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Malawi Project Development Organization

Dear,

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11/Apr. 30/22

3 April 1969

ORIGINAL - ENCL 10

The Secretary
Project
Malawi

TEMPORARY DATA ON

WORKS FOR THE VANDIADZIKA PESTICIDE CHAMBERS 1/

presented by

the Project Promoters

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NOTE

~~SECRET~~

This document consists only of a brief 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 UNILDO under its Industrial Investment Inspection 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 PROJECT

FACTORY FOR THE MANUFACTURE OF EXPANDED CLAY BLOCKS

The object of this project is the establishment of a factory for the manufacture of expanded clay blocks details of which are as follows:

(a) Production

Planned capacity 5,400 t/yr (270,000 m²/an)
New employment 35 persons
Raw materials clay available locally

(b) Estimate of investment

1. Fixed assets:	Dollars	\$
Land		
Equipment	116,000	232,000
Engineering	36,000	72,000
Electrical supplies	12,000	24,000
Handling and transport	23,600	47,200
Sundries	32,400	64,800
Total	270,000	540,000
Foreign exchange component - 80-90%		
2. Working capital	20,000	40,000

(c) Estimated sales and profitability

Unit cost of production	0.430/m ²	0.96
Unit sales price	0.770/m ²	1.54
Profit margin	16.	
Annual turnover	207,000	415,000
Annual cost of production	129,600	259,200
Gross profit margin	78,300	156,600
Break even point	75,000 m ²	

II. MARKET

Tunisia already has a considerable market for expanded clay tiles. The complete output of this new factory can be absorbed by the local demand.

III. PROMOTER

The promoter of the project is Société Tunisienne Industrielle de Matériaux de Construction (SOTIMCO), of 2 rue Joseph Giron in Tunis. The form of foreign contribution, whether technical, financial or commercial, has not been specified; this is a matter for negotiation between interested parties and the promoter. It should be borne in mind that the laws governing foreign investment place no limit on the foreign share of the equity nor on the degree of foreign control in management.





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