches than useful dialogue to explore mutual problems. However, there were also comments that some useful information was presented and the afternoon roundtable sessions did allow attendees to participate in the discussions.

The workshop could have been better planned, organized and coordinated with the other PiTO components and the US&FCS to get maximum exposure for the PiTO project and to utilize all available channels for identifying relevant issues of concern to both the U.S. and Malaysian business communities. Moreover, the EWC should have worked with the ABC, PiTO and US&FCS to invite and encourage more U.S. companies to attend the workshop. An effective exchange of views can only occur when both the Malaysian and U.S. business communities are well represented.

#### **d. Recommendations**

##### **Trade and Investment Promotion Component**

Difficulties encountered by PITO Malaysia during its first year of operation have been addressed and resolved this year and the program's progress since then has been encouraging. However, time has been lost and PITO Malaysia is having to recast its image in the local community and establish itself as a credible and effective program to assist both U.S. and Malaysian businesses. To this end the evaluation team suggests that several recommendations be considered. Some of these are similar to ones recommended for other PITO country programs.

1. Devote an increased effort to publicizing and promoting PITO services to raise visibility of the program.

Now that PITO has been set up as an independent operation better positioned to implement an active program of trade and investment assistance to U.S. and local enterprises, PITO should undertake an aggressive campaign to promote its objectives and services. One activity it is already pursuing is a joint effort with the ABC to publish a brochure on local organizations that provide business assistance. This will be a useful information tool in which PITO could be identified and associated with other similar organizations. For maximum exposure, the brochure should be targeted to both U.S. and Malaysian companies. At the same time, PITO should continue to use PITO's own promotional materials as well.

Other promotional activities that PITO Malaysia might pursue are opportunities to be featured in the local media through articles, announcements or advertisements and distribution of PITO promotional literature through other local organizations, such as MIDA or MITI.

2. Increase coordination and communication with local organizations.

The PITO Steering Committee that was established when PITO was part of the NCCIM should be reactivated and encouraged to meet more often. It will be important for PITO to re-establish close contact with the committee members to draw support from them for promotional and program activities. The local steering committee should include representatives from NCCIM, MIDA, MITI, the ABC, the US&FCS Commercial Counselor, the U.S. Embassy Economic officer overseeing AID activities, and any other organization with whom PITO should be working.

PITO should also actively explore with different organizations how best to work with them to enhance effectiveness of program activities. For example, during a meeting with MARDI, PITO discussed two new activities suggested by MARDI for channeling more information on U.S. food processing equipment and technology to local enterprises. Organizations like MARDI and SIRIM would like to have more direct contact with U.S. companies, in addition to the current indirect ones they have through Technonet's activities. PITO might explore other ways to involve them in trade missions or one-on-one meetings with U.S. companies.

3. Develop a more effective line of communication with the U.S. Embassy's FCS and Economic Section.

To the extent that it is possible, the PITO director is encouraged to develop a good working relationship with the US&FCS and the Economic Section officer. The ultimate goal for this is to achieve better coordination on activities that both organizations will be involved in so that duplication of effort for either side will be minimized. Moreover, maintaining good communication ties with the U.S. Embassy staff will add to PITO's own effectiveness.

4. USAID should explore with US&FCS the possibility of locating the FCS library in PITO's office.

This was raised by the Commercial Counselor as a possible solution for making information on U.S. companies more accessible to the local community. Obviously there are many details that will have to be addressed, such as whether a local FCS staff might have to be assigned to the facility to handle inquiries. However, the option has the potential of encouraging a closer working relationship between PITO and the US&FCS that could be mutually beneficial to both.

5. Increase coordination among all PITO components.

This recommendation applies to all three components of PITO. Currently there is some coordination between the TIPC and TPAS components but more interaction is encouraged. All three components might work together and develop a mutually supportive network of Malaysian government and private sector organizations and contacts. This will help foster the image that all PITO activities complement one another.

6. Increase the level of follow-up activities.

This recommendation also applies to all three components. When PITO's database is operational, the tracking system should be utilized to ensure that company requests for assistance are answered in a timely and responsive manner. This will not only gain credibility for PITO's services but it will also enable PITO to be an effective catalyst at generating new business leads for U.S. and local companies.

#### **Technology Promotion and Services Component**

Technonet's programs have been well received and are representative of local market needs. However, SIRIM did offer one suggestion for consideration under the PITO TPAS component:

Include programs to assist local companies develop management skills.

SIRIM felt that although it was very valuable for local companies, especially small and medium-sized ones, to get exposure to U.S. technology, very often they also need technical assistance in how to manage a business, i.e. how to apply new technology to the production floor and bring

the product to market. As this will provide a link to introduce U.S. firms that have these capabilities to the local market, Technonet is very much in agreement with the suggestion. In fact, a seminar on Total Quality Management is planned for all ASEAN countries this fall. Technonet has indicated that it would be quite useful and easy to build in one to two days of management workshops as part of the technology exchange programs.

### **Policy Analysis and Problem Resolution Component**

There are a number of issues that must be reviewed before conclusions can be reached on whether the PAPR component is an effective complement to the rest of the PITO components. This will be discussed further in the Overall Conclusions and Recommendations part of the evaluation report, Section III. To the extent that the PAPR component is to continue its efforts, the evaluation team strongly recommends that the East-West Center establish closer cooperation with the other two PITO components. In this regard, recommendations #5 and #6 for PITO Malaysia are especially applicable to the PAPR component. In addition, EWC might consider the following recommendations for future activities:

1. Involve more organizations, including MIER, in developing research topics.

The EWC should consider exploring new research ideas with its local counterpart organizations, as well as other components of PITO and the US&FCS, to determine what topics would be of the most interest to the ASEAN communities. A well coordinated approach to developing research projects will result in products that are both relevant and informative to the audience that the PAPR serves. In addition, seminar/workshop topics and discussion papers should also reflect timely issues of concern to potential participants.

2. Explore researching issues of a bilateral nature.

Some local organizations have suggested that information on the U.S. market and policies would promote better understanding of the U.S. by ASEAN countries. While it is perhaps not one of PAPR's objectives to conduct research on the U.S. market, the EWC might consider exploring topics with bilateral significance that could promote more substantive exchanges between the U.S. and ASEAN business communities.

3. Use US&FCS, PITO and local American Business Council databases of companies to promote activities.

To the extent possible, the EWC should make maximum use of already established databases to identify appropriate target audiences for its publications and seminar events. This is likely to result in an increase in the number of participants at the events as well as a more extensive readership for research papers.

## **4. Philippines**

### **a. Background**

The PITO-ASEAN operation in the Philippines differs from PITO activities in the other ASEAN countries in several respects. On the one hand, the PITO office was among the first to become operational and the one with the least start-up problems. The director of the PITO Project is well received by and is well connected with the local business community. All of those interviewed, including executives and leading officials in the AmCham, US&FCS, USAID and the business community hold him in high regard.

On the other hand, the Philippines is the only country in ASEAN that possesses another fully operational trade and investment project, entitled PITO-Philippines, sponsored by USAID/Philippines. This project has been functioning for about one year and has four components which overlap with PITO-ASEAN. These include Market and Trade Information, Trade Brokering Services, Training and Technical Assistance, and Policy Research and Advocacy. The PITO-P Project enjoys considerable financial resources (\$10 million), almost as much as is allocated for the entire PITO-ASEAN Project. The trade and investment promotion component of PITO in the Philippines is directed by Philip Gielczyk. He is assisted by a project assistant (Diane Guacena), a secretary and an information specialist. The Philippines Chamber of Commerce and Industry (PCCI) serves as the host organization for PITO-ASEAN in the Philippines.

### **b. Activities**

The activities undertaken by the PITO office in the Philippines include the following:

#### **1) Missions**

This task involves the organization of business missions to and from the Philippines. Missions have averaged about four per year (two from the Philippines to the United States and two from the United States to the Philippines), and have focused on specific sectors -- food processing, packaging, energy, the environment and data processing. On average, executives from 4-7 Philippine firms travel on missions to the United States and typically 10-15 Americans visit the Philippines.

#### **2) Information Requests**

According to Project staff, the Philippines office of PITO-ASEAN receives some 16-20 formal requests for information on potential joint venture partners, market potential and operating conditions per month. Almost all of these requests originate in the United States and are transmitted by USACBT, rather than from the Philippines. An activity report covering the period December 1991 - March 1992 indicates that 12 U.S. - based requests were answered by the Philippines office over the four month period, and no requests were sent from the

Philippines. Most of the requests were investment related rather than trade related.

### **3) Individual Programs for Visiting Business Executives**

The PITO office is periodically requested to arrange meetings for visiting executives.

The PITO office carries out other activities, largely due to Mr. Gielczyk's involvement in a large number of business organization activities. He is a member of the Board of the AmCham, and serves as Chairman of the Legislative and Trade and Investment Committees of AmCham. He is a member of the Advisory Councils for the PITO- Philippines project sponsored by USAID/Philippines (discussed below), and for the Pre-Investment Facility Fund supported by USAID. He is also Vice Chairman/ASEAN of APCAC. These associations generate requests for assistance on a variety of policy and promotion initiatives. The Philippines office supports its activities by networking with PCCI, the PITO-P Project, the Department of Trade and Industry, the Board of Investment, the US&FCS, and PHILEXPORT.

### **4) Technology Commercialization**

The activities noted above are carried out by USACBT. In addition, the trade and investment promotion component includes technology commercialization -- the provision on technical advice to ASEAN entrepreneurs. This sub-component is conducted by Technonet Asia and its network of cooperating organizations throughout ASEAN.

The University of the Philippines' Institute for Small Scale Industry (UP-ISSI) serves as Technonet's implementing arm in the Philippines, and has been associated with Technonet since 1973, PITO-supported work was initiated in 1992, and consisted of two targeted workshops, one each for food processing/packaging and for furniture design and quality control.

Each workshop was approximately 12 days long, and was led by U.S. and ASEAN-based experts. Each was attended by 30 participants (about 24-25 companies). The focus was on transferring technologies and improving design and quality control. Plans are being made to conduct future workshops in metalworking/CADCAM, handicrafts, packaging and furniture (a repeat seminar to be held in Cebu). UP-ISSI has the capacity to administer 2-3 workshops per year.

#### **c. Assessment**

As noted above, unlike other countries involved in the PITO project, the Philippines has its own PITO-P project, which is relatively well funded and advertised. The presence of PITO-P suggests the need for a clear division of labor (described below), good coordination between the two projects, and the focus of PITO-ASEAN on regional activities relative to strictly national (Philippine) initiatives. PITO-ASEAN offers a regional perspective and focus that is not available in the PITO-P project.

Looking objectively at the focus and resources of the two projects, there is a major concentration on developing trade transactions in PITO-P, whereas PITO-ASEAN has focused much more on investment promotion. This provides a possible division of labor between the two projects. The outputs of AIM under the policy analysis problem resolution component of PITO-ASEAN have been well received, as have the training workshops for small scale business organized by Technonet/UP-ISSI. The overlaps and coordination concerns relate mostly to trade and investment promotion.

Initial problems were encountered by the PITO-ASEAN office in the Philippines receiving prompt replies to inquiries sent to USACBT/Washington. However, these problems have been largely overcome. The only remaining constraint is the delay in implementation of a computerized trade and investment tracking system, which has required all inquiries to be handled on a hard copy and telecopier basis. Little has been done to identify the transactional outcomes of information/assistance requests handled by PITO staff. Accordingly, it is difficult to track performance according to quantitative measures.

#### **d. Recommendations**

1. In view of the existence of the PITO-P project, it is recommended that an effective division of labor be developed between PITO-ASEAN and PITO-P.

The PITO-P project is focusing on trade transactions, and does not include a "regional" component. Accordingly, it makes sense for PITO-ASEAN to concentrate on investment-related inquiries, and for the PITO-ASEAN representative to expend greater efforts toward region-wide initiatives. In addition, it is recommended that PITO-P and PITO-ASEAN project personnel continue meeting on a regular basis to develop greater coordination of the two projects' activities.

The objective of this coordination should be to stimulate cross-cutting support between the two projects, to avoid direct duplication and confusion, and to use the projects' resources more effectively. In view of the need faced by private firms in the Philippines, the evaluation team concludes that the collective resources and services provided by both PITO-ASEAN and PITO-P are warranted. Nevertheless, there is a need for greater complementarity and collaboration between them.

2. Given recent political developments in the Philippines, additional efforts should be made (in Washington and in the Philippines) to bring more U.S. business executives to the Philippines to explore commercial opportunities.

In the recent past, most U.S.- originated missions have apparently bypassed the Philippines, perhaps due to concerns over political stability or personal security.

3. Additional work needs to be done to enhance monitoring and follow-up.

While major improvements have been made, greater information dissemination and monitoring of project activities and results is required.

4. Increased coordination is required among the PITO operations in each country.

The activities carried out by the numerous implementing organizations tend to proceed in isolation with those of others and it is clear that better coordination between the different components would be desirable for a more effective implementation of Project objectives. The PITO Secretariat should assume a more active role in overseeing regional coordination with help from possibly one of the PITO directors. "Washington/field" linkages between USACBT and the PITO offices should also be enhanced.

5. **Singapore**

a. **Background**

The PITO Singapore program was initially set up as part of the Chinese National Chamber of Commerce and Industry. While the Chamber seemed to be the best organization to support PITO early on, the conclusion was reached after a longer-than-expected startup that much more resources were needed for PITO to be able to carry out its program objectives. After a lengthy and difficult process of renegotiation with the Chamber, PITO was finally split off as an independent unit in September 1991. Under the current arrangement, PITO has had the ability to work more effectively with other local organizations as well as the U.S. Embassy's Foreign Commercial Service (US&FCS) in planning and implementing a pro-active program to promote trade and investment.

The current director of the PITO program in Singapore is Joyce Rasmussen, a long time expat resident in Singapore who has well-established ties to the business community and to government and private sector organizations in Singapore. She is supported by one part-time assistant who assists with program logistics and handling inquiries. In addition to her ties to the local community, Ms. Rasmussen has also been very effective in working with the US&FCS staff, and in particular with George Ruffner, the U.S. Commercial Counselor in Singapore. Both have recognized the importance of joining efforts and mutually supporting activities that would benefit PITO and US&FCS programs. They have established a professional working relationship that is an excellent model for dovetailing the objectives and resources of the US&FCS and PITO efforts.

PITO Singapore has established a local steering committee that is made up of representatives from the six local chambers of commerce, the American Business Council, the Singapore International Chamber of Commerce and the US&FCS Commercial Counselor. The PITO

Steering Committee provides a forum through which activities are well coordinated with these organizations and from which suggestions can be generated for new target industries. In addition to these groups, Ms. Rasmussen is in contact with the Trade and Development Board, Economic Development Board and the Singapore Institute of Standards and Industrial Research (SISIR) to develop new program activities.

**b. Activities**

The slow start-up experienced by PITO Singapore was a factor in the relatively few program activities held in the first two years of operation.

**1) Missions and Seminars**

Under its initial arrangement as part of the Chinese National Chamber of Commerce, PITO was involved in only one seminar on "How to Do Business with the U.S." held July 5-6, 1991. After PITO Singapore split away from the Chamber, PITO staff became more involved in and are providing direct support to missions and seminars arranged under the PITO Project or hosted by US&FCS.

The Trade and Investment Promotion component of PITO has so far supported two missions from the U.S.:

- U.S. Environmental Technology Trade and Investment Mission to Thailand, Indonesia and Singapore in October/November, 1991
- U.S. Coal Energy Technology Mission to Thailand and Indonesia in June/July, 1992

The Singapore portion of the U.S. Environmental Technology Mission was held in conjunction with the annual conference ENVIRO ASIA '91. The mission was well-timed to coincide with the ENVIRO ASIA conference and provided an opportunity for the Deputy of EPA to be featured as a keynote speaker. PITO was also able to set up a booth at the conference to distribute some promotional brochures.

In addition to these missions, PITO Singapore also provided support to the U.S. Embassy which hosted President Bush's visit to Singapore in January, 1992 to kick off the Asia Environmental Partnership Program. Currently PITO Singapore is working with US&FCS on several upcoming U.S. missions to ASEAN that will include another environmental technologies mission and four delegations that will be led by U.S. governors and a senator.

As described below, PITO Singapore has also collaborated with Technonet on seminars organized under the technology promotion and assistance component.

