

*DAI's Industrial Baseline Study methodology uses in-country surveys, interviews, and statistical modeling to provide country-level forecasts of local jobs and economic value generated from international investments.*



Data is foundational to local content decision making. Major investments require robust forecasting, input from local subject matter experts in key supply chains, and actionable recommendations that benefit all stakeholders. DAI's Industrial Baseline Studies provide this foundation and more, by drawing on as many known sources of information as possible and utilizing industry-leading tools to provide the expert insights, forecasts, and recommendations needed to provide vital economic grounding to policy decisions.

### **Questions DAI's Industrial Baseline Study Can Answer**

How much economic value will a given investment generate for the local economy? How many basic, semi-skilled, skilled, and professional jobs are forecast to be generated by an investment? What do local supply chain experts expect and recommend? What are the optimal supply chains for local content for the country in question, and how can they be best incorporated into the investment? What types of challenges do local firms face in terms of enabling environment, and competitiveness?



## Demand Analysis

The process begins with an assessment of the expected demands from an intended investment. A cost/demand analysis breaks down the cost for project phases, as applicable to the study's needs; over construction, operations, or both. The demand analysis shows the breakdown of demand over time, into supply chain categories, and provides details into the skill composition for each supply chain that will be needed (i.e. basic skilled (low), semi-skilled, skilled, supervisory, and professional/management categories). This demand is used by our team to determine which supply chains will be critical, and helps frame our supply analysis.

## Supply Analysis

Based on the supply chain components (goods, services, and workforce) designated during the demand analysis, our team performs a thorough assessment of the local supply base for goods and services in the local economy, as well as the potential sourcing and availability of the identified skill sets. Every supply chain category identified during the demand analysis will be measured against key competitiveness criteria relevant to industry standards. In order to measure competitiveness, we

conduct a firm-level survey of local suppliers across these supply chains and measure them against 9 criteria of supplier competitiveness and readiness. Depending on the size of the economy being assessed, these surveys could number between as low as 100, and a high of over 400. In addition, our team will conduct in-country expert interviews that represent each local supply chain, to backcheck our survey results for accuracy, and to gain key qualitative insights about the local economy.

## Gap Assessment

With the demand and supply data compiled, DAI then uses its proprietary statistical software to forecast various scenarios on local content capture. This forecasting can include a number of scenarios based on different sets of assumptions that are explicitly communicated and agreed upon with the client, based on need. The forecasting outcomes provide forecasts of jobs created, value added by supply chain, local procurement potential, estimates of the number of qualified local firms available to compete in each supply chain, and ranking of competitiveness of each supply chain category based on standard measurement criteria.

Based on the data gathered, DAI's own global expertise in local content and international development, and the outputs of our analysis, DAI provides recommendations on how it believes the project can best close the gap between demand and supply, and how it should approach key issue areas related to local content.