

Mr.....
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Sub: Proposal for conducting Feasibility Study in Doha Qatar for identification of commercially viable SME Projects.

Dear Sir,

As you are aware that NSIC is engaged in the promotion of SME Sector since 1955 through various schemes and services. Besides the services rendering to the SME units in India, we are also sharing the experiences with other countries for the development & growth of SME sector in their country.

Keeping in view of above, one of our clients in the State of Qatar requested NSIC to carryout a Techno-Economic Feasibility study, to identify the commercially viable projects as per the Terms of Reference attached.

The details of proposal requirement like Terms of reference, Outline about the Methodology etc. are placed herewith for your information.

You are requested to submit your detailed offer clearly indicating:

- a. Elaborate the experience of your organisation with the details of clients for which the similar studies being conducted by your organisation.
- b. Client with CVs of proposed team of experts who would carryout the study, in case if it is being finalised in your favour by our office.
- c. Methodology proposed to carry out the study in the lines of Terms of Reference as enclosed.
- d. Scheduling of assignment.
- e. Financial proposal shall indicate the total consultancy fees with details about the number of visit by your experts to Qatar with duration of each visit.

- f. Elaborate the requirement to be arranged by the NSIC or by the client, (if any) during the visit of your experts to Qatar to gather the inputs.

You are requested to forward the complete proposal on above lines to the address as under:

General Manager (Tech)
NSIC Technical Service Centre
Okhla Industrial Estate,
Near Kalkaji Mandir
New Delhi-110020
Phone -26826847,
Fax-26826783
Email: satvinder@nsic.co.in

In case of any clarification desired, the same may be asked from the undersigned. In view to meet the schedule, the complete proposal is requested latest by 22.12.2009, the proposals received thereafter would not be entertained.

Thanking you,

Yours faithfully,

(Satvinder Singh)
General Manager (Tech)
Tele: 26826847

Encl: Total page- Eleven including this page and Annexure I, II & III

TERMS OF REFERENCE

1. Purpose of assignment: The purpose of the proposed consultancy assignment is to stimulate interest of private sector in the following areas:

- a. Investment of private sector funds in development of small scale industries,
- b. Utilisation of local raw material, industrial products and bi products in development of down stream industries based on existing and future industries.
- c. Utilization of local energy sources to promote energy intensive industries.
- d. Import substitution and export promotion
- e. Development of human resources through self-sustainable small scale industries
- f. Development of local entrepreneurship.

2. Scope of work :

- a. Identification and evaluation of 30 industrial projects suitable for the State of Qatar with the investment break up like:
 - 15 Projects with the investment upto USD 2 million(QRS 7.3 million)
 - 15 Projects with the investment within the range from USD 2 million to USD 7 million(QRS 7.3 to 25 million)
- b. Identification of the projects to be essentially based on local raw materials, products, by products and waste streams from the existing and future announced industries. Also the list of machines and equipments to be selected after taking into the account environmental aspects for the individual selected project.
- c. To provide the detail of raw material, utility, manpower and investment requirement for each of the selected project.
- d. The projects must be based on proven technologies in manufacturing with the minimum work force.
- e. To prepare the financial analysis including estimated cost, fund/cash flow details, Break even point, Pay back period,

Internal Rate of Return and Sensitivity Analysis etc. for the identified projects.

- f. To assess the market size and demand in State of Qatar and neighbouring countries.
- g. To suggest a suitable marketing strategy for the identified projects.

3. Requirement of assignment: The assignment would broadly involve:

- a. Project Identification- as per detail indicated in Para 4 (i)
- b. Desk Market Studies- as per detail indicated in Para 4(ii)
- c. Field Market Survey – as per detail indicated in Para4 (iii)
- d. Preparation of project profiles – as per detail indicated in Para 4(iv)

The consultant has to get all report & plans approved by NSIC and client before proceeding from phase to phase as detailed in Para 4.