## 2) Information Requests

The number of inquiries out of Singapore on information requests has been almost insignificant. According to information provided by the US-ASEAN Business Council, there was only one inquiry recorded for the period ending December 31, 1991. The PITO director has also indicated that while there are many companies in PITO Singapore's database, compiled from their attendance at meetings, seminars/workshops and exhibitions/conferences, few have actually taken advantage of PITO's services. Like some of the other PITO programs, the low level of activity so far may be more indicative of the longer-than-expected startup time needed to promote PITO rather than an accurate reflection of the level of interest among U.S. or Singapore companies in pursuing business opportunities.

## 3) Technology Promotion and Assistance

Five workshops/seminars were held in Singapore under the Technology Promotion and Assistance Services (TPAS) component of the PITO Project. These were organized by Technonet Asia, some in cooperation with the Singapore Institute of Standards and Industrial Research (SISIR) and two in collaboration with PITO Singapore. The five events were:

- **April 4-23, 1991 - Program on Electro-Magnetic Interference (EMI) Shielding for Plastic Component**  
Session was jointly organized by Technonet and SISIR in cooperation with the Singapore Precision Engineering and Tooling Association (SPETA). The program was designed to address the growing concerns of the plastics industry to meet regulatory compliance on their products bound for the U.S. and European markets. The three week agenda included factory visits, on-site workshops and a seminar which was attended by 51 participants from 19 companies and one entrepreneur. Of the companies represented, six were U.S. multinational corporations.
- **June 7, 1991 - Seminar on Advanced Technology and Innovations in the Food Processing and Packaging Industry**  
Seminar was organized jointly with the US-ASEAN Business Council of Singapore (PITO). It featured an expert from the U.S. who presented information on the latest U.S. technologies in packaging development. 20 participants attended, including representatives from 3 U.S. companies.
- **August 23, 1991 - Seminar on Modern Automotive Elastomer Technology**  
Held in collaboration with PITO Singapore and the Plastics and Rubber Institute. The seminar was attended by 10 firms, 3 of which were U.S. companies.

- **October 24-25, 1991 - On-site Consultancy to Seven Enterprises by U.S. Expert in Packaging of Food and Pharmaceuticals for Protection and Profitability**  
This activity was organized in conjunction with SISIR and included on-site technical consultancy to seven factories assignment conducted by a U.S. packaging expert.
- **March 4-5, 1992 - Seminar on Finding and Licensing New Products & Technology**  
Seminar was jointly organized with SISIR to address how to find technologies in the U.S. and have them licensed to Singapore. The seminar was attended by 84 participants, most of whom were from SISIR's contacts with local companies.

Five other activities are being planned in Singapore for the remainder of 1992:

- Industrial Toxic Waste Management
- Regional Technology Conference on the Application of Food Biotechnology
- Total Quality Management
- U.S. Technology Commercialization
- Hazard Analysis and Critical Control Point (HACCP) System in Food Safety

Activities are already being planned for 1993 in the areas of electronics, food processing and packaging and laser welding.

#### **4) Policy Analysis and Problem Resolution**

The East-West Center of the University of Hawaii works with the Institute for Southeast Asian Studies (ISEAS) in Singapore. To date, no seminar activity has taken place in Singapore but as part of its Economic Briefs series, the East West Center has published a country profile on Singapore.

##### **c. Assessment**

Difficulties encountered by PITO Singapore in the program's startup no doubt adversely affected the ability of PITO staff to be effective in planning and carrying out program activities. Now that it has been reorganized as an independent entity, however, the program seems to be well on its way to meeting project goals of the Trade and Investment Promotion Component (TIPC) as demonstrated by:

- An increase in the level of missions and seminar activity from the latter part of '91 up through the time of the team's visit;
- Planned missions/seminars for the next 6 - 12 months; and

- Good coordination between the two PITO components (TIPC and TPAS) in Singapore that could bring about better promotion and representation of PITO in the local market.

An even more significant factor contributing to this assessment is the close working relationship that has been established between PITO and US&FCS in Singapore. This should be credited to both the PITO director and the US&FCS Commercial Counselor who have recognized the importance and benefit of working together towards complementary program goals. During the past year they have effectively planned and hosted missions and other activities by clearly identifying the roles each side would take to avoid duplication of effort. This kind of cooperation should be acknowledged and duplicated in the other ASEAN countries.

In discussions with PITO and US&FCS, both have indicated that the ideal situation is to have PITO co-located in the same place as US&FCS in Singapore. This would not only enhance the already good working relationship between the two organizations but also facilitate the sharing of resources and information. US&FCS has dedicated staff to research local industry for identifying best opportunities for U.S. companies and they have an extensive library of information on the U.S. market. These kinds of resources are also needed to support PITO activities and it would make very good sense for PITO to have access to them. On the other hand, PITO can provide support to US&FCS in planning and hosting missions as well as assist in handling inquiries on the local market and identifying Singapore companies that may be of interest to U.S. businesses.

Some concern was expressed by US&FCS that PITO's database of local companies and contacts will be duplicating the one that the Department of Commerce has set up. Current indications are that PITO will be using their's for tracking inquiries as well as compiling information on local companies, which may not be a duplication of US&FCS efforts. Rather, once the two systems are up and running, PITO and US&FCS should explore how the two databases might be used to complement each other.

While PITO Singapore enjoys a good rapport with US&FCS, the evaluation team raises some caution that PITO does not become an indistinguishable part of US&FCS. PITO must maintain its independence in order to carry out program objectives that are more development oriented than those of promoting U.S. exports.

Comments from one local organization suggest that PITO activities should not be too "one-sided", that is, only promoting U.S. interests into ASEAN markets. Indeed, one attitude that Technonet has often encountered when promoting U.S. technology exchange to local organizations is "what is the U.S. trying to sell us now?" As a development project, if PITO is to be effective at promoting two-way trade and investment between the U.S. and Singapore, or any other ASEAN country, it will have to include activities that involve some assistance to local enterprises. These activities might have a higher priority for PITO than for the FCS and should be planned with US&FCS participation to assure adequate coordination of activities.

#### **d. Recommendations**

As indicated in the assessment section, PITO Singapore's initial difficulties have been replaced by more positive developments and indications are that the current course of activities will begin generating more measurable results. To assure program effectiveness, however, the evaluation team suggests that several recommendations be considered. Some of these are similar to ones recommended for other PITO country programs.

1. Devote an increased effort to publicizing and promoting PITO services to raise visibility of the program.

Knowledge and awareness of PITO and its services is generally still lacking in Singapore as evidenced by comments reflecting some confusion as to what PITO is, how it operates and how it is different from US&FCS. PITO needs to establish its own identity of purpose in market. While the PITO director has already made some progress in this area, an even more aggressive promotional campaign should be implemented in coordination with regional efforts. This might include redesigning more effective promotional literature, using the media to announce or advertise PITO sponsored activities or requesting press interviews to explain the program and services.

2. Increase coordination and communication between the Policy Analysis Component and PITO's TPIC and TPAS.

To date, there has been little communication between the Policy Analysis and Problem Resolution (PAPR) component and the other two components of PITO in Singapore. While the PAPR has thus far not sponsored an activity in Singapore, the adoption of a better communication system now will prevent possible embarrassing situations in the future. Moreover, publications produced by the PAPR about ASEAN should be distributed to PITO Singapore on a timely basis for the benefit of the companies that the program services. The dissemination of research papers on topics of interest to the local market can be another form of effective promotion for the PITO program.

3. Increase coordination and communication with local organizations.

Having a local steering committee made up of local chambers, the international chamber, the American Business Council and the US&FCS seems to offer a good forum for PITO to maintain contacts with these organizations. To the extent possible, this committee should be convened more frequently (the last meeting was a year ago) to exchange views on PITO programs and to make use of these organizations to further promote PITO activities.

4. Increase the level of follow-up activities.

Even though there have not been many inquiries to date, there has been interest expressed by

some companies that have attended workshops/seminars organized by Technonet to obtain more direct information on how to contact U.S. companies. These opportunities could be followed up through a joint effort between the PITO office and Technonet.

5. USAID and USABCT should support the proposal that PITO be co-located in the same facility as US&FCS.

As discussed in the assessment section, there is much to be gained by locating PITO offices in the same place as US&FCS. This would encourage even more interaction between the two programs and enhance the effectiveness of PITO's operations in Singapore. The challenge, however, is for PITO to be associated with US&FCS but still be able to maintain independence to pursue activities that do not fall within the US&FCS mission.

## **6. Thailand**

### **a. Background**

THAI PITO was the first of the ASEAN country offices to be established after the PITO Project began in June 1990. Set up as an independent entity from the very start, THAI PITO has been very successful at developing and implementing a program that has gained recognition for the PITO Project in Thailand. The Secretariat for the regional PITO program is also based in Thailand, co-located in THAI PITO, which means the office has the additional responsibility of overseeing the preparation of program plans for all the other PITO offices. This includes playing a key role in establishing the offices as well as planning their work programs and providing support in project administration.

The management of both THAI PITO and the regional Secretariat is under the leadership of a capable executive director, Mr. Gosah Arya. During the past two years since project startup, Mr. Arya has been very effective at establishing good working relationships with Thai organizations in the public and private sector and he has developed a network of local contacts with whom he works to execute Project activities. He has also organized numerous missions and seminars and even participated as speaker in some. Supported by three full time staff members who are also very capable, Mr. Arya has implemented a full schedule of program activities in THAI PITO's first two years of operation.

Organizations that THAI PITO has worked with include the Department of Export Promotion, Department of Industrial Promotion, National Environment Board, Science and Technology Development Board, Board of Investment, Industrial Finance Corporation of Thailand, Department of Industrial Works, Bangkok Metropolitan Administration, Thai Environment Engineers Association, Thai Chamber of Commerce, Federation of Thai Industries, the American Chamber of Commerce and various state and city representatives in Asia and the Far East. In addition, THAI PITO has worked with the US&FCS on a number of jointly organized events. In spite of some difficult relationships with US&FCS, which views THAI PITO as a competitor and complete duplication of US&FCS efforts, the staff of THAI PITO has managed

to work around the difficulties and get the jobs at hand done.

## **b. Activities**

THAI PITO has implemented a very full program of activities since its startup. The first year of operations included setting up a database of local companies, establishing contacts with local organizations, planning work programs for other PITO offices, promoting PITO services and activities at a Workshop on Investment Opportunities organized by the Ministry of Industry, designing/drafting PITO promotional brochures and planning the PITO Project Committee and Steering Committee meetings. Other major activities are summarized by category in the sections below.

### **1) Missions/Seminars**

THAI PITO has supported and/or promoted missions to the U.S. and from the U.S. which include:

- Food Processing and Packaging Mission to the U.S. linked to the Institute of Food Technologists' (IFT) annual meeting in Dallas, in which one company from Thailand participated (June 91)
- Mission to the U.S. for the Food Processing and Packaging Expo 91 in McCormick Place, Chicago
- Renewable Energy Trade and Investment Mission to the U.S. (Sept/Oct. 91)
- Environmental Protection Technologies Mission to Thailand (Oct 91)
- Asia Pacific Growth Fund Mission (Apr 92)
- Mission to U.S. to Coincide with Seminar Series on Food Processing & Packaging Opportunities in ASEAN (June 91)
- Mission to Thailand on Clean Coal Energy Technologies: Applications and Environmental Improvements (June 92)
- Ohio-GABDI Business Mission to S.E. Asia (planned for Sept. 92)

Seminars which THAI PITO has organized/supported include:

- Waste Water Treatment Technologies for Food Processing Industry (Aug 91)
- U.S. Environmental Technology Trade and Investment (Nov 91)
- Business and Environment organized by Federation of Thai Industries and Thailand Development Research Institute Foundation (July 91)
- Renewable Energy and Efficiency Applications - the Pacific Nations (Sep/Oct 91)

### **2) Information Requests**

According to THAI PITO's activity records through December, the office received 132 requests in 1991 from local businesses for information and 35 requests from U.S. businesses for THAI PITO services. Of the 35 requests for services, 21 were from in-person visits to the THAI PITO office by U.S. company representatives, and 25 were processed as of yearend.

### **3) Technology Promotion and Assistance**

Activities carried out by Technonet Asia in Thailand during this period included:

- **Foundry Technology and Quality Improvement for Machinery Industries**, in collaboration with the Metalworking and Machinery Industries Development Institute of Thailand and the Thai Foundrymen's club (Oct 1-18, 1991)
- **Pollution Control and Waste Water Treatment in Textile Industries**, with the Textile Industries Association of Thailand (June 29 - July 10, 1992)

Activities planned for the remainder of 1992 and 1993 will include programs on Total Quality Management, Standard & Quality Certification of Foods, Design & Fabrication in ASME Code, Quality Development of Engineering Plastics Products, Quality & Standards Development in Wood Furniture and Laboratory Accreditation Programs Promotion.

### **4) Policy Analysis and Problem Resolution**

The East-West Center works with the National Institute for Development Administration in Thailand to conduct research for economic briefs and other policy analysis and problem resolution issues. In cooperation with the National Institute, the EWC held a seminar on the Business Environment in ASEAN Workshop series in August, 1992.

#### **c. Assessment**

Set up as an independent entity from the start of the project, THAI PITO has been one of the more successful country programs. Its list of activities in the first two years of operation is impressive and indications are that its staff is quite responsive to the inquiries that come in to the office from various sources. Their extensive contacts with local organizations provide them the networking capability to identify new opportunities for promoting trade and investment between U.S. and Thailand. In addition, these contacts have enabled THAI PITO to be more effective in assisting U.S. and Thai companies.

As expressed by one of THAI PITO's Steering Committee members, PITO plays a "match-maker" role in bringing companies together and its services are not really in competition with those offered by the US&FCS. While the relationship with US&FCS could be better, THAI PITO staff has managed to work around the difficulties to accomplish the greater goals. From discussions with US&FCS, it is not likely that THAI PITO will be viewed as anything but a competitor until there is a change in US&FCS leadership in Thailand. In the meantime, THAI PITO will have to keep working with US&FCS as best as possible.

Much of THAI PITO's success can be credited to a very capable staff team headed by Mr. Gosah Arya. Mr. Arya has a good understanding of the program objectives and has demonstrated the ability to work towards achieving them, sometimes under rather challenging conditions. These have ranged from working in no-win situations with the US&FCS to balancing the demands of overseeing the regional PITO program while managing the day-to day

operations of THAI PITO. As director of the PITO Secretariat he feels he is sometimes pulled in many ways from having more than one oversight authority to answer to. He could clearly use some support and assistance from the USACBT.

THAI PITO and Technonet have worked well together in Thailand, as Technonet has kept THAI PITO informed of all events they have planned in Thailand. To some extent, the PAPR component has also communicated with THAI PITO in its activities. Gosah Arya was able to attend the Bangkok seminar on the Business Environment in ASEAN workshop series, as did the USAID representatives. Comments on the merit of the seminar, however, were mixed. As in some of the other country seminars, there were hardly any U.S. companies at the seminar, leaving one to question the appropriateness of the audience to engage in a "dialogue" of problem issues.

#### **d. Recommendations**

From an operations perspective, the success of THAI PITO leaves little that should be changed to improve on program performance. However, in view of the added role that THAI PITO has as the regional Secretariat, the following are some recommendations that might be considered for more effective oversight of the overall PITO project:

1. The USACBT should review and expand the role of the Regional Secretariat to include responsibility for coordinating the different components of PITO.

The USACBT should be responsible for coordinating all PITO activities to be sure that all components are getting the support they need to be effective. As such, since most activities are in the ASEAN region, it may be best left up to the Secretariat to follow through on the coordination. The USACBT could expand the Secretariat's responsibility to include this coordination, which is consistent with the Secretariat's current role of preparing the annual plan for the region.

2. As a followup to recommendation #1, the executive director of the regional Secretariat should be provided some additional assistance to manage the regional coordination of the different PITO components.

USAID and the USACBT should review the needs of this expanded role for the Secretariat and determine what additional assistance can be provided to the executive director.

3. The Regional Secretariat should develop uniform promotional materials for all the PITO components as well as provide guidance in adopting a more aggressive marketing plan for each country.

Currently, marketing pamphlets for the various components of PITO are different - Technonet uses a brochure that they developed before the other ones were ready. Some resources should be devoted to developing a common PITO logo as well as promotional pamphlets that all the

offices and components can customize for local use.

## **B. Technology Promotion and Assistance Services**

### **1. Organization**

The Technology Promotion and Assistance Services component of the Project was designed to implement technical training and support activities in close collaboration with private sector organizations both in the U.S. and ASEAN. Technonet Asia was awarded a grant in November 1990 by the Office of the AID Representative to ASEAN to carry out the objectives of this component.

