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*for a sustainable future*

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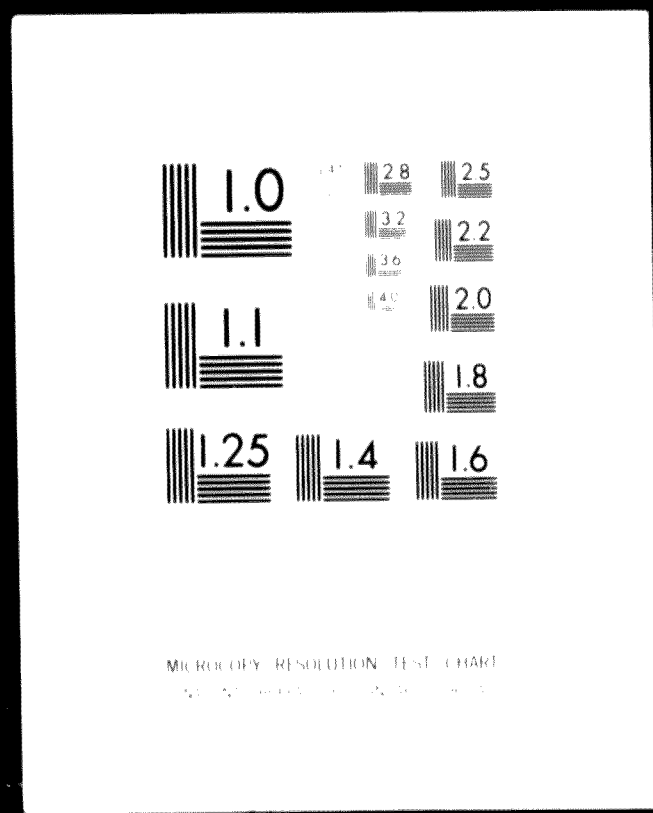
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PROJECT INFORMATION SHEET

United Nations Industrial Development Organization

MAL-12-71

SECOND ASIAN MEETING TO  
PROMOTE INDUSTRIAL PROJECTS<sup>1/</sup>

SINGAPORE, 3-11 November 1971

CASHEW NUTS

COUNTRY

Malaysia

PROJECT

Manufacture of cashew nut kernels and  
cashew nut shell liquid  
Capacity: 750 tons kernels, 165 tons  
cashew nut shell liquid per annum.  
Total investment: US\$ 1.5 million

FOREIGN CONTRIBUTION REQUIRED

- Equity
- Production know-how/licence
- Marketing



<sup>1/</sup> Sponsored by: The Economic Commission for Asia and the Far East  
(ECAFE), The United Nations Industrial Development Organization (UNIDO).

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.

CASHEW NUTS

I. INTRODUCTION

. The Project

The Johore State Economic Development Corporation is promoting the establishment of a cashew nut kernel and shell liquid processing plant. A plantation to be established by the corporation will supply the new material. The manufacturing target will be 750 tons of cashew kernels and 165 tons of cashew nut shell liquid per annum.

. Foreign Contribution Required

Equity, percentage negotiable, know-how/licence and marketing.

. Government Attitude

The project contributes to the diversification of the agricultural base of the State's economy and additional production activities in the agricultural sector. Application for pioneer status can be filed, which would guarantee considerable financial advantages to the project.

II. COMMERCIAL ASPECTS OF THE PROJECT

- Presently, there is only a negligible domestic production and consumption of these commodities and very small imports and exports. The price of the products should be determined upon the completion of a detailed market study.

III. PHYSICAL ASPECTS OF THE PROJECT

. Location

State of Johore, West Malaysia

. Land and Buildings

Size and value to be determined.

. Labour

Unskilled labour is readily available at US \$30 to \$60 per month. Skilled labour should be trained.

. Raw Materials

Raw materials will come from own cashew plantation to be established by the corporation near the plant.

. Infrastructure

The plant site will be conveniently located in the State of Johore with direct traffic connections to Singapore and the proposed Johore port.

. Utilities

All utilities will be available at reasonable prices.

IV. ECONOMIC ASPECTS OF THE PROJECT

. Importance

Since the project will aid in the diversification of the State economy's agricultural base and because it will produce additional economic activity in the rural sector, the company can apply for pioneer status. By exporting these commodities, additional foreign exchange will be earned.

. Incentives

Under the pioneer status the project will be exempt from income tax up to eight years. Other incentives include exemption from import duty and granting of export incentives, such as accelerated depreciation allowance, export allowance, refund of payroll tax, etc.

V. FINANCIAL ASPECTS OF THE PROJECT

. Composition of Investment (estimated in US \$',000)

	<u>Local Cost</u>	<u>Foreign Exchange</u>	<u>Total</u>
Pre-investment costs	3	-	3
Assets:			
Land	60	-	60
Buildings	200	-	200
Machinery	200	600	800
Estimated working capital	<u>440</u>	<u>-</u>	<u>440</u>
Total	<u>903</u>	<u>600</u>	<u>1,503</u>

A detailed financing plan is subject to discussion.

The percentage distribution of equity is negotiable. The corporation is prepared to accept an equity participation of 25 per cent or more and would also seek participation by local entrepreneurs.

VI. ADDITIONAL RELEVANT INFORMATION

. Project Presented By:

Johore State Economic Development Corporation

1st Floor

A.I.A. Building

Johore Bahru

West Malaysia

. Legal Structure

A private limited company is to be formed.

. Documentation

Brief feasibility study by FIDA (Federal Industrial Development Authority) is available.

A market study should be prepared in conjunction with the foreign partner.



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