4. Project Identification (Investment opportunities)

- (i) **Identification of Project Ideas:** The consultant has to suggest and identify 70 suitable opportunities (35 projects with an investment up to USD 2 million (QRS 7.3 million) & 35 projects with the investment within the range from USD 2 million to USD 7 million (QRS 7.3 to 25 million). The sample contents for submission of details of each project selected is attached as Annexure-I.
- (ii) **Desk Market Study:** The consultant has to prepare a short list for 50 investment opportunities from the above 70 suitable opportunities in consultation with NSIC and their client to carry out the further Desk Market Study. (25 projects with an investment up to USD 2 million (QRS 7.3 million) & 25 projects with the investment within the range from USD 2 million to USD 7 million (QRS 7.3 to 25 million) .

While executing the Desk market study, the following points need to be addressed.

- a) Study of individual market of GCC country,
- b) Major importers & exporters channels of distribution, volume and value of imports/exports, tariffs and non tariff barriers
- c) Current manufacturers; their production by volume, value, demand pattern and trends for future capacities
- d) Planned manufacturers in near future; their production targets included in national plan as well as corporate plans of major operators.
- e) Major end-users; their sources of supply, stock levels, C & F prices.
- f) Demand/Supply gap during the past 5 years.
- g) Forecast of demand/supply gap for the next 5 years taking into consideration the present and future GCC markets.
- h) Price trend during the last 5 years and projections for the next 5 years.
- i) Scope of field market survey based on analyses and conclusions of desk market study.

(iii) **Field Market Study:** The consultant has to shortlist 40 investment opportunities in consultation with NSIC and their client for next Field Market study. (20 projects with an investment up to USD 2 million (QRS 7.3 million) & 20 projects with the investment within the range from USD 2 million to USD 7 million (QRS 7.3 to 25 million)

While executing the Field Market study, the following points need to be properly addressed:

- a) Design of suitable questionnaire and size of sample survey in GCC.
- b) Names and addresses of organisations and persons to be personally contacted; their response to questionnaire and analysis of their answers.
- c) End users' attitudes to imports in general and imports from Qatar in particular.
- d) Major distribution channels, volume and value of imports/exports
- e) Tariff and non-tariff barriers preferences to local products and impact of WTO regulations
- f) Technical and safety standards of the products as well as in handling and storage

- g) Price C&F/FOB for products imported from different sources of supply
- h) Possible demand/supply gap and market size
- i) Suggested plant capacities
- j) Executive summary, conclusion and recommendations.

The project Profile for each of the 40 investment opportunities selected after Field Market Study shall be submitted as per sample format (suggested contents) placed as Annexure-II.

- (iv) **Preparation of Project profiles:** The consultant has to shortlist 30 investment opportunities in consultation with NSIC and their client for preparation of Project Profiles of individual project. (15 projects with an investment up to USD 2 million. (QRS 7.3 million) & 15 projects with the investment within the range from USD 2 million to USD 7 million (QRS 7.3 to 25 million).

The project Profile for final 30 investment opportunities selected shall be submitted as per sample format (suggested contents) placed as Annexure-III

5. Methodology to carry out the work

The consultant has to submit a detailed methodology to be carried out to undertake survey/studies, to NSIC:

- (i) The methodology and approach to identify suitable investment opportunities in accordance with the guidelines indicated in the Scope of work (refer Para 2 above).
- (ii) Methodology and approach to carry out the Desk Market Research and Field Market Surveys.
- (iii) Methodology to prepare project profiles.
- (iv) Time schedule and programme. (Bar chart indicating the time duration of each stage and the total time for completion of project)
- (v) Name & Qualification of experts who would be deputed from your end to complete the assignment.
- (vi) Proposed criteria to go forward from one stage to the next.

(vii) Suggested method of reporting to NSIC.

