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for Tunisian Industry
Tunis, 28 - 30 May 1972

**OFFICE DE
RECHERCHE ET D'ÉTUDES INDUSTRIELLES**

presented to

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

FACTORY FOR ALUMINIUM WIRE DRAWING

It is proposed to install a press for wire drawing of 1,500 tonnes pressure and with a total maximum capacity of 2,200 tonnes in three shifts. This press is designed to manufacture products of dimensions up to a diameter of 140 mm.

In the first stage, in order to minimize investment in plant and technicians during the early years, it is not planned to have a foundry.

In addition it has been decided during this first phase to import equipment for wire drawing but to examine all means of local manufacture of this equipment at a later stage.

It has also been decided to provide a plant for anodic oxidization and colouring in three colours (bronze, gold and black) with a capacity of 1 tonne per 8-hour shift - 275 tonnes per shift per annum (maximum length for anodization: 6 metres).

Geographical location

Three alternatives:

- (i) Tunis
- (ii) Souesse (attached to the Ateliers Mécaniques du Sahel in an existing building)
- (iii) Menzel-Bourguiba (in a Socomena building).

Investment

Estimate of total cost of the project for the three alternatives
(in dinars) :-

	First alternative (Tunis)		Second alternative (A.M.S.)		Third alternative (SOCCOMSA)	
	800 t	1,200 t	800 t	1,200 t	800 t	1,200 t
Land	1,400	1,400				
Buildings	200,000	200,000	70,000	70,000	43,000	43,000
Equipment (in foreign exchange)	615,000	615,000	615,000	615,000	615,000	615,000
Installation expenses	214,607	214,607	197,170	197,170	194,573	194,573
Working capital	74,200	111,300	74,200	111,300	74,200	111,300
	1,105,207	1,142,307	956,370	993,470	926,773	964,873

U.S. \$ 2,210,414 2,284,614 1,912,740 1,986,940 1,853,546 1,927,746

Production Programme

Three alloys are involved which, on the basis of production of

800 tonnes, are made up as follows:

12 t A 5L	1.5%
114 t ASGH	14.3%
674 t AGE	84.2%
<u>800 t</u>	

Profitability

The profitability of the three alternatives is estimated as follows

(in thousands of dinars)*

	Programme 800 t/an			Programme 1,200 t/an		
	Tunis	A.M.S.	SOCCOMSA	Tunis	A.M.S.	SOCCOMSA
Net sales	667.2	667.2	667.2	1,000.3	1,000.3	1,000.3
Total cost of production including metal	645.1	631.2	626.2	847.0	833.2	827.0
Gross margin*	+ 22.1	+36.0	+41.0	+ 153.3	+ 167.1	+ 173.3

Labour force - 60 employees

*In thousands U.S.\$ + 44.2 +72.0 +82.0 + 307.6 + 335.2 + 343.0

II. FACTUAL DATA

1. Requested External Contribution

(a) Financing:

The promoter is seeking finance for this project according to the different estimates of total cost.

(b) Know-how:

It is hoped that the foreign partner will contribute the know-how.

2. Tunisian Contribution

The promoter is the Société Tunisienne de Energie.

III. ADDITIONAL INFORMATION

Studies completed as at the disposal of interested parties:

- Technical study
- Market study
- Provisional profitability study.





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