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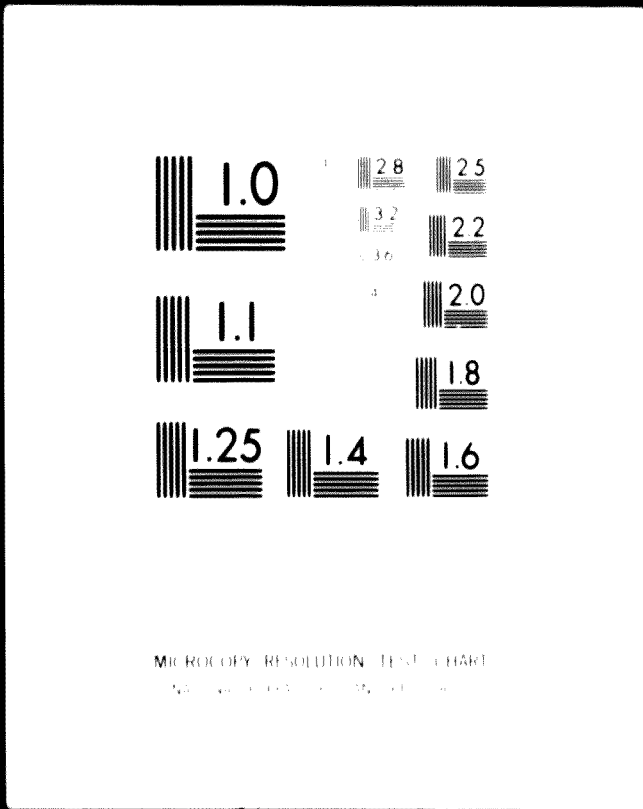
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United Nations Industrial Development Organization

PROJECT INFORMATION SHEET

UGA-05-71

THIRD AFRICAN MEETING TO PROMOTE
INDUSTRIAL PROJECTS 1/

ABIDJAN, IVORY COAST, 24 NOVEMBER - 1 DECEMBER 1971

PLANT FOR MANUFACTURE OF CUTLERY

COUNTRY

Uganda

PROJECT

Plant for manufacture of cutlery
Investment: US \$170,000

FOREIGN CONTRIBUTION REQUIRED

Equity
Loan/supplier's credit
Know-how
Licence



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.

PLANT FOR MANUFACTURE OF CUTLERY

I. INTRODUCTION

a) The Project

The proponents envisage the establishment of a plant to manufacture cutlery, including knives, forks, tablespoons and teaspoons in Uganda. The proposed plant capacity is 2 million pieces p.a. corresponding to a turnover of US \$300,000 p.a.

b) Importance

The motivation for the project is import substitution and possibilities for export of the product. There is no producer of cutlery in East Africa and with present trading facilities offered by the East African community, good scope exists for exports to both Kenya and Tanzania. Potential export markets exist in Zambia, Rwanda, Burundi and Congo.

c) Incentives

Free capital repatriation, duty free import of machinery, 20% investment allowance in the first year of operation are the incentives for this project. Once local production starts the market in Uganda will be protected.

II. COMMERCIAL ASPECTS OF THE PROJECT

The total domestic consumption of the goods is 3 million pieces p.a. corresponding to a value of US \$400,000. As there is no local production, the entire domestic consumption is covered by import.

At present there is no export but an export amounting to US \$90,000 is projected. The proposed prices per dozen are:

	<u>US \$</u>
Knives	1.7 to 3.4
Forks	0.43 to 1.7
Tablespoons	0.43 to 1.7

III. PHYSICAL ASPECTS

Location

The plant will be located in Kampala.

IV. FINANCIAL ASPECTS

a) Composition of Investment

	<u>Local Cost</u>	<u>(US \$1,000)</u> <u>Foreign Exchange</u>	<u>Total</u>
Pre-investment cost	7	-	7
Assets:			
Land	3	-	3
Buildings	50	-	50
Machinery	-	70	70
Estimated working capital	40	-	40
Total	<u>100</u>	<u>70</u>	<u>170</u>

b) Proposed Financing Plan

	<u>Local Cost</u>	<u>(US \$1,000)</u> <u>Foreign Exchange</u>	<u>Total</u>
Equity	35	35	70
Loan capital	40	20	60
Supplier's credit	-	40	40
Total	<u>75</u>	<u>95</u>	<u>170</u>

V. FOREIGN CONTRIBUTION REQUIRED

Equity participation in the total investment of US \$170,000, loan, supplier's credit and know-how/licence for the manufacture of the product is required.