Technonet's role is to provide the facilities, services and administrative support required to organize and conduct seminars and conferences on technology and product standards applicable to conditions in ASEAN. Technonet would also develop and serve as a clearinghouse in referring inquiries to U.S. sources of various technologies.

With its Secretariat based in Singapore, Technonet is a non-profit international development organization comprised of a cooperative network of 15 participating organizations from 11 Asia-Pacific countries. Through this network of participating organizations in the ASEAN countries, Technonet is able to develop and implement technical training and support activities under the PITO TPAS component. The participating organizations in the six ASEAN countries with whom Technonet has worked to organize technical training programs are:

#### **Brunei**

- Ministry of Industry and Primary Resources

#### **Indonesia**

- Directorate General for Multifarious Industries

#### **Malaysia**

- Standards and Industrial Research Institute of Malaysia
- Malaysian Agricultural Research and Development Institute

#### **Philippines**

- Institute for Small-Scale Industries, University of the Philippines

#### **Singapore**

- Singapore Institute of Standards and Research

#### **Thailand**

- Department of Industrial Promotion, Ministry of Industry

Technonet actively solicits project ideas/proposals from its participating organizations to identify technologies that are of interest to or needed by local industries. Ideas/proposals are generally reviewed to determine the competitiveness or availability of U.S. expertise in the proposed areas of technology and to determine how appropriate they are for local industry. In most cases, the local participating organization takes on the responsibility of organizing and promoting the programs while Technonet provides project supervision and arranges for foreign technical experts to participate. U.S. companies or experts who take part in the technology workshops are usually identified through databases of industry information compiled by the local organization or through USACBT.

## **2. Activities**

To date, Technonet has organized 16 activities in the ASEAN region and are planning 12 more for the remainder of 1992. The activities have included twelve major technical workshops with in-plant consultancies and four short seminars. Generally, the programs have been technically oriented, although one program planned for later this year will be on total quality management.

A detailed list of the events is included as Appendix B. The following is a brief summary of the events by country.

### **Brunei**

- Finding and Licensing New Products & Technology

### **Indonesia**

- Development & Improvement of the Capability of the Rubber-based Product Industry for Export
- Appropriate Technology of Pollution Control for Textile Industries
- Total Quality Management (planned for Sept 92)

### **Malaysia**

- Application of Flexible Packaging Materials in Food Processing
- Energy Efficiency and Process Control in Cupola Foundries and Foundry Technology Development Trends
- Better Packaging for Better Foods
- CAD/CAM Application in Engineering Industries
- Industrial Toxic Waste Management (planned for Aug 92)
- Total Quality Management (planned for Sept 92)
- U.S. Technology Commercialization (planned for Oct 92)

### **Philippines**

- Quality Improvement of Processed Food and the Application of Flexible Packaging Materials
- Furniture Finishing and Quality Improvement for U.S. Market
- Total Quality Management (planned for Sept 92)

### **Singapore**

- Electro-Magnetic Interference Shielding for Plastic Component
- Advanced Technology and Innovations in the Food Processing and Packaging Industry
- Modern Automotive Elastomer Technology
- Packaging of Food and Pharmaceuticals for Protection and Profitability (Factory Visits)
- Finding and Licensing New Products & Technology
- Industrial Toxic Waste Management (planned for Aug 92)
- Regional Technology Conference on the Application of Food Biotechnology (planned for Sept 92)
- Total Quality Management (planned for Sept 92)
- U.S. Technology Commercialization (planned for Oct 92)
- Hazard Analysis and Critical Control Point (HACCP) System in Food Safety (planned for Oct 92)

### **Thailand**

- Foundry Technology and Quality Improvement for Machinery Industries
- Pollution Control and Waste Water Treatment in Textile Industries
- Total Quality Management (planned for Sept 92)
  
- Standards & Quality Certification of Foods (planned for Nov 92)

### **3. Assessment**

Of the four components of the PITO Project, Technology Promotion and Assistance Services has had the least problems in project startup. To their advantage, Technonet was able to begin project implementation with an extensive network of local organizations already in-place, unlike the situation for the TIPC and PAPER components where new offices and new contacts had to be established. As a result, Technonet has been quite successful in putting together a full schedule of activities in the first two years of the Project.

It is evident from the program activities that Technonet has been more active in some ASEAN countries than others. This is a reflection of two factors: 1) the level of interest and responsiveness shown by the local participating organizations and 2) the "critical mass" of local companies needed to run effective programs. Since Technonet is largely dependent on its participating organizations to identify local demand for such programs, they will logically end up with more activities in countries where the local organizations more aggressive and have the capability and willingness to follow through with organizing the events. Technonet is committed to developing more programs with the less active countries, but, thus far, they have had to devote limited resources to where there is greater demand for their services.

During the first two years of the Project, there was little coordination between any of the PITO components. Even though Technonet's activities could, in most cases, be carried out effectively without the involvement of the PITO offices, there were opportunities where the PITO Project could have been better served by closer cooperation between Technonet and the PITO offices. However, given the startup problems that some of the PITO offices were experiencing, this kind of cooperation might not have been possible. Now that many of those problems have been overcome, this should pave the way for better communication and coordination between the two on future activities.

#### **4. Recommendations**

As Technonet has been the most effective at achieving their program goals, there is little in project performance that the evaluation team sees need for change. The recommendations included below are related more to the overall project as they also affect the Technonet component. In addition, two suggestions came out of discussions that the evaluation team had with organizations working with Technonet, and they are included here for future program considerations.

1. Devote an increased effort to publicize and promote the PITO program and develop new promotional materials that can be used by all the PITO components.

The PITO Project as a whole needs more visibility in the ASEAN countries and there should be a coordinated effort between all of the components to promote the PITO program. More effective promotional brochures should be developed by the PITO regional Secretariat and used by the PITO offices and Technonet. Right now Technonet is using their own pamphlet which was printed before the other PITO brochures were ready.

2. Increase coordination with the PITO offices to share company information and explore joint activities.

A greater level of PITO office representation/participation at Technonet activities should be explored. PITO offices might want to follow-up with local companies that attend Technonet workshops for possible interest in other conferences, trade missions or assistance that PITO can provide. The local companies should also be added to PITO's database for future contacts with U.S. companies.

3. Increase the level of follow-up activities.

Recommendations that came out of one seminar indicated there were a number of local companies interested in a mission to the U.S. for additional exposure to different applications of the technology covered in the workshop. Technonet might work more closely with the local organization to follow-up on the interest and discuss with the PITO office how best to respond to it.

4. Technonet should organize workshops on management skills training as well as on technology training.

One local organization expressed interest in having management training workshops that could assist small and medium size companies develop the skills needed to apply technology to production and to bring product to market. It was pointed out that while these enterprises found it useful to learn new technology they often did not know how to follow through with applying the technology and marketing a new product. Therefore, it might be useful if some of the technology programs could also include management training. Technonet agreed with the suggestion and indicated that management training could be easily built into a technical workshop.

### **C. Policy Analysis and Problem Resolution**

#### **1. Organization**

The Policy Analysis and Problem Resolution component of the Project was designed to address specific policy constraints that hinder expansions of U.S. - ASEAN trade and investment activities. These constraints often take the form of excessive restrictions on commercial flows or transactions or policies/regulations that are inconsistently applied across countries.

Under this component, a network of leading economic policy research institutes in each of the ASEAN nations and the United States is tasked with conducting analytical studies and conferences directed toward the assessment and resolution of concrete policy problems. The network is led and coordinated by the East-West Center, which was provided an AID grant in 1990. The network consists of the following policy analysis institutions:

- United States: East-West Center
- Brunei: Economic Planning Unit
- Indonesia: Center for Strategic and International Studies (CSIS)
- Malaysia: Malaysian Institute for Economic Research (MIER)
- Philippines: Asian Institute of Management (AIM)
- Singapore: Institute for Southeast Asian Studies (ISEAS)
- Thailand: Thailand Development Research Institute (TDRI)

The method of approach set forth in the Project Paper calls for the institutes to carry out "applied analysis" rather than "basic research." The results of the analyses would then be used

as inputs into policy dialogue and reform initiatives which examine the options provided for overcoming constraints. An additional purpose for this component is to develop the institutional capacity of the research organizations and to expand collaborative working relationships.

As designed, this component included the following Project inputs and activities:

- a. **Organize Policy Analysis Network - compile a preliminary inventory of existing sources of policy analysis skills in ASEAN;**
- b. **Develop a Policy Analysis Agenda;**
- c. **Provide Policy Study Administration - select participating ASEAN organizations and issue sub-grants;**
- d. **Support Problem Resolution - encourage widespread discussion of findings and recommendations in studies conducted by the institution network;**
- e. **Compile and Publish ASEAN Studies; and**
- f. **Conduct Trade and Investment Policy Conferences.**

## **2. Activities**

The majority of activities carried out by the East-West Center to date have been focused on organizing the policy analysis network and preparing two sets of publications. Beginning in June 1992, a series of "Business Environment in ASEAN Workshops" have been held. Each of these is discussed below.

Led by the East-West Center, the policy analysis network has prepared and published two publications series, "Business Environment in ASEAN Country Reports," and "Economic Briefs." The Country reports include the following:

- |                  |                                                                                                                          |
|------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Number 1:</b> | <b>Opportunities and Challenges for Investors in the Philippines</b>                                                     |
| <b>Number 2:</b> | <b>Opportunities for Foreign Investors in the Current and Future Macroeconomic and Regulatory Framework in Indonesia</b> |
| <b>Number 3:</b> | <b>The Singapore Economy and Foreign Investment Opportunities</b>                                                        |
| <b>Number 4:</b> | <b>The Malaysian Economy and Business Opportunities for Foreign Enterprises</b>                                          |
| <b>Number 5:</b> | <b>Investment Trends and the Business Environment in Thailand</b>                                                        |

The Economic Briefs include the following:

- Number 1: Is the United States Missing the Boat in ASEAN?
- Number 2: ASEAN Country Profile: Indonesia -- The Sleeping Giant No Longer
- Number 3: ASEAN Country Profile: Thailand -- The Sixth Dynamic Asian Economy
- Number 4: ASEAN Country profile: Malaysia -- The Next NIE?
- Number 5: ASEAN Country Profile: The Philippines -- Positioning for a Turnaround
- Number 6: ASEAN Country Profile: Singapore -- The Next Lap
- Number 7: Opening the Door: The Philippine Foreign Investments Act of 1991
- Number 8: The Legal Framework for Investment in ASEAN: Investment Regulations and Incentives.
- Number 9: The Untying of Japanese Aid: New Opportunities for Trade and Investment

In June, July and August, the East-West Center, in collaboration with ASEAN - based research institutes, held Business Environment in ASEAN workshops in Jakarta, Manila, Kuala Lumpur and Thailand. These one-day workshops began with brief discussions on the macro environment in ASEAN and opportunities under ASEAN economic cooperation programs (AIJV and AFTA). They were followed by discussions on private sector perspectives on the business environment in ASEAN. The workshops concluded with sessions on opportunities for investment in the individual countries in which the workshops were held.

In terms of administration, the East-West Center has used a team strategy to carry out the Project component's activities. Dr. Seiji Naya serves as overall coordinator, and handles general institutional relationships. The core Project team consists of Michael Plummer and Pearl Imada. They are assisted by Janis Togashi, who edits the two publications series, and by a full-time secretary. Plummer, Imada and Togashi participate in the Project on a part-time basis (approximately half time). Other research associates at the East-West Center contribute to Project publications.

### 3. Assessment

A comprehensive review of the substantive outputs produced under this component lead one to the conclusion that the East-West Center and the policy analysis network have viewed their central "mission" as introducing (U.S) investors to the region and stimulating interest among prospective investors; activities e. and f. on p. 39. To date, they appear to have focused on a promotional role rather than a policy constraint resolution role.

All of the initial publications present general information on the investment environments of ASEAN countries. The country reports typically begin with economic and investment profiles, followed by investment start-up requirements and statistical annexes (the latter generally take up at least one half of the total report). The initial economic briefs were short, journal-length articles which review economic/investment trends and solicit interest by prospective investors.

From a production standpoint, the publications are well composed, edited and presented. They include useful graphical and statistical information.

Turning to substantive content, the published output under this component has been subjected to considerable criticism. The reports have been deemed to be general, shallow, and "nothing we do not already know." A critical review of the reports suggests that they do provide worthwhile information and statistics but they largely duplicate standard "Doing Business in ..." booklets prepared by promotion agencies and international accounting firms. Generally, the PITO documents offer less detailed information. A corollary criticism is that after giving initial lip service to "ASEAN" as a focal point, the reports essentially concentrate on promoting individual countries.

The evaluation team's assessment is that the central cause underlying these negative views is that the policy analysis network has taken on the role of promotion rather than policy analysis. That is, the documents are geared toward providing initial information to prospective investors (and to a much lesser extent traders), rather than toward addressing concrete policy issues. Based on information received by the evaluation team, it does not appear that an inventory of existing sources of policy analysis skills in ASEAN has been developed, nor has a policy analysis agenda been identified. However, efforts are under way to collect views on policy constraints noted in country workshops.

Under PITO, the promotional function is presumably led by and largely left to the USACBT network, not the policy analysis network. However, there has been limited communication and very little coordination between the USACBT and policy analysis network. Both appear to operate in relative isolation of each other.

The PITO Project staff in the East-West Center are aware of these criticisms. As a result, there has been a gradual shift in focus in the publications series, particularly the Economic Brief series. Later (and planned) issues take on policy-related matters.

According to those interviewed, the effectiveness of the regional policy analysis institutes has varied. The consensus is that in terms of both responsiveness and quality of output, the performance of the Asian Institute of Management (Philippines) was the best, followed by the Malaysian Institute of Economic Research. The East-West Center staff has found it necessary to expend considerable efforts revising and editing some of the reports submitted by the institutes. The "deliverables" of these institutions include drafts of country reports and economic briefs, assistance in organizing workshops, and responses to requests for information.

Considerable problems were encountered establishing subgrants and working procedures, but most of these have been overcome and most subgrants have been in place for about one year. The amounts of project funds directed toward the regional institutes have been relatively small, and have been decreased in the second full year of the Project. Funds are provided on the equivalent of task orders extended to the institutes.

To date, the policy analysis institutions have not acted so much as a "network" than as a subcontractor to the East-West Center. The staff in the regional centers communicate solely with the East-West Center rather than with each other. There have been no group meetings to determine a policy agenda, common methodological approaches, or problem resolution strategies. Information has been transferred via international communications and during periodic trips of East-West Center Project staff to individual ASEAN nations.

The evaluation team did not attend any of the "Business Environment in ASEAN Workshops," but did review the agendas and interviewed individuals who did attend. This review reinforces the conclusions that the focus has been on promotion rather than problem resolution, and that country-specific investment opportunities take a front seat to "ASEAN"-based initiatives in either trade or investment. In addition, the workshops have been held in individual countries and the audiences have been almost exclusively locally-based. This suggests that the sessions are directed toward those who are already engaged in commercial transactions--those who do not need promotion. Some of those who attended questioned the lack of attention to policy constraints and the relative absence of discussion on ASEAN developments.

#### **4. Recommendations**

The Policy Analysis/Problem Resolution Component team has not yet fulfilled its designated role in the Project, although a network of local institutes to assist in the research and analysis of policy/problems has been established. While some of the research conducted thus far has been useful, what is not evident is how the research can be applied to problem resolution. Of even greater issue here is how valuable a role this component can be in affecting problem resolution, particularly in that the proposed formation of the ASEAN Free Trade Area (AFTA) has overtaken many of the policy issues and other impediments to intra-regional commerce that existed when the PITO Project was initially formulated.

The evaluation team recommends that USAID review the objectives originally established for this component to determine whether they are still relevant to the overall goals of the Project as

a whole. If AID agrees with the evaluation team that they are not, steps should be taken to phase out the component for a more direct approach to addressing policy analysis and problem resolution so that work done in this area will have an impact on the trade and investment issues of concern to both the U.S. and ASEAN countries.

Alternatively, if AID sees a continuing role for this component, the following functional and procedural changes are recommended for the remaining period of the Project:

1. The East-West Center and the policy analysis institutions should immediately shift their orientation away from promotion and toward policy constraint identification, analysis and resolution. In concert with this functional shift, the policy analysis group should develop closer ties and supporting relationships with the USACBT promotion network.

The promotional focus pursued to date is duplicative and its effectiveness is questionable. The comparative advantage of the policy analysis network is to address policy issues. The clear division of functional roles should help to overcome overlaps and resulting strains between the promotional and policy components.