6. Obligations of the consultant:

- a. The interim reports, draft final and final reports will be submitted by the Consultants in English language in six (6) copies each with four set of soft copies.
- b. The consultant has to get all reports and plans approved by NSIC & Client before proceeding from phase to phase.
- c. The Consultant shall make himself familiar with the laws and regulations and instructions in force in Qatar and particularly the General conditions of Engagement 1984 and revised in 1995, and any relevant notice or circular since this date amending, deleting or improving these conditions of engagement where applicable.
- d. The Consultant will carry out the work described in Para 2 "Scope of Work" within the period specified failing which penalty would be attracted.
- e. The consultant shall make available to NSIC two electronic copy and six hard copies of final report.
- f. All information provided by the client to or acquired by the Consultant during the performance of the services must be regarded as strictly private and confidential, and shall be deemed the property of the NSIC and shall not be released or disclosed to 3rd parties without Government's express permission.

PROJECT IDENTIFICATION (SAMPLE CONTENTS)
(TWO TO THREE PAGES DATA WITH JUSTIFICATION)

1. THE PRODUCT

Description
Applications

2. MARKET

Suggested Plant Capacity

3. TECHNOLOGY

Suggested Technology
Mass Flow Diagrams
Specifications of Raw Materials and Finished Products

4. RAW MATERIALS & PACKING MATERIALS

	Name	Quantity	Unit Price
Local			
Imported			

5. UTILITIES

Electricity
Water
Natural Gas
Others

6. APPROXIMATE MANPOWER

7. APPROXIMATE INVESTMENT

8. JUSTIFICATION FOR INCLUSION IN STUDY

PROJECT PROFILE (SUGGESTED CONTENTS)
FOR EACH PROJECT AFTER FIELD MARKET STUDY

1. EXECUTIVE SUMMARY

Introduction
Summary
Conclusions
Recommendations

2. THE PRODUCT

Description
Standard
Applications and Uses

3. MARKET

Summary and Analysis of Market Studies & Surveys
Demand
Supply
Demand/Supply Gaps
Prices FOB & C&F (at different locations)
Export Opportunities in GCC and other Geographical Regions
Competition and Advantages of Qatari Product
Suggested Plant Capacity

4. ENGINEERING AND TECHNOLOGY

Manufacturing Process Technology including Mass Flow Diagrams
Sources of Technology and Installations already working
Economic Plant Capacity
Effluents treatment methods

5. LOCATION AND IMPLEMENTATION

Suggested Site and Location

Area Required Land and Building

Project Implementation Schedule

6. PRODUCTION REQUIREMENT: ANNUAL QUANTITIES AND COST

Raw Materials

Utilities

Packing materials

Manpower

7. INVESTMENT

Summary

Machinery and Equipment

Miscellaneous Auxiliary Equipments

Building and Civil works

Total Fixed Assets

Pre-Production Expenses

Contingencies

Working Capital Requirement

Total Investment

8. FINANCIAL AND ECONOMIC ANALYSIS

Overview

Projected Cash Flow for Project Life

100%Equity Case

50% Equity/50% Loan Case

Measures of Project Profitability

Simple Rate of Return

Payback Period

Break Even Point -%

Net Present Value (NPV)

Internal Rate of Return (IRR)

Added Value

SUGGESTED CONTENTS FOR PREPERATION OF PROJECT PROFILE
OF EACH FINILISED PROJECT

- ✓ Market Survey summary
- ✓ Manpower requirement
- ✓ Recommended capacity and utilization
- ✓ Short technological profile with process description, block flow diagrams.
- ✓ Specifications of raw materials and finished products/by-products and effluents
- ✓ Effluents and their disposal
- ✓ Investment costs based on Consultants estimates for main equipment and estimated costs for civil works and other components
- ✓ Financial pattern
- ✓ Financial indicators.
 - Profit before Tax
 - Profit after tax
 - Cash accruals
 - Break even
 - Debt Service Coverage Ratio
 - Internal Rate of Return
 - Return on Investment
 - Payback Period