VI. ADDITIONAL RELEVANT INFORMATION

a) Project Presented by

Industrial Promotion Services (Uganda) Ltd.

P. O. Box 3417

Kampala, Uganda

b) Legal Structure

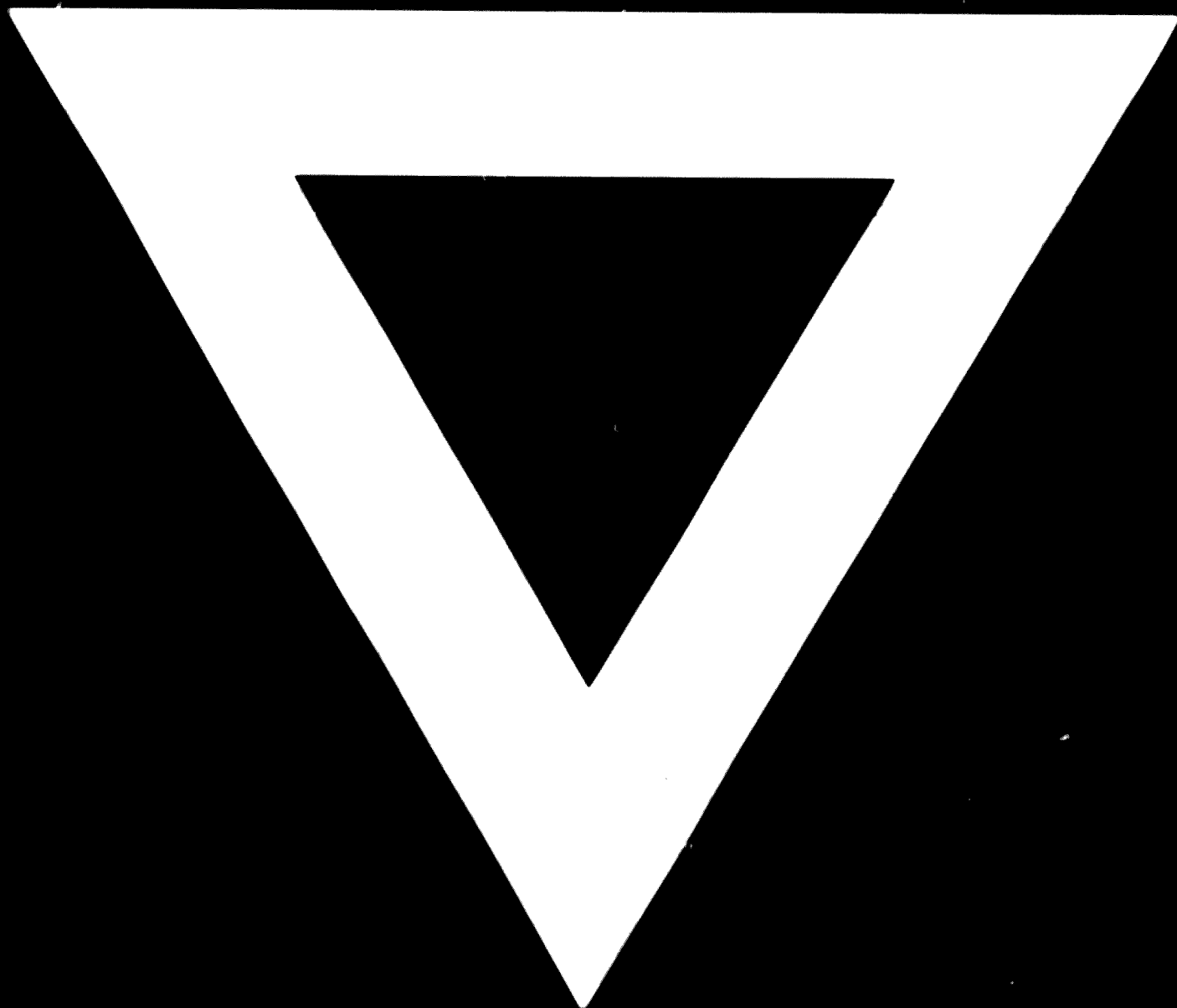
Private limited liability company.

c) Documentation

A market study has been carried out. A feasibility study is needed.



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