2. The East-West Center should consult with the other components, their local network of institutes as well as other relevant organizations to identify a policy analysis agenda, craft joint or common methodologies, and set forth dissemination strategies.

The East-West Center should maximize the use of resources and information available through the USACBT, PITO offices, other research organizations as well as their network of local institutes to develop an agenda and strategy for policy analysis and problem resolution.

For example, a number of policy issue candidates have been discussed. These include problem in business communication (e.g. courier service delivery delays due to customs processing, telecommunication charges, etc.), discretionary decision-making on investment applications, restrictions on expatriate personnel, implementation procedures for AIJV and AFTA , intra-ASEAN shipping problems, and so forth. Each of these could be addressed first from the perspective of national experience and systems, and second from an ASEAN point of view.

3. The policy analysis activities should consider adopting a simple method of approach: Identify constraints, specify desired outcomes, and craft different options for achieving appropriate changes.

Problem solving is the central concept of this component. Most business executives are more than willing to identify problems. Once a constraint is specified, one method would be for the analysis team to conduct a quick comparative assessment of different experiences and regimes, and on the basis of that analysis to determine the "best practice" within ASEAN. This could

serve as a model or goal for other ASEAN members. At a minimum, this type of comparative work would shed light on the areas in which individual countries lead or lag vis a vis other countries in the region.

To be truly effective the analyses undertaken must be in line with the Project component's concept of problem resolution rather than "basic research." This means applied and timely analysis which can be used by government officers and the private sector to promote increased trade and investment activities in the region.

### **III. OVERALL CONCLUSIONS AND RECOMMENDATIONS**

The success of the PITO Project to date must be measured in terms of what it has put in place to further development of the ASEAN member countries and provide benefits to U.S. firms through increased trade and investment activity, rather than based upon a scorecard of inquiries, contacts and deals. To appreciate what the PITO Project has accomplished, it is important to bear in mind that among its goals, there are two that are highly ambitious: 1) promote trade and investment on a six-country regional basis; and 2) implement the Project relying almost exclusively on the private sector in the countries involved rather than the public sector. Accomplishing the objectives of the Project also requires a more cumbersome structure to manage and deliver the services comprising the Project activities. The major components of the Project clearly are all related, however, they are quite diverse in nature. The success of the Project requires a considerable amount of coordination of Project activities, yet, the components of the Project are all carried out by different organizations because no one organization could be expected to be equally qualified in providing services under two, let alone four of the components. Carrying out PITO services at the country level also requires coordination with local business organizations and the US&FCS offices which adds to the complexity of the task.

#### **A. Trade and Investment Promotion**

Because the PITO trade and investment promotion activities under the responsibility of the USACBT are carried out both in the U.S. and the ASEAN member countries, it is appropriate to evaluate the management and performance effectiveness with which the USACBT is carrying out these activities separately.

##### **1. Trade and Investment Promotion in the U.S.**

By all accounts, the USACBT is doing an effective job of promoting ASEAN as a region that U.S. firms, particularly small- and medium-sized ones, should seriously consider in their trade, investment and sourcing plans. The Council has done a commendable job of conducting informative seminars and organizing trade and investment missions with interests appropriate to the ASEAN region. A particular strength of the U.S.-based USACBT component has been the ability of the organization to muster support for PITO and gain co-operation among a wide variety of private and public sector organizations in the U.S., including the Departments of State and Commerce. In the process the USACBT has developed an impressive list of U.S. firms with an active interest in ASEAN and representing serious prospects for joint-venture or other relationships in the region.

A criticism of the USACBT is that its activities sometimes concentrate too much on the U.S.-based side of its responsibilities and it does not give adequate attention to the views of the PITO personnel in each country. Although now much improved, responses to inquiries and referrals

from the PITO offices were slow and occasionally not forthcoming throughout the first year or more of the Project. This seems to bear out the complaint that the USACBT is sometimes too U.S.-centric and needs both to rely more on the PITO offices and also provide them with more support to carry out their responsibilities. Missions to the ASEAN member countries have been of particular concern because USACBT has not always articulated the division of responsibilities in the field for these missions between the PITO office and Foreign Commercial Service. This lack of clarity creates confusion between the two organizations and can jeopardize the success of missions.

## **2. Trade and Investment Promotion in ASEAN**

The evaluation confirmed that the need and the demand for the services offered by PITO still exist. If anything they are more intensive than at the time the Project was designed. After a prolonged start-up period the PITO offices are now staffed adequately and organized to provide services in an effective manner. It would be premature at this time to evaluate the offices in terms of the number of inquiries or potential transactions they have handled. That should be left to the next evaluation. But the next evaluation can be expected to show an impressive performance based on the capabilities and quality of the staff that are now in place. As was pointed out in the discussion of most of the offices, the services available through PITO are not well known among the ASEAN business communities. Now that the offices are fully operational, they should publicize PITO services through local advertising and participation in trade fairs and exhibits.

Previous discussion cited the strained relationship that exists in some countries between the PITO office and the US&FCS office. While there seem to be several reasons for the tension much of it, as was mentioned previously, stems from a misunderstanding by the US&FCS of the objectives of the PITO Project. The PITO Project is concerned primarily with promoting U.S. investment and joint-ventures in ASEAN that will, through local sales and exports, produce profits for U.S. firms and ultimately positive effects on the U.S. balance of payments. This objective differs from the role of the US&FCS which is to promote U.S. exports. The purposes of the two activities are complementary not conflicting, and both are important in increasing the foreign earnings of U.S. businesses. Moreover, the need for assistance is so great that even the combined resources of the local PITO and the US&FCS are inadequate to meet it in most ASEAN countries.

There are other differences that support the need for two separate efforts to promote U.S. business interests in ASEAN. For one, the US&FCS will always be viewed as more credible than the PITO office by U.S. firms seeking referrals to local organizations that can provide key services such as legal or accounting. On the other hand, PITO, because it essentially is a local organization will have far more success in reaching local firms and developing a database of entrepreneurs seeking U.S. business partners than the US&FCS because the Foreign Commercial Service is seen by local business persons as having only one objective, i.e., getting them to buy U.S. goods. It is neither in the Department of Commerce mandate nor its best interests to

promote investments or any other activities other than exports of U.S. goods to local firms. The PITO Project is at the advantage in promoting joint-ventures and in identifying appropriate local firms for U.S. investors, and in introducing local firms to U.S. technologies and services.

#### **B. Technology Promotion and Assistance Services**

The number of seminars and workshops organized by Technonet and the generally large audiences attending the sessions is both indicative of the high interest in technology and standards issues, and the quality of the performance of Technonet. Alone among the organizations involved in PITO Technonet has done the best job of advising and coordinating its activities with the other components of PITO, as well as with the interested groups outside of PITO. Because of the high degree of satisfaction that Technonet enjoys with ASEAN entrepreneurs and businesses, it is being encouraged by these firms to conduct seminars on various management technologies, such as Total Quality Management and more general operations improvement techniques. Expanding its range of seminar topics should be encouraged, as long as the technologies presented rely on U.S. sources. Otherwise, the only improvement that Technonet might make would be to offer more seminars.

#### **C. Policy Analysis and Problem Resolution**

The key questions in evaluating the accomplishments of the policy analysis and problem resolution component of PITO are: 1) Is the East-West Center carrying out the activities identified in the PITO Project design and the grant between the Center and AID? and 2) Are these activities still essential to the PITO Project objectives?

The objective of the policy analysis component in the PITO Project design was to reduce the current constraints on trade and investment activities in ASEAN by creating a network of influential ASEAN research centers in the region to participate in and promote reform in key trade and investment policies. It was expected in the Project design that the East-West Center would act primarily as a facilitator to develop the joint research efforts of the ASEAN institutes, and serve as a source of expertise in specialized technical areas to support the ASEAN research network's activities. Although the East-West Center has worked individually with some of the research centers, it has done very little to develop the network and conduct the type of collaborative policy analysis and problem resolution that was included in the PITO Project design. To date, the Center has tended to focus its efforts on the development of informational materials and organization of seminars that are targeted to U.S. businesses rather than ASEAN enterprises or issues of local interest. These activities would be appropriate were it not for the fact that the USACBT has primary responsibility for U.S.-oriented information and promotion efforts.

It is also clear that conditions affecting intra-regional investments and other business relationships in ASEAN have changed since the PITO Project was designed. There is considerably more co-operation among the ASEAN member countries now than in previous years, and a general improvement in many of the policy areas that were of concern to PITO three years ago. As one example of this improved climate, ASEAN is making good progress toward creation of the ASEAN Free Trade Area (AFTA), a free trade zone which will effectively overcome many of the barriers that hampered intra-regional trade in the past. In that most of the original objectives of this component of PITO seem to have been met, there does not appear to be much point in continuing the activities of the East-West Center beyond the completion of the current grant.

#### **D. Recommendations**

The recommendations listed below suggest actions that should be taken to increase the effectiveness of the PITO Project and assure that the Project objectives will be attained:

##### **1. Increase the Level of Support Provided to the Field by the USACBT.**

The level of support and assistance in coordinating field activities provided by the USACBT is inadequate. As a result, the PITO national offices often are assigned responsibility for field activities without adequate guidance or sufficient delegation of authority to take the steps or obtain the resources necessary to carry out their assignments successfully. The USACBT should work with the PITO Project Secretariat and AID to come up with a concrete approach to increasing the level of support to the PITO offices and assisting them in coordinating the activities of all PITO components. Possible approaches might include adding an additional person to the staff of the Project Secretariat under Gosah Arya, or designating one of the existing PITO representatives to serve as a Regional Coordinator on a part-time basis.

##### **2. Conduct More U.S.-Bound Missions**

Most of the trade and investment missions sponsored by PITO to date have consisted of representatives of U.S. companies interested in investigating opportunities in the ASEAN member countries. The PITO Project can support its own objectives, and those of the US&FCS as well, by organizing more missions comprised of representatives of ASEAN companies interested in seeing U.S. technologies or products.

##### **3. Improve the Coordination of Local PITO and USG Activities**

Most of the criticism of early PITO Project activities by individuals in the AID bi-lateral missions and the US&FCS concerned inadequate notice and coordination of PITO activities being carried out in country. PITO is a resource that the AID missions and FCS should take advantage

of to support other U.S. Government objectives related to trade and investment. In many instances, all that is required to achieve more successful joint activities is better coordination between these offices. This improved coordination and co-operation is not likely to come about unless the PITO country representative takes the initiative. This will require nothing more than setting up regularly scheduled meetings that include AID and US&FCS personnel and representatives of the local chamber of commerce and industry and AmCham.

4. Fold the Policy Analysis Component into the Trade and Investment Promotion Component

Events appear to have largely overtaken the purposes of the policy analysis component of PITO and substantially reduced the importance of this component to achieving the objectives of the Project. Any policy issues that arise in the future can be dealt with adequately by contracting through the national PITO office or the USACBT for the specialized expertise that might be required. This function could be provided for by amending the current grant with the USACBT.

## APPENDIX A

### STATEMENT OF WORK

#### FOR EVALUATING

#### THE ASEAN PRIVATE INVESTMENT AND TRADE OPPORTUNITIES PROJECT (PROJECT NO. 399-0358)

#### INTRODUCTION

This is an interim evaluation of the ASEAN Private Investment and Trade Opportunities (PITO) Project. Its purpose is to assess progress to date and identify actions to be taken by USAID and implementing institutions for the remaining life of the project.

The material provided below is the overall scope of work for the team carrying out the review and assessment of the ASEAN Private Investment and Trade Opportunities Project.

#### I. OBJECTIVES

The objectives of this interim evaluation are to measure progress towards achieving the project's purpose; (b) review the effectiveness of the implementing agencies in meeting project benchmarks; (c) identify and analyze problems inhibiting progress; (d) recommend actions to correct problems; (e) assess the implementing agencies' management of their respective components; and (f) assess project sustainability.

#### II. PROJECT SUMMARY

The Association of Southeast Asian Nations (ASEAN)\* region is one of the most economically dynamic areas of the world. Most member countries are rapidly transforming themselves into centers of industrial production. Although the regional outlook is generally optimistic, a strong need for development assistance remains. Transformation to advanced industrial nations and private sector-led growth is still in its initial stages, especially in the three poorest ASEAN nations. Numerous constraints to market-led growth remain in place and continue to emerge at each new stage of transition. Constraints include lack of information, policy impediments, and limited access to capital.

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\*ASEAN is comprised of six countries: Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The project is designed to directly support efforts to reduce or eliminate these constraints to sustained development in ASEAN. By promoting a greater exchange of trade, capital and technology between the private sectors of the U.S. and ASEAN member countries, and supporting regional policy problem solving efforts, the project is also to further the process of private sector-led growth in ASEAN countries. By encouraging the U.S. private sector to become more involved in ASEAN, the project is expected to also help the U.S. improve its competitive position in this increasingly economically important region.

Thirteen million dollars in grant funds were authorized for the project. The grant will provide: \$7.71 million to establish a mechanism for promoting and facilitating expanded trade and investment in sectors of high development priority which are of mutual benefit to ASEAN and the United States; \$2.24 million to identify policy constraints/problems and consider resolution; \$.2 million to establish an ASEAN Growth fund to provide equity financing for U.S.-ASEAN ventures; and \$2.85 million to support project secretariat.

The project's goal is to contribute to sustained economic growth and development in the ASEAN region. The project's purpose is to establish a structure and a mechanism to promote expanded private sector trade and investment between ASEAN and the U.S. The system will serve to establish networks to facilitate expanded market driven economic activities in ASEAN countries and productive and mutually beneficial ASEAN and U.S. trade and investment activity.

The project is designed to contribute to the following end of project status:

- an ASEAN-U.S. trade and investment promotion mechanism will have been fully defined, implemented, tested and demonstrated to stimulate enhanced commercial relations between ASEAN nations and the United States;
- increased two way trade flows between the United States and ASEAN nations;
- increased flows of direct investment from the United States to ASEAN nations;
- approximately 30 ventures funded under the ASEAN Growth Fund;
- diversification of ASEAN export markets with increased export flow to East Asia and an improved trade balance between ASEAN nations and the United States;
- a dramatically increased number of private sector inquiries on trade and investment opportunities between ASEAN and the United States;

- a demonstrable set of indicators of cooperative working relationships among U.S. agencies interested in trade and investment; and
- a series of concrete policy improvements flowing from the regional policy and problem solving studies undertaken cooperatively by regional institutes supported by the U.S.-based policy analysis center.

### III. PROJECT COMPONENTS

#### 1. TRADE AND INVESTMENT PROMOTION

The descriptions below are brief summaries of project activities. Complete descriptions are contained in the Project Paper and other documentation available at USAID/ASEAN and in documentation at the implementing institutions.

A. Background. Investors and traders in the U.S. and ASEAN private sectors frequently are frustrated in their attempts to obtain reliable information on potential partners and even basic information related to potential opportunities and markets. There is a need, therefore, to provide the U.S. private sector with a highly visible, single point of contact for inquiries related to trade and investment opportunities in ASEAN. Experience with trade and investment promotion activities in AID-assisted countries has demonstrated that public sector led promotion efforts have generally not been effective. Far better results have been achieved with promotion activities that rely on more direct contact between representatives of private sectors in the countries involved. In addition, prospective trade relationships are frequently abandoned because the U.S. (or EC or Japanese) partner lacks confidence in product standard or the quality assurance practices of the supplier. Potential U.S. investors similarly are frustrated in their efforts to come to an agreement with an ASEAN partner on a reasonable value for a technology they bring to a joint-venture. These conditions are serious threats to the success of efforts to promote trade and investment in the region.

To address these technical barriers to increased trade and investment, AID entered into an agreement in 1990 with the US-ASEAN Council for Business and Technology, Inc. (USACBT) to provide promotional and referral activities in both the U.S. and ASEAN countries. Through the grant with AID, USACBT has established a network of promotional and inquiry centers in each of the six ASEAN countries and USACBT itself serves as the U.S. center. An Executive Secretariat has also been established and housed at the Thai PITO Office in Bangkok, Thailand. The Executive Secretariat is responsible for directing and coordinating the Project's daily technical, management, administrative and promotional activities.

In 1990, AID also entered into an agreement with Technonet Asia of Singapore to promote technology transfer, quality assurance and standards development as part of the overall emphasis on increasing opportunities for investment and trade.

B. Description. The purpose of this component is to promote expanded trade between ASEAN and the United States and ASEAN exports to third markets, especially East Asia, and U.S. investment in sectors of high development priority in which the United States is competitive in equipment, systems and/or services. Emphasis is placed on promoting small and medium sized business enterprises.

