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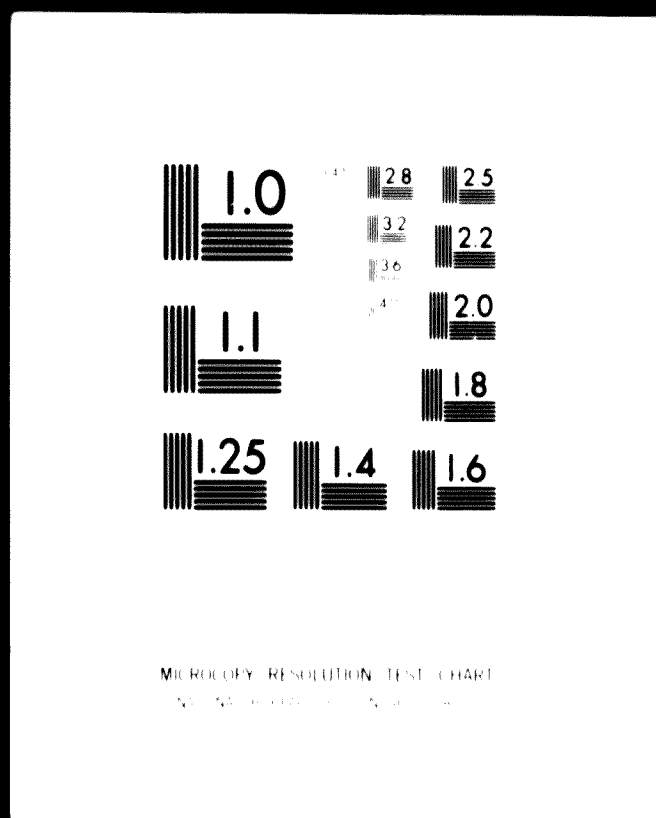
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United Nations Industrial Development Organization

PROJECT INFORMATION SHEET

BOT-09-71

THIRD AFRICAN MEETING TO PROMOTE
INDUSTRIAL PROJECTS 1/

ABIDJAN, IVORY COAST, 24 NOVEMBER - 1 DECEMBER 1971

TANNERY

COUNTRY

Botswana

PROJECT

Tannery for the production of
semi-tanned leather
Capacity: 150-200,000 hides p.a.
Total investment: US ^300,000

FOREIGN CONTRIBUTION REQUIRED

- Equity
- Management and marketing
- Know-how



1/ Sponsored by: The African Development Bank (ADB), The Economic Commission for Africa (ECA), 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 African 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 African 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.

TANNERY

I. INTRODUCTION

The Project

The proposal is that a tannery should be established at Lobatsi or Gaborone with a capacity for semi-tanning 150-200,000 hides per annum. The estimated total investment is US \$300,000. It is also considered that at a later stage consideration may be given to the production of fully tanned leather in Botswana.

The project offers an opportunity for the utilization of local raw material. It is also important insofar as it will create employment, stimulate the cattle industry and generate income for the rural population, as well as contribute to the diversification and general economic development of the country. In addition, the export of semi-processed leather will enable the country to earn foreign exchange.

Among the incentives available are free capital repatriation and generous taxation allowances.

II. COMMERCIAL ASPECTS

The proposed product will be for export to the Western European market. At present Botswana exports 100-150,000 dry salted skins per annum. It is estimated that 150-200,000 semi-tanned skins will be exported. The proposed price for the skins is US \$60.75 per kg. ex-factory.

III. PHYSICAL ASPECTS

a) Productive Capacity

150-200,000 hides per annum.

b) Land and Buildings

2-3 hectares and buildings of about 100,000 sq. ft.

c) Labour Force

The total number of employees required is yet to be estimated. The wage scales for skilled labour are US \$3-\$3.50 per day; and US\$ 0.56-\$1.10 per day for unskilled.

d) Facilities

Lobatsi and Gaborone are both on the main Salisbury/Cape Town Railway. Waste water disposal is to be studied. Electricity is

available at US \$2.45 per k'watt high demand and US \$1.70 per kWh. The cost of water ranges from US \$0.90-\$2.00 per 1,000 gallons, depending upon final location.

e) Raw Material

100-150,000 hides are available from the Botswana Meat Commission Lobatsi and 20-50,000 will be obtained from elsewhere in the country. Chemicals are imported at a cost of US \$30 per kg.

