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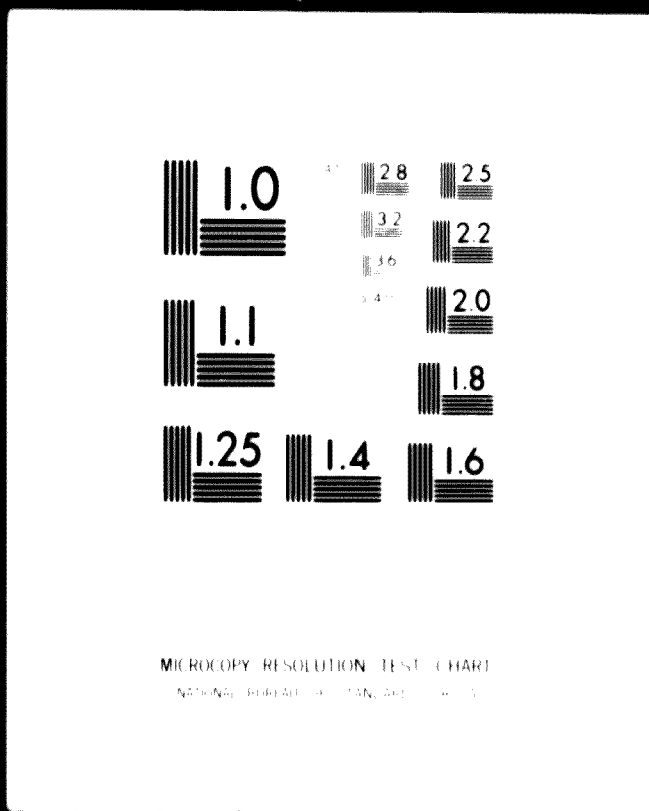
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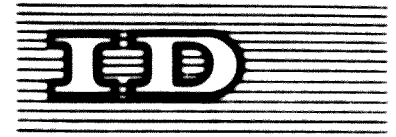


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PROJECT INFORMATION SHEET

United Nations Industrial Development Organization

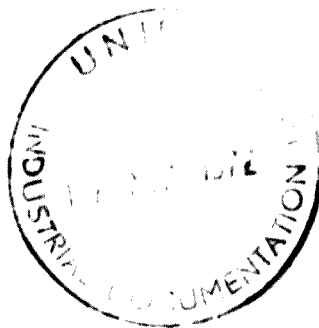
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THIRD AFRICAN MEETING TO PROMOTE
INDUSTRIAL PROJECTS 1/

ABIDJAN, IVORY COAST, 24 NOVEMBER - 1 DECEMBER 1971

PRODUCTION OF COTTON SEED OIL

COUNTRY	Sudan
PROJECT	Production of cotton seed oil Capacity: Processing of 7,000 tons of cotton seed p.a. Investment: US\$ 600,000
FOREIGN CONTRIBUTION REQUIRED	Equity participation Supplier's credit



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

PRODUCTION OF COTTON SEED OIL

I. THE PROJECT

The project consists of the establishment of an oil mill in Western Sudan with a capacity of processing 7,000 tons of cotton seed per year. It is estimated that an investment of US\$ 600,000 will be required for its implementation.

The vegetable oil industry is one of the basic industries in Sudan. It is the largest in terms of output and value.

At present 27 large and medium size oil mills exist with a capacity of processing 400,000 tons of cotton seed, sesame and ground nuts. In addition, there are a large number of small units, whose capacity is estimated at approximately 50,000 tons per year. It is anticipated to increase the milling capacity in Sudan to 650,000 tons by 1980. In this connection, the five year plan envisages the establishment of oil mills with 15,000 tons capacity by the private sector. The project belongs to this category.

II. COMMERCIAL ASPECTS

A. Market

The production of the proposed plant will be geared towards satisfying the local demand in the western Sudan, leaving, if any, only a small margin for export. Nevertheless, a short review of the general situation of the oil industry in Sudan might prove useful.

The quantity of annual consumption of edible oils in Sudan is 90,000 tons; its value, US\$ 32 million. 86,000 tons of this amount are covered by local production, 4,000 tons by imports. The projected consumption in 1980 amounts to 152,000 tons.

Still a higher rate of increase is envisaged for the exports of the oil industry.

Actual exports

10,600 tons of vegetable oil	- FOB US\$ 3 million
190,000 tons of oil seed cake and meal	- FOB US\$ 12 million

Projected exports in 1980

40,000 tons of vegetable oil	- FOB US\$ 12 million
280,000 tons of oil seed cake and meal	- FOB US\$ 16.8 million

B. Prices

It is proposed to sell the refined cotton seed oil at US\$ 225 per ton ex factory. The corresponding prices for cake and meal will be US\$ 50 and for cotton lint US\$ 30. For comparison it may be noted that vegetable oil, if imported, would cost at the site of the plant US\$ 350 per ton.

III. PHYSICAL ASPECTS

A. Capacity

The factory will have a milling capacity of 7,000 tons of cotton seed, which will give:

- 1,132 tons of edible oil
- 5,113 tons of cake
- 60 tons of soap oil
- 548 tons of lint

B. Location

The plant will be located in Dilling in Southwestern Sudan. Dilling is linked to Dadeibad by road (38 miles) from which point road and rail connections exist to El Obeid, the capital of the Kordofan Province.

Large numbers of skilled and unskilled labourers are readily available at Dilling and its surrounding area.