C. Project Input/Activities

- 1) Conduct Trade and Investment Promotion Activities - seminars, presentations, conferences, trade missions, facilitate meetings or arrange one-on-one meetings between U.S. and ASEAN firms, market research, follow-up on transactions and prepare information brochures.
- 2) Provide Information Referral Services - answer/refer inquiries, and prepare fact sheets.
- 3) Maintain Partner Referral System - provide searches and referral services to match U.S./ASEAN businesses with an interest in establishing an investment or trading relationship, follow-up if match successful, and develop/maintain a database of U.S./ASEAN entrepreneurs that have requested searches for ASEAN/U.S. partners
- 4) Technology Commercialization - technical advice on standards, quality control and materials testing, counselling for ASEAN entrepreneurs seeking to acquire U.S. commercial technologies, seminars and workshops on technology issues and concerns.

2. POLICY ANALYSIS AND PROBLEM RESOLUTION

A. Background. Some constraints to increased ASEAN-U.S. trade and investment are the result of policies that are inconsistent across countries, or excessively restrictive in light of current world or national economic conditions. These constraints are addressed in PITO by establishing a network of existing ASEAN institutions to undertake analytical studies, generally in collaborative efforts, of trade, investment incentives or other issues on an ASEAN-wide basis.

Coordination of network activities and technical support is provided by the East-West Center under an AID grant in 1990. Studies conducted by the ASEAN policy centers are funded through sub-grants issued by the East-West Center.

The policy analysis network in ASEAN includes the following institutions: The Institute for Southeast Asia Studies (ISEAS) in Singapore, the Thailand Development Research Institute (TDRI) in Bangkok, the Center for Strategic and International Studies (CSIS) in Jakarta, the Economic Planning Unit (EPU) in Brunei, the Institute for Strategic and International Studies (ISIS) in Kuala Lumpur, and the Philippine Institute for Development Studies (PIDS) in Manila.

B. Description. The primary purpose of this component is to generate "applied analysis" rather than "basic research," providing information and recommendations or options to overcome existing constraints. These studies will be served as a starting point for policy dialogue and more widespread discussion of policy and other conditions that thwart the economic objectives of ASEAN. The secondary purpose is to build up the institutional capacity of the organizations involved and to pursue working level cooperation.

C. Project Input/Activities

- 1) Organize Policy Analysis Network - compile a preliminary inventory of existing sources of policy analysis skills in ASEAN.
- 2) Develop a Policy Analysis Agenda.
- 3) Provide Policy Study Administration - select participating ASEAN organizations and issue sub-grants.
- 4) Support Problem Resolution - encourage widespread discussion of findings and recommendations in studies conducted by the institution network.
- 5) Compile and Publish ASEAN Studies, and
- 6) Conduct Trade and Investment Policy Conferences.

3. CAPITAL MARKET DEVELOPMENT

A. Background. Constraints to increased U.S.-ASEAN investment and trade resulting from limited availability of capital lead to the third component of PITO project. The Project funds technical assistance to the Overseas Private Investment Corporation (OPIC) in organizing an ASEAN Growth Fund. Supports include obtaining services of underwriters and other finance specialists to assist in organizing the fund and establishing project evaluation and other procedures.

To date, OPIC has selected Hambrecht and Quist of San Francisco as the Fund Manager. In April 1992, the first Growth Fund Mission was organized to Thailand and Singapore. OPIC also proposed the change of the title of the fund from "ASEAN Growth Fund" to "Asia-Pacific Growth Fund," since the scope of the fund has been expanded.

B. Description. The Growth Fund, whose total capitalization is projected at between \$75 to \$100 million, is oriented especially toward assisting start-ups of new small and medium sized enterprises. It will concentrate on providing equity capital for joint ventures geared toward bringing U.S. commercial technologies to the ASEAN region. The Growth Fund will remain in effect after the project is completed. Therefore, developing the fund also contributes to the long-term creation of ASEAN equity and capital markets.

C. Project Inputs/Activities

- 1) Provide technical assistance in support of establishing an ASEAN Growth Fund; and
- 2) The Growth Fund provides equity capital for joint ventures geared toward bringing U.S. commercial technologies to the ASEAN region.

IV. TECHNICAL DIRECTIONS

The evaluation team shall address the evaluation objectives to each component and the specific evaluation questions indicated below, draw conclusions from the findings, and make recommendations responding to those conclusions. The review/assessment will also contain a discussion of lessons learned during project implementation.

The evaluation shall include a detailed examination of overall project progress in terms of the delivery of project inputs, the realization of project outputs and the achievement of planned project objectives.

Specific Issues for Mid-Project Evaluation Review

- Extent to which the Project has been able to develop and demonstrate a sound mechanism and strategy for achieving greater U.S. small and medium business participation in ASEAN economies;
- Assess the effectiveness of U.S. and ASEAN based promotional activities in expanding trade and investment among ASEAN and U.S. firms;
- Extent to which cooperative policy research and analysis activities influence the ASEAN policy making process;
- Extent to which technical liaison activity supported by information services has contributed to new and better links among ASEAN and U.S. business executives;
- Extent to which PITO project activities have led to increased marketing of value added products from ASEAN countries to East Asia;

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- Extent to which coordination of USG agency activities related to trade and investment has been increased. The involvement of the Embassy, and the direct coordination through the FCS, places a staff-limiting burden on the number and timing of T&I missions. How can AID, and PITO, be helpful in this process and add value to it? Can PITO result in additional U.S. government capacity to handle more of these events? If not today, when, and what changes need to take place?
- Given the mixed success of the PITO offices in the region, how can the viability of the offices or their people be increased so that after the PITO project is complete, services can continue which benefit U.S. and host country business exchanges; and
- Review sustainability options for PITO which include but not limited to the following:
  - Cost for services. What would be a proper fee structure for the services now being provided and where could we go from here?
  - Assess, again, the competition issue. Should we place the PITO offices together with FCS or bilateral mission offices set up as a result of their T&I program. Could these be co-funded offices? How difficult is that?
  - Expansion of the PITO offices in the region to support the US-AEP;
  - Finally how can we best increase the number of US to ASEAN and ASEAN to U.S. T&I mission?

## V. METHODOLOGY

A. Timing. The evaluation will start on or about June 15, 1992 and encompass a 12-person work week effort. The team leader and his/her team member will be permitted six weeks each with a six day work week. The evaluation will commence with a one week review/assessment effort in the U.S., at the U.S.-ASEAN Council for Business and Technology, Inc. in Washington, D.C. and at the East-West Center in Hawaii. The two person team will visit the six ASEAN countries as part of the evaluation. The base of operations will be in Bangkok where the draft report will be completed for review. At the end of week four, the team will provide USAID/ASEAN with a draft report of the team's findings. The team will review the report with USAID and implementing agencies during the following week and initiate action to prepare the final report. A preliminary final report encompassing all the comments/suggestions will be completed before the job is deemed completed by the evaluation team. The team leader will submit the final report to USAID/ASEAN within 30 days of departure.

## B. Basic Information Collection Techniques

1. Review of documents: The team will review relevant project background documents. These documents will be provided by USAID and the implementing agencies and will consist of the project paper, the cooperative/grant agreements, quarterly and annual reports, and project files.
2. Interviews: The team will interview relevant personnel of USAID, USACBT in Washington, D.C., PITO Executive Secretariat in Bangkok, PITO offices in each ASEAN countries, Technonet Asia in Singapore and East-West Center in Hawaii.

## VI. TEAM COMPOSITION

The evaluation team shall be composed of:

A. Business Administration Specialist (Team Leader) -- Person must be familiar with organizational management and how best to structure an activity to permit the broadest participation yet yielding the optimum results. Knowledge of regional economic situation in ASEAN is important. Knowledge of team management and AID Handbook 13 requirements for project implementation, monitoring and evaluation would be helpful. Person should be articulate, and a good writer who can pull together a team product into a coherent final report.

B. Trade and Investment Promotion Specialist - Person must have practical experience in the ASEAN region in the areas of identifying key business sectors offering the best expansion opportunities, actively preparing business opportunity profiles, and having evolved working mechanisms for promoting successful trade expansion and/or investment transactions.

## VII. REPORTING REQUIREMENTS

A. Draft Report. Two week (14 days) prior to departing Thailand, the evaluation team will present a written draft report findings for review by USAID, PITO Executive Secretariat, USBCT, Technonet Asia, and East-West Center. Shortly thereafter the team will discuss the report with these agencies/organization. These groups will provide comments on the report within seven calendar days. During the last 7 days, the team will incorporate into the report, as appropriate, feedback derived from the review.

B. Final Report. Within 30 days of completion of evaluation work, the team leader will complete a final report and submit 10 copies to USAID. The final report will follow the format outlined in Annex A attached.

## **APPENDIX B PITO TRADE AND INVESTMENT ACTIVITIES**

### **PROGRESS SUMMARY REPORT TRADE AND INVESTMENT PROMOTION COMPONENT (TIPC) PRIVATE INVESTMENT AND TRADE OPPORTUNITIES PROJECT**

#### **BACKGROUND**

The U.S.-ASEAN Council and the ASEAN Section of the ASEAN U.S. Business Council have jointly implemented the trade and investment component of the Private Investment and Trade Opportunities (PITO) Project since its inception in July 1990.

The objective of the trade and investment component of the project is to draw upon the resources of the private sector to implement, in close co-ordination and collaboration with governments, a proactive program to increase trade, investment and economic links between the ASEAN nations and the United States, and within and among the ASEAN countries. Its purposes include institution building -- creating within the private sector a capability to implement promotional programs -- and increasing business transactions. The program, however, is primarily promotional, and does not provide for specific assistance for individual business projects.

#### **PITO ACTIVITIES**

Since the inception of the project, the following activities have been undertaken:

- Office in ASEAN have been formed and initially staffed. Training programs and team building exercises for PITO staff have been held in ASEAN and the U.S.;
- More than 350 information requests have been received and responded to from individual companies in the U.S. and in ASEAN;
- Three missions to ASEAN have been held -- one on environmental technologies (to Thailand, Indonesia and Singapore), one for potential investors in the Asia-Pacific Growth Fund (visiting Taiwan, Thailand and Singapore), and one on coal utilization technologies (to Thailand and Indonesia);
- Four missions from ASEAN to the U.S. have completed -- three on food processing and packaging, and one on data entry;
- Seminars on environmental technologies have been held in Thailand; on doing business with the U.S. in Singapore and Malaysia;
- Six seminars in the United States on market opportunities in the environmental services and equipment sector were held;

- Two regional market surveys were completed -- one on the environmental sector and one on food processing and packaging; a third is in proposal stages on health care equipment and services;
- Packaged information kits have been created on 11 different industry sectors (ranging from power generation to health care to financial services) to respond efficiently to information requests;
- Economic and commercial overviews of each of the ASEAN countries have been assembled, utilizing information and materials from each of the countries and from the U.S. Embassies;
- Support has been provided to seminars and missions sponsored in the U.S. and ASEAN by other organizations, including seminars on individual countries, industries, and the region as a whole; in addition PITO has provided support to missions organized by various state agencies, and by the ASEAN governments to the U.S. A total of at least 35 programs have been supported over the past two years;
- A computerized information database has been developed, and is being installed in all ASEAN and U.S. offices currently. A database has been established to facilitate U.S.-ASEAN and intra-ASEAN commercial assistance requests and as a foundation for conducting industry specific promotional programming.

## **PITO LINKAGES**

The PITO project has stressed linkages with business associations, government agencies, and other private groups in building a network to promote increased trade and investment between the United States and the ASEAN nations. It has also placed emphasis on developing a strong PITO infrastructure in ASEAN and in the United States.

## **PITO Infrastructure in ASEAN**

Offices have been established in five ASEAN countries. Two approaches were used a the outset with regard to the location of these offices. Two PITO offices were established in independent office locations, but with strong links with the national chambers of commerce and industry. Three were initially housed within and managed by the chambers.

After careful evaluation and consultations with business leaders, government officials and AID, it was determined that the offices that maintained a degree of independence from the national chambers functioned more effectively in meeting PITO objectives. As a result, approach has strengthened the ability of the PITO personnel to work with embassies, government agencies and a variety of private sector organizations, thus enhancing the PITO network in each ASEAN country.

Each PITO office has established strong links with its government agencies involved with trade and investment promotion, and has co-ordinated all PITO activities closely with these groups. The offices have also supported, and sought the support of the U.S.-ASEAN Council for ASEAN government sponsored promotional events in the U.S. In addition, the offices are establishing strong relations with the American Embassy in each capital, in particular with the U.S. & Foreign Commercial Service. Links with private industry groups and chambers of commerce have also been enhanced.

Training and technical assistance is provided to these offices on a continuing basis. The PITO Regional Technical Advisor travels regularly to all of the ASEAN offices to review progress and to assist in program development and implementation, as does the ASEAN Regional Director. The U.S.-ASEAN Council has worked actively in supporting the ASEAN network, assisting in restructuring where necessary, and providing on-going consultation -- in person and through regular communications -- to augment and strengthen the ASEAN PITO network.

Assessments are continuing on the best approach to initiating PITO project activities in Brunei Darussalam. Individual inquiries have been handled, but no formal infrastructure has been established.

#### **PITO Infrastructure in the U.S.**

The U.S.-ASEAN Council, as PITO-U.S. manager, has strengthened its capabilities to undertake and support trade and investment promotional efforts. In addition to a strong staff to implement these activities, the Council has built and expanded a network of companies, industry and trade associations, chambers of commerce and state and federal agencies. The Council also works closely with each of the ASEAN embassies and consulates to support their promotional efforts. For example, the Council's president is invited on a quarterly basis to brief the U.S.-ASEAN Economic Co-ordinating Committee, Council staff meet quarterly with the ASEAN Washington Committee working group, and the Council is a member of the U.S.-Indonesia Trade and Investment Advisory Committee.

Co-ordination with U.S. Government agencies is also strong. The Council is a member of the Asia Sub-committee of the Trade Promotion Co-ordinating Committee, and shares experiences and program plans with all federal agencies involved in trade promotion. In addition, the Council has developed memoranda of understanding on joint projects with the Departments of Commerce and Energy, with the Small Business Administration and the Environmental Protection Agency. It works closely with EXIM and OPIC on program planning and involves TDP in Council missions and other programs.

The Council has established an industry group for each of the sectors identified for special attention. Its environment, food processing, and energy groups have provided valuable information and direction to PITO projects. In addition, these groups have rendered

advice and counsel to various government agencies on how they might better serve the needs of companies seeking new business in the ASEAN region.

Of particular importance are the links with state agencies and regional groups. These links allow the Council to "wholesale" information, providing a broader outreach to the U.S. business community than would be possible simply through its own efforts. Likewise, cooperation with the ASEAN Embassies and consulates enhances the services provided to both U.S. and ASEAN companies, and furthers the purposes of the PITO project.

## **PITO RESULTS**

There are several measures of the success to date of the PITO project. These include the number of participants in PITO programs, the increase in active business participation in the Council, support from the private sector for trade and investment promotion activities, and the number of business transaction.

On all of these measures PITO can claim some degree of success. The hardest to measure, of course, is the contribution of the project to individual business transactions.

### **Business Participation**

U.S. business participation in PITO sponsored and PITO supported promotional activities in the United States has exceeded 3,000 companies to date. Many of these participated in introductory programs aimed at helping new-to-market companies understand the potential for new trade and investment with ASEAN. Approximately 500 companies participated in targeted seminars, where the likelihood of actual business results are greater. Over 30 U.S. companies have participated in PITO sponsored missions to the region, and an additional 50 have participated in missions supported by the PITO network.

ASEAN business participation in seminars and other outreach activities exceeds 500, most in targeted programs that have included American business participants as well. In addition, 25 ASEAN companies have participated in PITO organized and promoted missions to the United States.

### **Business Support**

More than 60 companies are member of the Council's industry core groups in the United States. These companies provide extensive support and guidance to PITO promotional activities. In addition, Council membership has grown to approximately 70 companies, resulting in an increase in private sector support for a broad range of Council programs in the U.S. and in ASEAN.

In ASEAN, each PITO office is guided by a private sector steering committee, consisting of at least 6-10 business executives, for a total of more than 55 business leaders throughout the region providing advice and support to the project on a pro bono basis. In addition, the staff of each of the Chambers of Commerce regularly assist in the implementation of PITO projects, also on a pro bono basis.

