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TENTATIVE DATA ON
FLAT AND ROUND DRY BATTERIES 1/

presented by

the Project Promoters

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NOTE

This document consists only of a bare summary of information on the project; it is designed to provide for potential foreign investors no more than a profile upon which to formulate a preliminary assessment of interest in principle. It does NOT pretend to be a complete description or to limit in any way productive discussion, investigation or negotiation between interested parties.

Once they have expressed positive interest, foreign partners normally prefer to be involved in the detailed investigation of the project. The Tunisian National Centre for Industrial Studies as well as UNIDO under its Industrial Investment Promotion Programme will also be pleased to assist both local sponsors and foreign contributors with further elaboration and additional studies as required.

I. BRIEF DESCRIPTION OF THE PROJECT
MANUFACTURE OF FLAT AND ROUND DRY BATTERIES

Société Tunisienne de Banque would like to set up a plant for the manufacture of flat and round dry batteries.

Production

Estimated Capacity:

5,000,000 flat batteries 3R/12	15,000,000 cells
1,000,000 round batteries R20	1,000,000 cells
1,000,000 round batteries R14	1,000,000 cells
1,000,000 round batteries R6	1,000,000 cells
<u>8,000,000</u>	<u>18,000,000</u>

The total weight of this production would be:

5,000,000 x 0.115 Kg. = 575,000

1,000,000 x 0.085 Kg. = 85,000

1,000,000 x 0.040 Kg. = 40,000

1,000,000 x 0.015 Kg. = 15,000

715,000 Kg.

Investment

Total investment required for setting up a plant of the above capacity will be 404,000 dinars (1,808,000) made up as follows, with a foreign exchange component of 222,600 dinars (5488,000).

<u>Equipment (CIF)</u>	<u>Foreign exchange</u>		<u>Domestic</u>		<u>Total</u>	
	Dinars		Dinars		Dinars	\$
Preparatory Processing	69,600	139,200	17,400	34,800	87,000	174,000
Manufacturing	82,960	165,920	20,740	41,480	103,700	207,400
Finishing	41,040	82,080	10,260	20,520	51,300	102,600
Miscellaneous (office and electric installation)	10,000	20,000	25,000	50,000	35,000	70,000
Land			4,000	8,000	4,000	8,000
Building			73,000	146,000	73,000	146,000
Erection (including technical assistance and engineering)	20,000	40,000	10,000	20,000	30,000	60,000
Studies			10,000	20,000	10,000	20,000
Contingencies			<u>10,000</u>	<u>20,000</u>	<u>10,000</u>	<u>20,000</u>
Total	223,600	447,200	180,400	360,800	404,000	808,000

Tentative Profitability Study

	Dinars	\$
Estimated annual turnover	659,068	1,318,136
Estimated cost of sales	<u>336,500</u>	<u>673,000</u>
Estimated gross profit	322,568	645,136
Estimated profit after taxes, or net profit	193,541	387,082

Estimated selling price per unit

	Dinars	\$
Flat batteries 5R/12	0.099353	.198706
Round batteries R20	0.070124	.140248
Round batteries R14	0.058032	.116064
Round batteries R6	0.034147	.068294

Estimated cost price per unit

	Dinars	\$
Flat batteries 3R/12	0.05405	.10810
Round batteries R20	0.03995	.07990
Round batteries R14	0.01880	.03760
Round batteries R6	0.00750	.01500

II. FACTUAL DATA

1. Requested external contribution

(a) Financing:

Loan financing required for approximately 244,000 dinar (\$488,000) on 10 to 12 year term. This loan will finance import of equipment for 223,600 dinar (\$447,000) and 20,400 dinar (\$40,800) worth of local expenses.

(b) Joint-venture or direct investment

Not applicable.

(c) Know-how

Know-how desired preferably from an international firm engaged in the production of dry batteries. Sponsor prepared to pay royalty of 2 to 3 per cent. of turnover.

2. Tunisian contribution

The promoter is Société Tunisienne de Banque, one of the leading financial institutions of the country, which will retain the option

of bringing in a private Tunisian investor. This will be a matter for discussion with interested parties. They are prepared to finance local expenditure to the tune of 150,400 dinar (\$350,800).

III. MARKET DATA

Imports of dry batteries in recent years

<u>Year</u>	1960	1961	1962	1963	1964	1965	1966	1967
Weight in tons	809	845	980	834	940	595	642	668
Value in 000 dinars	261	283	343	302	380	286	295	273

Note. The declining trend has been arrested and the imports are beginning to pick up towards the 1964 level.

IV. ADDITIONAL INFORMATION

A study of the project made in close collaboration with the Bureau d'Etude Suisse (RSU and Zoller) is available. However, further study may be necessary by an intending investor.





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