The raw material will be obtained from the ginning plants at Dilling and Katugli, some 60 miles from Dilling.

There is no central water disposal service in Dilling. The water requirement will be covered by a well to be dug at the factory site.

The following facilities will be available at the plant:

	<u>US\$</u>
Labour - skilled	60 per month
Labour - unskilled	20 per month
Electricity (produced by own means)	.03 per kWh
Water	.09 per m ³
Fuel oil	35 per ton
American white cotton seed	60 per ton

IV. FINANCIAL ASPECTS

<u>(US\$ 1,000)</u>	<u>Local Cost</u>	<u>Foreign Exchange</u>	<u>Total</u>
Pre-investment expenditures	2	3	5
Land	1	-	1
Building	99	-	99
Machinery	60	345	405
Working capital	90	-	90
	<u>252</u>	<u>348</u>	<u>600</u>
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The financing plan provides for a capital of the company to be formed of US\$ 440,000; \$ 252,000 of which is to be subscribed by local entrepreneurs and \$ 188,000 by the foreign partner. It is envisaged that the balance of the investment be covered by supplier's credit.

V. FOREIGN CONTRIBUTION REQUIRED

The foreign partner is expected to participate in the equity of the enterprise and to assist in obtaining payment facilities for the supply of the equipment.

VI. LOCAL PROMOTOR

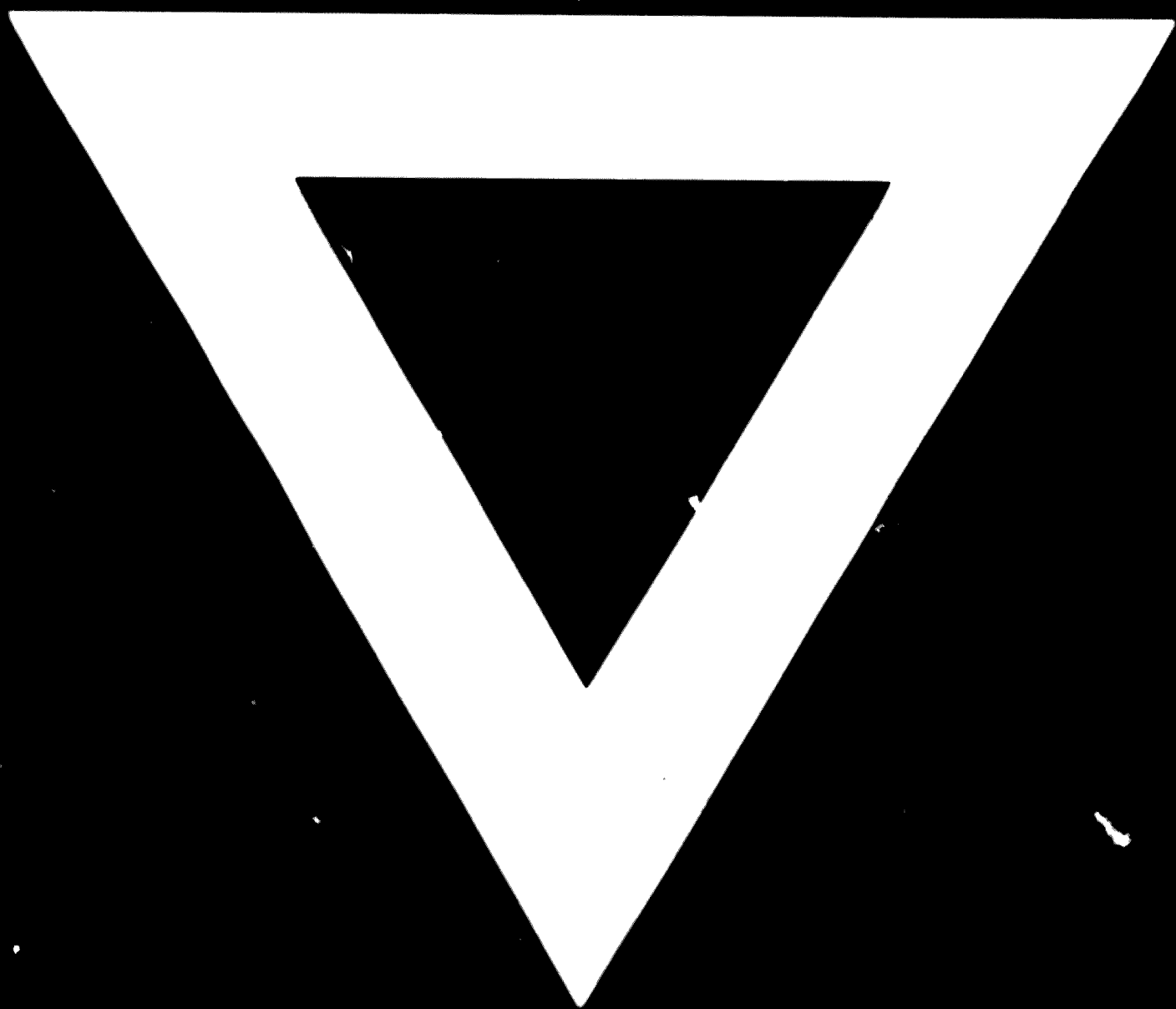
Industrial Bank of Sudan
P.O.Box 1722
Khartoum, Sudan

VII. AVAILABLE DOCUMENTATION

A feasibility and market study have been prepared and can be made available to interested parties at the meeting.



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