### **Business Results**

Separate reports have been prepared on the missions sponsored under the PITO projects, and have been provided to AID, which summarize expectations of companies with regard to the business results of these programs.

### **CONCLUSION**

The PITO project has made excellent progress in the two years since its inception. It has built a strong reputation in ASEAN and the U.S., and an outstanding network of private and public sector organizations and agencies with which it works. It has already resulted in new trade and investment between ASEAN and the U.S.

## 1991 PROGRAM SUMMARY

Date	Program	Venue	
Jan 22	Meeting	PITO Steering Committee meeting.	Malaysia
Feb	Information	PITO Brochure printed in Bangkok and disseminated to US and other ASEAN PITO offices.	Thailand
Feb	Seminar	ASEAN Environmental Business Development Seminar Series on "ASEAN Environmental Markets: Opportunities for U.S. Equipment and Service Companies".	Washington, DC Chicago, IL. Portland, OR. Los Angeles, CA. Houston, TX.
Mar	Database	Computer system received and installed in ASEAN PITO offices.	ASEAN
Apr	Database	Finalized PITO Service Request Form for the computer database system.	ASEAN
Jun 1-7	Mission	ASEAN Mission to USA: Food Processing & Packaging Mission. In conjunction with the International Food Technologies (IFT) Conference' 91.	Dallas, TX., Los Angeles, CA.
Jul 5-6	Seminar	"How to Do Business with the U.S."	Singapore
Jul 6-7	Training	ASEAN PITO staff training session.	Singapore
Aug 22	Seminar	"Waste Water Treatment Technologies for Food Processing Industry."	Thailand
Sept 19	Seminar	Luncheon Talk by Mr. Douglas Hartwick - Counselor for Economic Affairs, American Embassy in Malaysia.	Malaysia

Sept 28- Oct 5	Mission	ASEAN Mission to USA: Renewable Energy Trade and Investment Mission in conjunction with the conference on Renewable Energy and Efficiency Applications in the Pacific Nations.	Los Angeles, CA
Oct 26 Nov 11	Mission/ Seminars	U.S. Mission to ASEAN: U.S. Environmental Technology Trade and Investment Mission. The portion in Singapore was held in conjunction with ENVIRO ASIA '91.	Thailand Indonesia Singapore
Oct 26- Nov 5	Mission	ASEAN Mission to USA: ASEAN Food Processing and Packaging Trade and Investment Mission in conjunction with the Food and Dairy Expo '91.	Chicago, IL. San Francisco, CA.
Nov 12	Seminar	"How to Do Business with the U.S."	Malaysia
Nov 18-20	Mission	Philippine Mission to USA: Computer Services and Data Entry Trade and Investment Mission in conjunction with Data Entry Management Association's Annual Conference.	Dallas, TX. New York, NY.

**REPORT ON  
PITO INFORMATION REQUESTS  
upto December 1991**

**NUMBER OF REQUESTS PROCESSED**

U.S.A.	46
Brunei	0
Indonesia	6
Malaysia	28
Philippines	19
Singapore	1
Thailand	<u>10</u>
<b>TOTAL</b>	<b><u>110</u></b>

**REQUESTS BY SECTOR**

**U.S.-BASED REQUESTS**

Environment & Energy	16
Agribusiness	4
Health	2
Telecom/Computers	7
General Manufacturing	14
Others	3

**ASEAN-BASED REQUESTS**

Environment & Energy	7
Agribusiness	7
Health	0
Telecom/Computer	5
General Manufacturing	32
Others	13

## REQUESTS BY BUSINESS INTEREST

### U.S.-BASED REQUESTS (some overlapping)

Business Contacts (export)	32
Business Contacts (import)	12
Market/Sector Research	17
Trade Missions	5
Others	6

### ASEAN-BASED REQUESTS

Business Contacts (export)	52
Business Contacts (import)	3
Market/Sector Research	20
Trade Missions	1
Others	12

**ACTIVITY REPORT  
JANUARY - JUNE 1992**

**TRADE AND INVESTMENT PROMOTION COMPONENT (TIPC)  
PRIVATE INVESTMENT AND TRADE OPPORTUNITIES PROJECT**

**BACKGROUND**

The ASEAN-U.S. Business Council manages the trade and investment promotion component of the Private Investment and Trade Opportunities, a development cooperation project between the ASEAN Regional Program of USAID and the ASEAN countries.

The elements of the PITO project include:

1. Information services, including responses to individual inquiries, market research and sector overviews, to assist companies in identifying opportunities as well as potential partners;
2. Seminars, in the U.S. and in ASEAN to provide outreach to companies on market opportunities, new technologies, and to provide a means of contacts and introductions between companies;
3. Missions, to the U.S. and to ASEAN, to facilitate contacts and introductions between ASEAN and American companies for trade and investment transactions; and
4. Follow-up assistance, including referrals, to help companies pursuing specific transactions.

The project takes an industry specific focus, and has concentrated on four leading industry sectors:

Energy, especially electric power  
Environmental Protection  
Food Processing and Packaging  
Health Care Equipment and Services

This report will cover the activities of the Council under the PITO project from January through June, 1992.

## REPORT ON SIX MONTH ACTIVITIES

### INFORMATION SERVICES

The information services activities of the Council consist of three elements: regional market research; industry overviews; and responses to PITO information requests.

### **REGIONAL MARKET RESEARCH**

**Food Processing and Packaging.** In late 1991, AgriSource and the ASEAN Food Handling Bureau completed market research on the food processing and packaging sector for the PITO project. This effort included research on various aspects of this industry for all six ASEAN countries.

Based on this market research, a regional market overview has been prepared for the Council. The overview highlights key trade and investment opportunities in each of the ASEAN countries. Currently, the Council is working with the Food Processing Machinery & Services Association and the Packaging Machinery Manufacturers Association in the United States to develop programs to disseminate this research to American companies.

**Health Care Equipment and Services.** A scope of work for regional research on the health care sector was prepared in early 1992. This scope of work was widely reviewed by the industry sector and by ASEAN PITO offices.

Seven research firms responded to an invitation for proposals. The winning bidder is a consortium of Technomic Consultants, a firm specializing in the health care industry, and Maxwell Associates. Both firms have regional headquarters in Singapore with offices throughout the ASEAN region.

Research will begin in the third quarter, and is expected to be completed in early 1993.

**Power Generation.** The U.S. and ASEAN PITO offices cooperated with the preparation of an updated power generation report. This report was prepared by RCG Hagler-Bailly, and was separately funded by the U.S. Agency for International Development's Office of Energy. The survey included extensive industry involvement in its preparation. It will be completed in early August, and will be widely disseminated to industry in the U.S. and ASEAN.

**Environmental Protection.** An update of the 1991 survey of the pollution control industry, with specific reference to waste water treatment, will be undertaken in the last half of 1992. This project, also separately funded by USAID, will be completed by RCG Hagler-Bailly.

### ***INDUSTRY OVERVIEWS***

Responding to a need by business for shorter updates on industry opportunities, the Council has prepared a series of industry overviews. These have drawn on research already completed, and information that is available from the U.S. and ASEAN governments. The purposes of these short reports is to provide industry with a "snapshot" of opportunities in the ASEAN countries.

Ten industry overviews were completed in the first half of 1992. These include:

- Agribusiness
- Food Processing and Packaging
- Wood Products Machinery & Equipment
- Machine Tools
- Environmental Protection
- Energy Conservation and Renewable Energy
- Power Generation Equipment
- Health Care Equipment and Services
- Plastics Machinery and production
- High Tech industries, including computer software

These industry overviews have already received wide dissemination in the United States. They were used as background information for the U.S. Ambassadors' Tour 1992, during which more than 2500 American company executives met with the Ambassadors to learn about opportunities in ASEAN. They will be used on the ASEAN Ambassadors and senior business leaders mission to be held in October, 1992. They are also used as background in various seminars and programs on ASEAN, both sponsored under the PITO project and by independent groups.

The industry overviews are also used in responding to individual PITO information requests.

### ***INFORMATION REQUESTS***

Individual companies are encouraged to call upon the PITO project for responses to individual information requirements. Information sought includes identification of potential partners, background information on individual companies, introductions,

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information on specific project opportunities, and general information on ASEAN or individual countries.

During the first half of 1992, nearly 200 individual information requests have been received and responded to by the ASEAN and U.S. offices. Demand for this service has been increasing, with second quarter requests up by over 50 percent from the first quarter of 1992.

To support this growth in demand for PITO information services, an electronic data base management system is being developed and installed in the U.S. and ASEAN PITO offices. This database management program will have three functions: maintaining lists of companies and individuals, recording PITO information requests (including status of same), and maintaining industry and country information.

The database system has been developed and installed in the United States. It is being adapted to the needs of the ASEAN offices presently, and training for all personnel in ASEAN is planned for early August.

## **SEMINARS**

Seminars provide an important outreach to the business community. They are also a key means of information dissemination to individual companies.

### ***SEMINARS IN THE U.S.***

In the first half of 1992, the PITO project did not sponsor any seminars on its own in the United States. A planned series on the food processing and packaging sector had to be postponed.

PITO personnel did participate in a number of seminars in the U.S. to disseminate information on the project and on opportunities in ASEAN. These included:

a briefing for Ohio businesses on opportunities for the food processing, machine tools and polymers industries (February, Columbus, Ohio);

a seminar on business opportunities in Thailand (April, in Denver, Colorado);

a conference on business opportunities in ASEAN, with the ASEAN Ambassadors to the U.S. (May, in New Jersey)

a seminar on business opportunities in Indonesia (June, in Baltimore, Maryland);

In addition, the PITO industry overviews were used in the seminars held as part of the U.S. Ambassadors' Tour 1992.

### ***ASEAN SEMINARS.***

Seminars were conducted as part of the coal technologies mission to Thailand and Indonesia (reported on below). PITO personnel participated in various industry programs in each of the ASEAN countries, including the East-West Center programs on the business environment in ASEAN.

Extensive work was undertaken in preparation for a regional series of seminars on Total Quality Management, which will be held in September in conjunction with Tecnonet Asia.

### **MISSIONS TO THE U.S. AND TO ASEAN**

A key feature of the PITO project are missions which bring ASEAN and U.S. business executives together to discuss new trade and investment measures. Three missions were organized by PITO during the first six months of 1992:

#### ***ASEAN MISSIONS TO THE U.S.***

**ASEAN Food Mission to the U.S.** PITO promoted a mission to the U.S. for food industry executives to participate in one-on-one meetings and the annual conference and exhibition of the Institute of Food Technologists in New Orleans. While all of the ASEAN offices promoted this mission, only two companies from the Philippines participated. Private meetings in San Francisco and New Orleans, as well as participation in the IFT were included in the mission.

#### ***U.S. MISSIONS TO ASEAN***

**Asia Pacific Growth Fund Mission.** One of the central elements of the PITO project is the development of the Asia Pacific Growth Fund (APGF), which is being backed by guarantees from the Overseas Private Investment Corporation (OPIC). The Fund is planned for an initial capitalization of \$75 million, and PITO has provided resources for the planning and promotion of the Fund.

In April, seven (7) potential investors in the Fund were invited to participate in a mission to Taiwan, Thailand and Singapore. The purpose of the mission was to give potential investors a first-hand perspective on the opportunities for the Fund in ASEAN and other eligible countries.

The mission participants received briefings from government officials, met with leading ASEAN business executives and representatives of the American Chambers of Commerce as well as the American Embassies. PITO offices in ASEAN arranged the schedule for mission participants, coordinating closely with the offices of Hambrecht & Quist Asia Pacific, the manager of APGF.

The Fund managers expect that an preliminary "closing" will be held in September for approximately one-half of the total fund. A second closely is planned prior to the end of 1992.

A second mission of other interested investors is planned for September of this year.

**Coal Technologies Mission.** A group of eight (8) American companies with clean coal technologies visited Thailand and Indonesia in June/July. This mission was intended to familiarize the governments and private sectors of these countries with new developments in coal utilization technologies in the United States that improved efficiency and reduced pollution.

The mission met with senior government officials charged with energy management and development in both countries. It also included a site visit to the Mae Moh lignite mine and power generation plant in Thailand. Briefings were arranged with both the energy officials and with the ministries of the environment in each country.

A seminar, attended by 71 private and public officials in Thailand and by 93 in Indonesia, was organized as part of the mission. The seminar provided an opportunity for officials to hear first hand about the developments in clean coal utilization, and methods of solving specific problems faced by electric power, cement and coal mining companies in each country. Presentations were made by the companies participating in the mission.

One-on-one meetings were arranged to assist both ASEAN and American companies in identifying new opportunities, and exploring new business ventures.

This mission was jointly sponsored by PITO, the U.S. Department of Energy, AID and the U.S. Department of Commerce. The PITO offices worked closely with the U.S. & Foreign Commercial Service in organizing the program in each country. Working with these government agencies, an active follow-up program is planned.

## **FOLLOW-UP ASSISTANCE**

The PITO project includes active efforts to follow-up with participating companies to assist them in developing their business. The follow-up is also intended to identify barriers to the expansion of trade and investment between the U.S. and ASEAN.

A follow-up report on the Environmental Mission, held in late 1991, is in preparation. Active involvement of these companies in programs to introduce them to assistance from various U.S. and ASEAN government agencies, potential partners, keeping them informed of new developments and opportunities are central elements of the follow-up program.

A more detailed report on the results of that meeting will be forwarded to AID and to the PITO Steering Committee shortly.

## **PLANNED ACTIVITIES**

The PITO project has entered into a very active phase. Plans for the coming months include PITO sponsored programs as well as strong support for related programs that expand the PITO network and the outreach to business to support new business opportunities between ASEAN and American firms. This section will review plans that are sponsored by PITO as well as those which it will assist.

## **INFORMATION SERVICES**

Database management training is being held for all ASEAN personnel from August 5-8. During this training session, personnel will become familiar not only with the workings of the new PITO database, but also with computer operations and Windows applications as well.

This new system should allow for a further expansion of the information services of the PITO project, particularly the individual information request services.

## SEMINARS

### *SEMINARS IN ASEAN*

**Total Quality Management.** Technonet Asia will cooperate with each of the ASEAN offices in organizing a seminar on Total Quality Management. These programs will be held in late September for all ASEAN countries. The PITO offices will assist in outreach and recruitment from the business community, as well as in targeting the programs to the specific needs and interests of each country.

**Conference on Environment and Business.** The Philippine PITO office will organize a conference on environment and business in October. Exact dates are being coordinated with the business community and the government. The conference is intended to highlight how business can utilize new environmental technologies in improving efficiency and problem solving.

### *SEMINARS IN THE U.S.*

**Agribusiness Opportunities in ASEAN.** PITO supported this program, organized by the U.S. Small Business Administration, in Memphis, Tennessee. Information on the opportunities, as well as a presentation on doing business in the region were included in this regional conference.

**ASEAN Ambassadors and Senior Business Mission.** In October, PITO will support a three city mission by the ASEAN Ambassadors to the United States and senior business leaders from the region. The mission will visit Minneapolis, Minnesota; Oklahoma City, Oklahoma; and Miami, Florida. Seminars on business opportunities in the region are planned, as are press interviews, meetings with public officials in each state, and meetings with leading business executives. The program will take place during the week of October 19.

## MISSIONS TO ASEAN AND THE U.S.

### *MISSIONS TO THE U.S.*

Missions to the U.S. are planned to coincide with the annual conference and exhibition of the Food Processing Machinery Society of America (FPMSA) and the Packaging Machinery Manufacturers Institute (PMMI) in early 1993. ASEAN companies will also participate in the September, 1992 Machine Tools Exhibition in Chicago.

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**APPENDIX C**  
**TECHNONET ACTIVITIES**

20 July 1992

**TECHNONET ASIA**

Summary Report (Jan 1991 - Jul 1992) on Technonet Asia's  
Activities under US AID ASEAN PITO Project

1. Introduction

Under the PITO project, Technonet Asia has been contracted by the US AID-ASEAN to implement technical and training support activities in close collaboration with private sector organizations both in the U.S. and ASEAN group of countries. Under this contract termed the "Technology Promotion and Assistance Services" (TPAS), industry specific program activities are being conducted to promote quality assurance, certification, standards development, new materials application and to facilitate technology transfers between ASEAN and U.S. private sector enterprises. Technonet Asia has so far successfully completed a series of activities at several levels in all ASEAN countries paying due attention to individual priorities of each country.

TPAS activities are being conceptualised and initiated through close collaboration with each country's industry associations and chambers. Specific assistance is being sought from the specialized institutions in each country to assist in the implementation of the planned activities to benefit the target groups.