IV. FINANCIAL ASPECTS

a) Estimated Investment (in US\$)

	<u>Local Cost</u>	<u>Foreign Cost</u>	<u>Total</u>
Land	15,000	-	15,000
Buildings	160,000		160,000
Machinery		100,000	100,000
Working capital	<u>25,000</u>		<u>25,000</u>
Total	<u>200,000</u>	<u>100,000</u>	<u>300,000</u>

b) Proposed Financing

There is no plan for the financing of this project. The proponents will welcome proposals regarding the best way of financing this project.

V. ADDITIONAL RELEVANT INFORMATION

a) Organization

It is proposed that a company should be formed to whose share capital the Botswana Development Corporation will subscribe.

b) Documentation

A feasibility study report is available.

c) Local Promoter

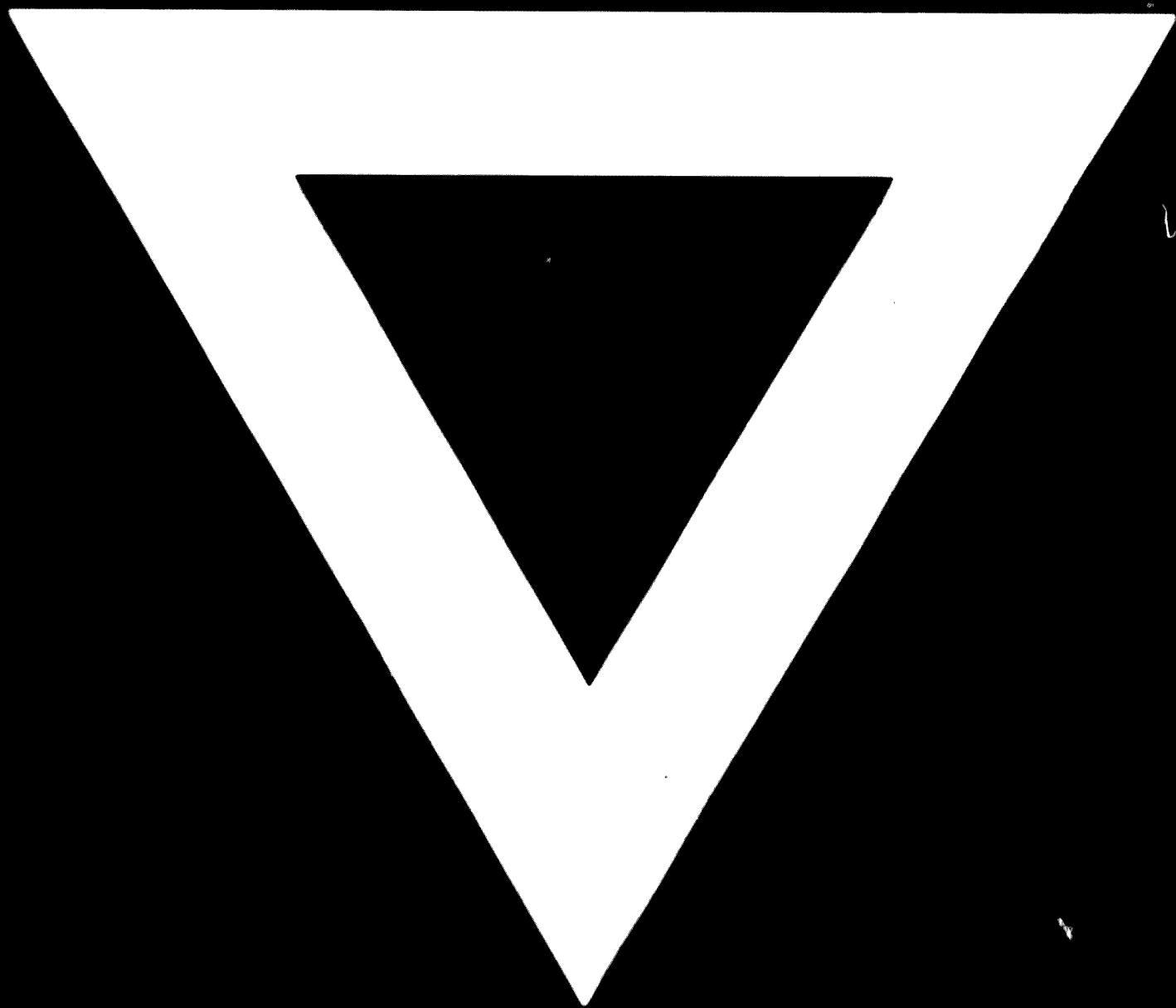
Botswana Development Corporation Ltd.

P. O. Box 438

Gaborone, Botswana



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