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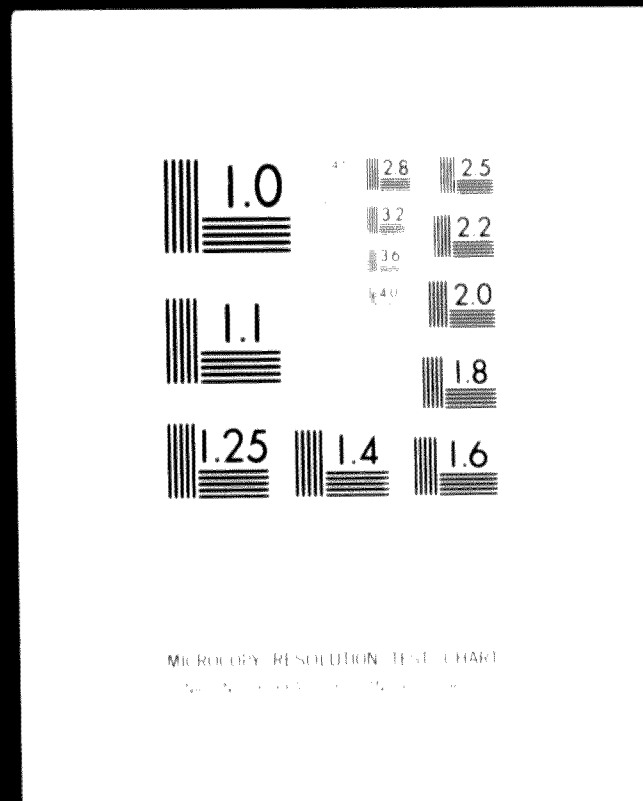
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PROJECT INFORMATION SHEET

United Nations Industrial Development Organization

PHI-09-71

SECOND ASIAN MEETING TO
PROMOTE INDUSTRIAL PROJECTS^{1/}

SINGAPORE, 3-11 November 1971



COCONUT FLOUR AND OIL

COUNTRY	Philippines
PROJECT	Manufacture of coconut oil and flour and processing of by-products Total investment: US \$1,225,000 Plant capacity: 3,825,000 kilos per annum coconut oil
FOREIGN CONTRIBUTION REQUIRED	- Loan and suppliers credit - Know-how and export market management

^{1/} Sponsored by: The Economic Commission for Asia and the Far East (ECAFE)
The United Nations Industrial Development Organization (UNIDO).

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IMPORTANT NOTICE

The basic purpose of this meeting is to provide an Exchange or Market Place for the initiation of contacts on specific industrial projects between their proponents from the Asian countries and potential suppliers of capital, finance, equipment or know-how, as the case may be, from the industrialized countries.

This Project Information Sheet has been prepared as a basis for such contacts. Its purpose is not to present detailed information about the project but to provide the recipient with an outline sufficient to determine tentative interest in principle. Any further available information on the project will be furnished on request to interested parties at the Meeting.

Experience has shown that industrialists frequently prefer to carry out their own further investigations in detail into projects in which they are interested, but assistance from UNIDO in these matters can be rendered to the Asian country concerned on request.

This Information Sheet contains only the information supplied to UNIDO by the proponent of the Project. UNIDO can therefore take no responsibility for its accuracy.

COCONUT FLOUR AND OIL

I. INTRODUCTION

. The Project and Foreign Contribution Required

The proponent envisages the production of coconut oil and/or coconut cream from fresh coconut, together with processing of by-products, especially coconut flour, syrup and protein solids, along the line of the so-called "wet coconut process".

The proponent is further aware that the process in question is still under active technological development. The proposed project can, therefore, be firmly planned and formulated only when the process development involved has reached a status of progress advanced enough to provide data for a comprehensive technico-economic evaluation of the "wet coconut process" feasibility at industrial scale.

In the meanwhile, the present project's submission to the Singapore Meeting is basically aimed at exploring with the potential foreign partners concerned their interest in co-operating with the local proponent in the following areas:

- a) Under the project's pre-investment stage, to contribute know-how and resources to carrying out the technological studies that are still deemed required to establish firmly the feasibility of the "wet coconut process" at industrial or pilot plant scale:
- b) Subject to the satisfactory results of the studies under a) above, to take any other advance action in planning prompt implementation of the project as soon as possible.

It is also the intention of the local proponent to ask for the co-operation of the foreign partners concerned on securing any technical assistance, either under bilateral or multilateral schemes, to carry out the pre-investment stage under a) above.

. Government Attitude

The project enjoys privileges under the Government's 4th Investment Priorities Plan and is submitted by the Board of Investments, acting temporarily as local proponent with the understanding that a private, local proponent will take over the responsibilities of the project promotion, as soon as possible.

II. COMMERCIAL ASPECTS OF THE PROJECT

- Proposed Plant Capacity (on 300 day per annum basis, in kilos)

- Coconut oil	3,800,000
- Coco syrup	10,900,000
- Protein solids	500,000
- Coco flour	2,000,000
- Dessicated coconut	5,000,000

- Domestic and Export Markets

The plant production is proposed to cater for the markets at prices as follows:

<u>Product</u>	<u>In Kilos</u>		<u>Proposed ex-factory Landed price US\$/Kilo</u>
	<u>Domestic Market</u>	<u>Export</u>	
Oil (refined)	-	3,800,000	0.38
Syrup	6,400,000	4,500,000	0.35
Protein	170,000	330,000	0.76
Flour	600,000	1,400,000	0.80
Dessicated coconut	500,000	4,500,000	0.31

III. PHYSICAL ASPECTS

- Location

Dipolog, Zamboanga del Norte.

- Land

Available at the proposed project site.

- Labour

Available at the proposed project site. Wage scale US \$2.33 per day skilled; US \$2.00 per day semi-skilled; US \$1.33 per day unskilled.

- Raw Materials

Available within a distance of 60 km from project site. The total project input requirements are only 40 per cent of the total province's production of coconut. Price of coconut delivered at plant site is expected to be US \$33 per ton.

- Infrastructure and Utilities

Available.

IV. ECONOMIC ASPECTS

- Importance

The project is considered to be of crucial importance because of its benefits with respect to foreign exchange earnings and creation of new employment opportunities.

- Incentives

Incentives under R. A. 5186 (Investment Incentives Law)

- Project Motivation

Availability of cheap and abundant raw materials and labour.

V. FINANCIAL ASPECTS

- Composition of Investment

Subject to the project's development and implementation planning as indicated under paragraph I Introduction, above the composition of investment is roughly estimated as follows, in US \$:

	<u>Local Cost</u>	<u>Foreign Exchange</u>	<u>Total</u>
Pre-investment	15,000		15,000
Assets			
Land	250,000		250,000
Building	220,000		220,000
Machinery		700,000	700,000
Working capital	<u>70,000</u>	<u> </u>	<u>70,000</u>
Total	555,000	700,000	1,255,000

- Proposed Financing Plan

Not available at this stage. To be discussed at the Singapore Meeting.

VI. ADDITIONAL RELEVANT INFORMATION

- Project Presented by

Board of Investments
6805 Ayala Avenue, Makati, Rizal
Philippines

A private local proponent is expected to take over the present promotion responsibilities, as soon as available.

- Proposed Legal Structure

Private corporation

- Studies Available

Preliminary study. Further studies are necessary to assess the project feasibility and should be carried out as soon as a market survey abroad is completed.



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