In order to promote and organize these programs, Technonet provided technical expertise drawn from US and ASEAN based organizations and businesses to the participating enterprises, organizations and businesses. Assistance was also sought from US companies based in the ASEAN region for sector specific contributions in selected programs, which also provided them with the opportunities to interact with prospective firms.

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2. Status of the PITO/TPAS Project Component

As per the grant agreement (no. 399-0358-G-00-1002-00) signed between Technonet Asia and United States Agency for International Development (US AID), planned activities are being undertaken in all the ASEAN countries with necessary approval from US AID-ASEAN office. To provide necessary support to carry out all planned activities over a period from November 1990 to October 1992, US AID/ASEAN office obligated required funding support. Technonet has requested US AID-ASEAN office for the extension of the current contract up to December 1992 due to stoppage of activities during the Gulf crisis in the first quarter of 1991. Subsequently, Technonet has requested for an additional US AID grant, to widen and extend specific activities, which will extend PITO related activities upto October 1993. This grant is in the process of being finalized.

In implementing specific activities in each country, Technonet involved national PITO offices, wherever necessary, and liaised with prospective private sector business associations in formulating specific program events. In each program, Technonet ensured the participation of US experts/institutions as the principal contributors in the program and availed of their assistance to establish possible business linkages.

Through active promotional measures, Technonet has been able to generate a high level of interest among business groups and associations so that they in turn have highlighted special programs targetting prospective groups of industries having high growth potential.

3. Accomplishment

As of end July 1992, Technonet has successfully implemented twelve major technical workshops cum in-plant consultancies and four short seminars in six ASEAN countries. In total, 644 participants drawn from the industries have been exposed to these programs. Each activity is being followed up by the national host organizations. Reputed US companies and high calibre experts have made significant contributions to the success of the TPAS/PITO activities. In the conduct of the program, so far, 24 US companies have provided direct inputs through their experts. Please see the list of activities completed so far on the next page.

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Events/Dates	Venue	No. of Participants	US Companies/ Experts Involved
<p>1. <u>4-23 MAR 91</u></p> <p>Electro-Magnetic Interference Shielding for Plastic Component</p>	Singapore ✓	51	<ul style="list-style-type: none"> <li>- Acheson Colloids</li> <li>- Archive</li> <li>- AT&amp;T</li> <li>- Hewlett Packard</li> <li>- Jebsen &amp; Jessen</li> <li>- Motorola</li> <li>- UFE Inc</li> </ul>
<p>2. <u>24 MAY-6 JUN 91</u></p> <p>Application of Flexible Packaging Materials in Food Processing</p>	Kuala Lumpur ✓	51	<ul style="list-style-type: none"> <li>- GE Plastics</li> <li>- REX</li> <li>- Kenneth Marsh &amp; Assoc.</li> </ul>
<p>3. <u>7 JUN 91</u></p> <p>Advanced Technology and Innovations in the Food Processing and Packaging Industry</p>	Singapore ✓	20	<ul style="list-style-type: none"> <li>- Gardenia Foods Pvt</li> <li>- Gerber Products Co.</li> <li>- Kenneth Marsh &amp; Assoc.</li> </ul>
<p>4. <u>23 AUG 91</u></p> <p>Modern Automotive Elastomer Technology</p>	Singapore ✓	10	<ul style="list-style-type: none"> <li>- Exxon</li> <li>- Monsanto (S) Ltd</li> <li>- Walter Hall</li> </ul>
<p>5. <u>27 AUG-14 SEP 91</u></p> <p>Development &amp; Improvement of the Capability of the Rubber-based Product Industry for Export</p>	Indonesia	49	<ul style="list-style-type: none"> <li>- Monsanto (S) Ltd</li> <li>- Exxon</li> <li>- Walter Hall</li> </ul>
<p>6. <u>1-18 OCT 91</u></p> <p>Foundry Technology and Quality Improvement for Machinery Industries</p>	Thailand	42	<ul style="list-style-type: none"> <li>- American Foundrymen's Association</li> </ul>
<p>7. <u>21-22 OCT 91</u></p> <p>Energy Efficiency and Process Control in Cupola Foundries and Foundry Technology Devpt Trends</p>	Kuala Lumpur ✓	25	<ul style="list-style-type: none"> <li>- American Foundrymen's Association</li> </ul>
<p>8. <u>22-23 OCT 91</u></p> <p>Better Packaging for Better Foods</p>	Kuala Lumpur	120	<ul style="list-style-type: none"> <li>- Kenneth Marsh &amp; Assoc.</li> <li>- Michigan State Univ.</li> <li>- School of Packaging</li> </ul>

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Events/Dates	Venue	No. of Participants	US Companies/Experts Involved
<p>9. <u>24-25 OCT 91</u></p> <p>Packaging of Food and Pharmaceuticals for Protection and Profitability (Factory Visits)</p>	Singapore	7 firms	- Kenneth Marsh & Assoc.
<p>10. <u>13-25 JAN 92</u></p> <p>CAD/CAM Application in Engineering Industries</p>	Kuala Lumpur	38	<ul style="list-style-type: none"> <li>- IBM</li> <li>- Hewlett Packard</li> <li>- McDonnell Douglas/</li> <li>- EDS Int'l Ltd</li> <li>- AutoDesk</li> </ul>
<p>11. <u>27 JAN-7 FEB 92</u></p> <p>Quality Improvement of Processed Food and the Application of Flexible Packaging Materials</p>	Philippines	30	<ul style="list-style-type: none"> <li>- Kenneth Marsh &amp; Assoc.</li> <li>- San Miguel Corp.</li> </ul>
<p>12. <u>2 MAR 92</u></p> <p>Finding and Licensing New Products &amp; Technology</p>	Singapore	84	- Technology Search Int'l
<p>13. <u>4-5 MAR 92</u></p> <p>Finding and Licensing New Products &amp; Technology</p>	Brunei	25	- Technology Search Int'l
<p>14. <u>5-16 MAY 92</u></p> <p>Appropriate Technology of Pollution Control for Textile Industries</p>	Indonesia	32	<ul style="list-style-type: none"> <li>- Applied Technology &amp; Engrg P.C</li> <li>- PRC Environmental Inc</li> </ul>
<p>15. <u>23 JUN - 4 JUL 92</u></p> <p>Furniture Finishing and Quality Improvement for US Market</p>	Philippines	30	<ul style="list-style-type: none"> <li>- Mr Conrad Capaccio</li> <li>- Vintage Decorative Arts Furniture, USA</li> </ul>
<p>16. <u>29 JUN - 10 JUL 92</u></p> <p>Pollution Control and Waste Water Treatment in Textile Industries</p>	Thailand	65	<ul style="list-style-type: none"> <li>- Applied Technology &amp; Engrg P.C</li> <li>- PRC Environmental Inc</li> </ul>

4. Proposed Activities from July to end December 1992

We list below the planned activities that Technonet will be undertaking up to the year ending 1992.

<b>Dates</b>	<b>Events</b>	<b>Venue</b>
Aug 92	Industrial Toxic Waste Management	Malaysia
Aug 92	Industrial Toxic Waste Management	Singapore
Sep 92	Regional Technology Conference on the Application of Food Biotechnology	Singapore
Sep 92	Total Quality Management	Singapore
Sep 92	Total Quality Management	Malaysia
Sep 92	Total Quality Management	Thailand
Sep 92	Total Quality Management	Indonesia
Sep 92	Total Quality Management	Philippines
Oct 92	US Technology Commercialization	Malaysia
Oct 92	US Technology Commercialization	Singapore
Nov 92	Standards & Quality Certification of Foods	Thailand
Oct 92	Hazard Analysis and Critical Control Point (HACCP) System in Food Safety	Singapore

Note: A few other program formulations are still being discussed with the national organizations. Once the program design is finalised, these activities will be incorporated into our Planned Activities for 1992 calendar.

5. Proposed Activities for 1993

During the project period 1993, Technonet plans to organise sector specific technology upgrading workshops. Proposed interventions are expected to assist the ASEAN enterprises in upgrading their product quality development upto acceptable levels in the international markets, set up standards and establish business linkages with US enterprises for mutual benefit. The subject areas selected under the PITO program reflect the national priorities of each country where special emphasis is being placed on industries with high growth potential and prospects for additional investment. Technonet would ensure the participation of US enterprises in each program, through their experts and ASEAN-based facilities. Through these proposed programs, appropriate opportunities will be opened up for both US and ASEAN businesses to forge cooperation tie-ups. Additionally the proposed activities will serve as a catalyst to create opportunities for participants to know more about US sources of technologies which could be accessed to their advantage and bridge the existing information gap.

Proposed activities scheduled for 1993 and planned for an average duration of between 5-10 days per program. This include inplant one-to-one consultation on technology upgrading with relevant US Experts. Such<sup>a</sup>/schedule has been planned to enable the participation of senior level representatives from the prospective industries.

The list of priority topics to be considered for implementation during the 1993 project period, are listed below.

LIST OF PRIORITY TOPICS TO BE CONDUCTED UNDER PITO/TPAS PROJECT FOR 1993

Venue	Subjects
1. <u>BRUNEI</u>	<ul style="list-style-type: none"><li>- Quality Control &amp; Packaging Development in Food Processing</li><li>- Standards &amp; Quality Development of Wood-based Products</li></ul>
2. <u>INDONESIA</u>	<ul style="list-style-type: none"><li>- Quality Improvement in Processed Food &amp; Application of Advanced Packaging Materials</li><li>- Standard Development for Wooden Furniture Products</li><li>- CAD/CAM Application in Plastic Product Quality Improvement</li><li>- Ceramic Product Quality Development &amp; Safety Certification</li></ul>
3. <u>MALAYSIA</u>	<ul style="list-style-type: none"><li>- Ceramic Coating for Oil &amp; Gas Industry Facilities</li><li>- Industrial Automation for Higher Productivity</li><li>- Quality Development of Wood Furniture Products</li><li>- New Engineering Plastics Application in Electronic/Telecommunication Products</li></ul>
4. <u>PHILIPPINES</u>	<ul style="list-style-type: none"><li>- CAD/CAM System Application in Engineering Industries for Quality Upgrading</li><li>- Design &amp; Quality Control of Exportable Gift Items</li><li>- Quality &amp; Design improvement of Ceramic Products.</li></ul>
5. <u>SINGAPORE</u>	<ul style="list-style-type: none"><li>- Calibration &amp; Certification of Electronic Products</li><li>- Quality Assurance for Plastics &amp; Corrugated Paper Packaging Materials</li><li>- Reliability Predictions of Electronics Products &amp; Components</li><li>- Laser Welding &amp; Surface Treatment of Materials for High-Quality Metal Products</li><li>- Low Cost Automation Applications in the Food Processing Industries</li></ul>
6. <u>THAILAND</u>	<ul style="list-style-type: none"><li>- Design &amp; Fabrication in ASME code</li><li>- Quality Development of Engineering Plastics Products</li><li>- Quality &amp; Standards Development in Wood Furniture</li><li>- Laboratory Accreditation Programs Promotion</li></ul>

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6. Provision of Technology Promotion & Referral Services

Technonet will continue to provide technology referral services to assist ASEAN businesses to gain access to US technological sources. Small and medium enterprises require technology information packages to upgrade their technical capacities and keep their business competitive. They require specific information on appropriate technologies, upcoming technologies, trends on specific products, processes, sources of technologies, specialized plant and equipment, sources of new materials, joint venture prospects, licensing opportunities etc. Inquiries from businesses will be received either at the national PITO office, chambers, associations or at the national development support agencies collaborating in PITO activities. Through Technonet's participating organization - SISIR, it will maintain on-line linkage with US databases in sourcing US expert and technology needs.

In marketing this component, Technonet will undertake the following:

- Extensive promotional activities will be undertaken concurrent to national workshop/conference programs to reach out to prospective SMEs. Through Technonet's own institutional network and private business group, 'one-to-one' contacts will be facilitated for business matching between ASEAN and US enterprises.
- A quarterly 'Technology Bulletin' will be printed containing the listing of US products and technology available for ASEAN enterprises. This bulletin will be selectively distributed to prospective enterprises and business associations.
- List of prospective entrepreneurs seeking business cooperation with US counterparts will be made available to national PITO offices for follow-up assistance.

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- Technonet will maintain close contact with ASEAN-US Business Council and Centre for Technology Exchange to source potential US counterpart firms which are interested in doing business in the ASEAN countries.
- Technology sourcing and transfer facilitation is emerging as a new service that is being utilized by companies in the US. Selected US-based professional organizations engaged in technology sourcing will be approached for assistance in the proposed activities.

8.3/PITOSTRC

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TENTATIVE SCHEDULE OF ACTIVITIES FOR TECHNOLOGY PROMOTION AND ASSISTANCE SERVICES FOR 1993

ITEM	ACTIVITY	LOCATION	SCHEDULE													
			1993													
			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
1	EXPERT SOURCING/TECHNOLOGY PROMOTION SVCS	SIN														
2	TECHNOLOGY DEVELOPMENT W/SHOP 1	KUL														
3	TECHNOLOGY DEVELOPMENT W/SHOP 2	MNL														
4	TECHNOLOGY DEVELOPMENT W/SHOP 3	BRU														
5	TECHNOLOGY DEVELOPMENT W/SHOP 4	SIN														
6	STANDARDS/QUALITY DEVPT SEMINAR 1	JKT														
7	STANDARDS/QUALITY DEVPT SEMINAR 2	MNL														
8	TECHNOLOGY DEVELOPMENT W/SHOP 5	SIN														
9	TECHNOLOGY DEVELOPMENT W/SHOP 6	BKK														
10	TECHNOLOGY DEVELOPMENT W/SHOP 7	SIN/ASEAN														
11	STANDARDS/QUALITY DEVPT SEMINAR 3	SIN														
12	STANDARDS/QUALITY DEVPT SEMINAR 4	BRU														
13	TECHNOLOGY DEVELOPMENT W/SHOP 8	BKK														
14	TECHNOLOGY DEVELOPMENT W/SHOP 9	JKT														
15	TECHNOLOGY DEVELOPMENT W/SHOP 10	BKK														
16	STANDARDS/QUALITY DEVPT SEMINAR 5	KUL														

Notes:

1. Technonet Asia will maintain flexibility in changing activity location, depending on selected collaborating institutions' preparedness to undertake program implementation. Efforts will be made to complete targeted activity within the above time frame.
2. BKK - Bangkok  
KUL - Kuala Lumpur
- BRU - Brunei  
MNL - Manila
- JK JKT - Jakarta  
SI SIN - Singapore

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**APPENDIX D**  
**ORGANIZATIONS/INDIVIDUALS INTERVIEWED FOR**  
**PITO EVALUATION**

*Washington, D.C.*

**AID**

**David Hagen**, Desk Officer for Thailand and ASEAN  
**Michael Huffman**, Project Development Officer, Asia Bureau

**U.S. Department of Commerce**

**Richard L. Johnston**, Deputy Assistant Secretary, International Economic Policy  
**Jay Brandes**, Energy Sector Desk Officer  
**Janelle Matheson**, U.S. and Foreign Commercial Service - China/Hong Kong Desk  
**J. Lee Barnes**, International Trade Administration

**U.S.-ASEAN Council for Business and Technology (USACBT)**

**Robert E. Driscoll**, President  
**Levi Richardson**, Manager, Trade and Investment Services

**U.S.-Asia Environmental Partnership (AEP)**

**Peter Gourlay**, Manager for Technical Cooperation

**Overseas Private Investment Corporation (OPIC)**

**Graham Williams**, Asia Pacific Growth Fund

*Honolulu, Hawaii*

**East-West Center**

**Ralph Carvalho**, Fiscal Officer  
**William James**, Research Associate, Institute for Economic Development and Policy  
**Michael L. Manson**, Assistant Director, Institute for Economic Development and Policy  
**Robert K. McCleery**, Research Associate, Development Policy Program and PITO Contributor  
**Seiji Naya**, Chairman of the Department of Economics and Coordinator of PITO Project  
**Janis Y. Togashi**, Managing Editor of PITO Economic Brief Series and the Business Environment in ASEAN Series

*Jakarta, Indonesia*

**USAID**

**Robert Beckman, Director, Office of Private Enterprise**  
**Philip Garey, Deputy Mission Director**

**PITO Indonesia**

**Akmam Aga, Director**

**U.S. & Foreign Commercial Services**

**Ted Villinsky, Counselor**

**American Chamber of Commerce**

**James Castle, Business Advisory Indonesia**

**Harvest International**

**Michael Anderson**

**KADIN (National Chamber of Commerce)**

**Ir. Iboe Soedjono**

*Kuala Lumpur, Malaysia*

**U.S. Embassy**

**Paul Walters, Commercial Counselor, U.S. & Foreign Commercial Service**  
**Douglas A. Hartwick, Counselor for Economic Affairs**  
**Stephen Carrig, Economic Officer**

