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TENTATIVE DATA ON SYNTHETIC ROPES ^{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 UNILCO 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 SYNTHETIC ROPES

The manufacture of synthetic ropes from imported material is an "idea project" and is presently under study and in a very preliminary stage of investigation. The information available is limited. It is understood, however, that the Tunisian sponsors are keen to promote this project and to enter into discussion about the most suitable way of establishing such an industry.

Production

- Estimated Capacity 1.200 tons per annum
- " Labour Force 50 - 100 workers and employees
- " Source of Raw Material Polypropylene - split fibre supplied from abroad.

Location

The plant could be located anywhere in Tunisia, preferably in the neighbourhood of industry and existing local markets or close to transport facilities. A final decision of the location of the plant site has not yet been made.

Technical Characteristics

Ropes made in accordance with the traditional process involve the following operations:

- raw yarn stock - first twist operation - second twist operation
- stranding - closing - coiling - finished goods.

It is however, possible to install under the same conditions, a technically more advanced process involving the following operations:

- raw yarn stock - twisting or cabling - stranding and closing -
- coiling - finished goods.

The machines are so arranged that the entire twisting and laying operation is performed in one continuous process and requires a minimum of supervision.

Investment

A study on the cost of the investment has not yet been made available. The cost for machinery, buildings, working capital requirements is said to amount to 200,000 Dinar (US\$ 400,000 equivalent). However, the cost of preliminary studies, the installation and start-up expenses, or/and contingencies should be included in the project.

Capitalization

No proposal has been made so far by the promoters. The form of equity participation or loan financing is subject to discussion.

Sales and Estimated Profitability

It is understood that this project idea still needs more investigation as far as the profitability of the operation is concerned. This, of course, will depend basically on the prices for input raw material and on the ex-factory price for finished goods. Expenditure on the labour force could be generally reduced if a technically advanced manufacturing process could be applied. (See above on "Technical Characteristics").

II. FACTUAL DATA

1. Requested external contribution

(a) Financing: Financing is required for approximately 200,000 Dinars (US \$ 400,000).

(b) Joint venture or direct investment: The interested parties will satisfy themselves as to the most favourable way of establishing and financing the prospective company.

(c) Know-how: The foreign partner will undertake to deliver the know-how. Key personnel can be trained at already existing factories abroad. The supplier of equipment may also assume all responsibility for the installation of the machines, as well as the start-up of the proposed rope factory.

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

also be a matter for discussion with interested parties.

III. MARKET DATA

The project will be based on supplying the needs of the Tunisian market. The provisional appraisal does not provide statistical data.

The sponsors of the project assume that all imports will be substituted by domestic production in the future.

Export markets ^{should} be favourable as far as the four countries of the Maghreb (Tunisia, Morocco, Algeria, Libya) are concerned. Although the emergence of a common Maghreb market is not yet a reality, a Permanent Consultative Committee of the Maghreb has been set up with the object of studying economic and industrial co-ordination between the four member States.



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