**PITO Malaysia**

**Veiven Goon, Director**

**American Business Council**

**Tamara Sulaiman, Executive Director**

**ASEAN-US Business Council**

**Hamzah Bakar, Joint-Secretary (Vice President, Corporate Planning, Petronas)**

**Malaysian Institute of Economic Research (MIER)**

**N Danaraj, Research Fellow, Bureau for Malaysian Enterprise**  
**Sarimah Morshidi, Research Officer, Bureau for Malaysian Enterprise**

**Malaysian Agricultural Research and Development Institute (MARDI)**

**Hj. Wan Johari Bin Wan Daud, Director**

**Malaysian Industrial Development Authority (MIDA)**  
**Cletus Stephenson, Industrial Development Officer**

**National Chamber of Commerce and Industry of Malaysia (NCCIM)**  
**Haji Wan Yusoff Wan Ismail, Executive Director**

**Standards and Industrial Research Institute of Malaysia (SIRIM)**  
**Abdullah Zawawi Ali, Head, Technology Transfer Division**  
**Jayamalar Savarimuthu, Head, Technology Dissemination Unit**  
**Yahaya bin Ahmad, Head, Advanced Manufacturing Technology Centre**  
**Ahmad Zakaria, Senior Research Officer, Advanced Manufacturing Technology Centre**

**Chemical Waste Management**  
**Yamin Vong, Director**

**Belux Oil & Chemicals Sdn. Bhd.**  
**Tan Chee Yuen, Marketing Executive**  
**C.S. Ng, Marketing Executive**

**Sabit Sdn. Bhd.**  
**Mirzan Mahathir, Director**

**Manila, Philippines**

**USAID**  
**Bradley Wallach, Private Enterprise Support Office (PESO)**

**U.S. Embassy**  
**Jamie Horsley, Commercial Attache, U.S. and Foreign Commercial Service**

**PITO Philippines**  
**Philip Gielczyk, Director of PITO and Regional Director of U.S.-ASEAN**

**PITO-P Project**  
**Wilhelm G. Ortaliz, National Manager**

**American Chamber of Commerce of the Philippines, Inc.**  
**Robert Sears, Executive Director**

**Asian Institute of Management**  
**Victoria S. Lucuanan, Associate Professor and Director of PITO Policy Analysis  
Problem Resolution component in the Philippines**

**Institute for Small-Scale Industries, University of the Philippines**

**Fortunato T. Dela Pena, Director of the Institute and Director of the PITO Project  
Technonet activities in the Philippines**

**Equidata, the Philippines**

**James P. Conway, President**

**Singapore**

**U.S. Embassy**

**George F. Ruffner, Commercial Counselor, U.S. and Foreign Commercial Service  
Karen L. Ware, Commercial Attache, U.S. and Foreign Commercial Service**

**PITO Singapore**

**Joyce Rasmussen, PITO Director and Manager of U.S.-ASEAN Council**

**Singapore International Chamber of Commerce**

**Mrs. Lee Ju Song, Trade Services/Admin Manager**

**Technonet Asia**

**Md Shahabuddin Faruque, Program Manager  
Mary Felicia Sim, Project Coordinator/Editor**

**National Science & Technology Board**

**Adams-Yau Lee Ying, Manager, Materials/Chemicals/Energy/Water/Env/Resource  
Development Division**

**Singapore Institute of Standards and Industrial Research (SISIR)**

**Chen Fui Lin, Manager, Centre for Technology Transfer  
Ng Kok Yau, Senior Scientific Officer, Polymer Technology Centre**

**Motorola Electronics Pte. Ltd.**

**Daniel Lu Kok Wah, Mechanical Engineering Group Leader, Research & Development  
Engineering Department - Paging and Telepoint Systems Group**

**Watson E.P. Industries Pte. Ltd.**

**Jack Snow Poh Ting, Executive Director**

**Bangkok, Thailand**

**USAID**

**Lawrence Irvin, AID Representative to ASEAN**  
**Robert T. Dakan, Deputy AID Representative to ASEAN**

**U.S. Embassy**

**Herbert A. Cochran, Counselor for Commercial Affairs, U.S. and Foreign Commercial Service**

**THAI PITO**

**Gosah Arya, Executive Director**  
**Tatsanee Setboonsarng, Project Manager**

**American Chamber of Commerce**

**David L. Hendrix, AMCHAM Board Member, Vice President and Country Corporate Officer - Thailand of CITIBANK, N.A.**

## **APPENDIX E**

### **REFERENCE DOCUMENTS FOR PITO EVALUATION**

#### **A.I.D. Evaluation Reports/Project Papers**

- (1) "A.I.D. Export and Investment Promotion Programs in Latin America and the Caribbean: Sustainability and Effective Service Delivery," A.I.D. Evaluation Highlights No. 8, May 1992
- (2) "Export and Investment Promotion: Findings and Management Implications From A Recent Assessment," Discussion Paper, not dated
- (3) "Export Promotion and Investment Promotion: Sustainability and Effective Service Delivery," Nathan Associates Inc. and Louis Berger International, Inc., submitted to Bureau for Latin America and the Caribbean and the Center for Development Information and Evaluation, November 1990
- (4) "Promoting Trade and Investment in Constrained Environments: A.I.D. Experience in Latin America and the Caribbean," Louis Berger International, Inc., A.I.D. Evaluation Special Study No. 69, May 1990
- (5) "Investment Promotion Export Development Project - Final Evaluation Report," Robert R. Nathan Associates, Inc., submitted to Private Sector Office of the Regional Development Office/Caribbean, December 1989
- (6) "Project Paper - ASEAN Private Investment and Trade Opportunities," June 1989
- (7) "Market and Technology Access Project," William Rodgers, June 1988

#### **PITO Activity/Progress Reports**

- (1) Program Summary Report: Trade and Investment Promotion Component
  - (2) Program Summary Report: Technology Promotion and Assistance Services
  - (3) Program Summary Report: Policy Analysis and Problem Resolution
  - (4) THAI PITO - Report on THAI PITO Activities, January - December 1991
- 

- (5) Technonet Asia:
- Summary Report (Jan 1991 - Jul 1992) on Technonet Asia's Activities under US AID ASEAN PITO Project
  - Project Report on SISIR-Technonet Asia Cooperation in Technology Promotion Services for New Plastics Products Development in Local Enterprises, April 1991

**Program/Company Brochures of Organizations/Companies Interviewed**

- (1) Malaysian Institute of Economic Research:
- Annual Report
  - Business Environment in ASEAN Workshop, organized for the East-West Center
- (2) Malaysian Agricultural Development and Research Institute:
- Food Technology Division
  - Course on Food Packaging, 29 May - 1 June, 1991 (Technonet/PITO activity)
  - National Seminar on Food Technology 22-23 October, 1991 (Technonet/PITO activity)
- (3) Standards and Industrial Research Institute of Malaysia - various program and project brochures
- (4) Singapore Institute of Standards & Industrial Research (SISIR):
- Expert Sourcing Programme, Centre for Technology Transfer
  - Technology Market Programme, Centre for Technology Transfer
- (5) Sabit Sendirian Berhad, Investment Consulting
- (6) Watson E.P. Industries Pte. Ltd., Plastic Electroplater and Moulder

**U.S.-ASEAN Council for Business and Technology**

- (1) Council information and various PITO documents
- (2) Ambassadors' Tour 1992: The ASEAN Advantage, Media Kit
- (3) Ambassadors' Tour 1992: Country Economic Reports and Sector Reports
- (4) "Global Business Network: Concept Paper"

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## **East-West Center**

- (1) "Business Environment in ASEAN Country Reports"
  - Number 1: Opportunities and Challenges for Investors in the Philippines
  - Number 2: Opportunities for Foreign Investors in the Current and Future Macroeconomic and Regulatory Framework in Indonesia
  - Number 3: The Singapore Economy and Foreign Investment Opportunities
  - Number 4: The Malaysian Economy and Foreign Business Opportunities for Foreign Enterprises
  - Number 5: Investment Trends and the Business Environment in Thailand
  
- (2) PITO "Economic Briefs"
  - Number 1: Is the United States Missing the Boat in ASEAN?
  - Number 2: ASEAN Country Profile: Indonesia -- A Sleeping Giant No Longer
  - Number 3: ASEAN Country Profile: Thailand -- The Sixth Dynamic Asian Economy
  - Number 4: ASEAN Country Profile: Malaysia -- the Next NIE?
  - Number 5: ASEAN Country Profile: The Philippines -- Positioning for a Turnaround
  - Number 6: ASEAN Country Profile: Singapore -- The Next Lap
  - Number 7: Opening the Door: The Philippine Foreign Investments Act of 1991
  - Number 8: The Legal Framework for Investment in ASEAN: Investment Regulations and Incentives
  - Number 9: The Untying of Japanese Aid: New Opportunities for Trade and Investment

## **U.S. & Foreign Commercial Service/Thailand**

- (1) "USAID Trade Promotion Programs in Southeast Asia" - Answers to survey questionnaire, June 1991
  
- (2) "Strategic and Technical Reviews Working Paper - Export Assistance Needs: Working Group Recommendations SR 90-7," U.S. and Foreign Commercial Service, March 1990
  
- (3) "Thailand - Country Marketing Plan FY 1993," US&FCS Bangkok, 1992
  
- (4) "Thailand - Asia/Pacific Outlook," Herb Cochran, USFCS Bangkok, March 1991
  
- (5) "Trade Fairs in Thailand 1992-93," USFCS Bangkok, Spring 1992

- (6) "Key Contacts in Thailand," USFCS Bangkok, Spring 1992
- (7) "Current Business & Industrial Publications in Thailand," USFCS Bangkok, Spring 1992
- (8) "Industry Sector Analysis - Power Generation Equipment," USFCS Bangkok, December 1991
- (9) "Cambodia - New U.S. Export Policy (4/92) UNTAC Procurement," USFCS Bangkok, May 1992
- (10) "Trade Embargo on Cambodia 'Lifted;' Vietnam Trade Embargo 'Eased'," Herb Cochran, American Embassy, Bangkok, July 28, 1992

**Pacific Economic Cooperation Council, Pacific Economic Outlook: 1992-1993, 1992**

**United States-Asia Environmental Partnership, various documents describing the US-AEP Program**

## **MISSIONS TO ASEAN**

**Environmental Mission.** A second environmental technologies mission is planned for October, 1992. The mission will visit Malaysia, Indonesia and Singapore, and will coincide with the EnviroPro Conference and Exhibition in Kuala Lumpur and EnviroAsia in Singapore. Seminars on U.S. environmental technologies are planned as part of this mission.

**PITO Supported Missions.** PITO offices will also support several missions during the second half of 1992. These include:

**Montana Mission to ASEAN.** Senator Max Baucus will lead a mission of six Montana companies to Singapore and Malaysia in August. The Senator, Chairman of the International Trade Subcommittee of the Senate Finance Committee, had previously hosted the ASEAN Ambassadors to the United States in Montana. The Senator's mission is a direct result of that visit

**Ohio Governor's Mission to ASEAN.** Governor George Voinovich of Ohio will visit Thailand, Malaysia, Singapore and Indonesia in September. He will be accompanied by executives from 14 companies in the machine tools, polymers and food processing machinery industries. As part of this mission, a briefing was held in February, and a second mission overview and briefing on the campus of Ohio University in July.

**Oklahoma Governor's Mission to ASEAN.** Dates and timing are not yet fully confirmed, but Governor Walters of Oklahoma plans to visit ASEAN in November with a delegation of Oklahoma companies. The ASEAN Ambassadors/CEO visit to the state is a prelude to this trip/

**Georgia Governor to visit Singapore.** Governor Zell Miller of Georgia plans to visit Singapore in September. While he will not be accompanied by a business delegation, the purpose of the visit is to set the stage for a follow-up business mission in 1993.

July 30, 1992

PLANNED  
PRIVATE INVESTMENT & TRADE OPPORTUNITIES PROJECT

Calendar of Events

1992

DATE	ACTIVITY	VENUE
Feb 18	Seminar Meetings of PITO Environmental Sector Industry Core Group with U.S.-AEP representatives.	Washington, D.C.
Feb 25	Database PITO Information Contacts Database installed.	Washington, D.C.
Mar 5	Seminar ASEAN Environmental Business Development Seminar "Support for U.S. & ASEAN Environmental Companies" Follow-up activity to October November 1991 Mission.	Washington, D.C.
Apr	Information Scope of work for Market Research Health Care and Medical Products & Services initiated.	Washington, D.C.
Apr 3-17	Mission Asia Pacific Growth Fund Mission	(Philippines) Thailand Singapore
May 11-22	Technology Transfer ASEAN representatives joined US Environmental Training Institute's course on "Advanced Landfill Management," sponsored by Waste Management, Inc.	Washington, D.C.
May 20	Seminar World Trade Council, State of New Jersey, U.S.-ASEAN Council Conference on "Growing Your Business in ASEAN Markets," included ASEAN Ambassadors.	New Jersey

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Jun 1-6	Technology Transfer	ASEAN representatives joined the Int'l GPS/GIS Conference, Training on GPS/GIS Mapping Field Trip in conjunction with "GPS/GIS '92"	California
Jun 15 thru Jun 24	Mission/Seminar	ASEAN Mission to U.S. to Coincide with Seminar Series on Food Processing & Packaging Opportunities in ASEAN-- Reverse Mission in conjunction with Institute of Food Technologists (IFT).	San Francisco Chicago, IL New Orleans, LA
Jun 12-27	Mission	Clean Coal Energy Technologies: Applications and Environmental Improvements	Thailand Indonesia
Jul 31	Information	Consultant hired to execute ASEAN Health Care/Medical Projects & Services Market Research.	
Aug 3-5	Conference	Joint ASEAN US Business Council (AUSBC)- Trade and Investment Cooperation Committee (TICC) Meeting and PITO Steering Committee Meeting.	Thailand
Aug 4-8	Database	Database Installation and Training Session for ASEAN Regional PITO Offices.	ASEAN Thailand
Sept 5-19	Mission	Ohio-GABDI Business Mission to Southeast Asia	Thailand Singapore Malaysia Indonesia
Sept 16- Oct 1	Seminar	Total Quality Management and Productivity Improvement in Manufacturing -- in cooperation with Technonet Asia	ASEAN
Sept 30- Oct 2	Mission	Computer Services and Data Entry Trade and Investment Mission in Conjunction with Data Entry Management Association's Annual Conference	Washington D.C.
Oct 12-16	Mission	ASEAN CEO Mission to U.S.A. in conjunction ASEAN Ambassadors Tour	Oklahoma City, OK Atlanta, GA Miami, FL

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Oct 22- Nov 7	Mission	U.S. Environmental Business Development Mission: Municipal & Industrial Waste Water Technologies in conjunction with EnviroAsia'92 and Malaysia National Environment Week.	Indonesia Malaysia Singapore
Nov 8-12	Mission	ASEAN Food Packaging Business Development Mission to the U.S. co-sponsored by the Packaging Machinery Manufacturers Institute (PMMI).	Chicago, IL. San Francisco
Nov	Information	Health Care/Medical Equipment & Services Market Research Completed.	

**1993**

Jan 93	Mission	Association for Manufacturing Technology U.S.-ASEAN Council Joint Business Development Mission.	Thailand Indonesia Singapore
Mar	Briefing Series	Health Care Briefing Series for Industry Associations.	
Mar 7-10	Mission	ASEAN Food Packaging Business Development Mission to the U.S. co-sponsored by the Food Processing Machinery & Supplies Association (FPM&SA).	Chicago, IL Los Angeles, CA
May	Mission	Business Development Mission to ASEAN: Health Care/Medical Equipment & Services.	Indonesia Malaysia
May 16-30	Mission	Food Processing & Packaging Mission.	Thailand Indonesia Philippines
Jun	Mission	ASEAN Mission to the U.S. conjunction with the International Food Technologists Convention.	
Sept	Mission	Business Development Mission to ASEAN: Energy Efficiency Equipment & Services.	Indonesia Malaysia Singapore

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**Nov**

**Mission**

**Business Development Mission to ASEAN:  
Energy Efficiency Equipment & Services.**

**Philippines  
Thailand**