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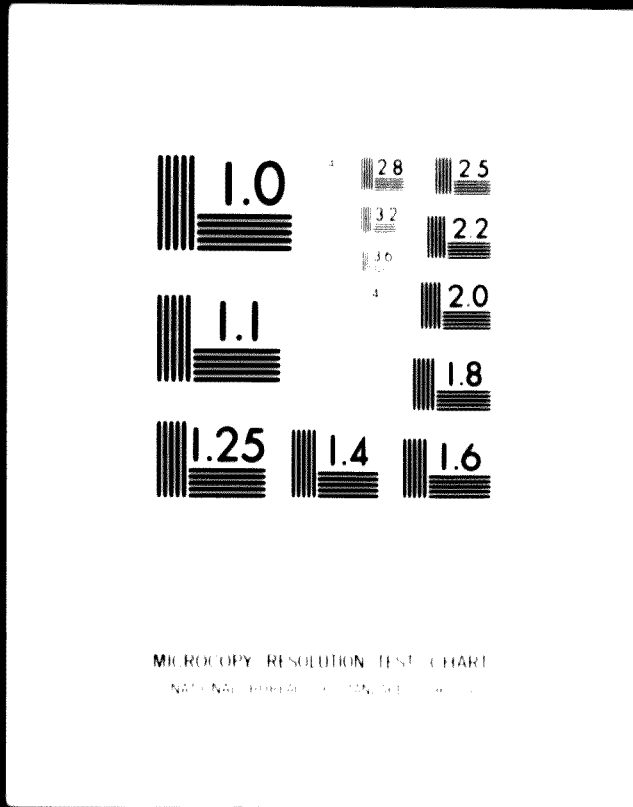
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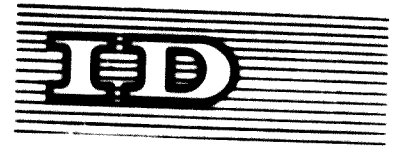
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United Nations Industrial Development Organization

PROJECT INFORMATION SHEET

UGA-07-71

THIRD AFRICAN MEETING TO PROMOTE
INDUSTRIAL PROJECTS 1/

ABIDJAN, IVORY COAST, 24 NOVEMBER - 1 DECEMBER 1971

PLANT FOR THE MANUFACTURE OF WIRE PRODUCTS

COUNTRY

Uganda

PROJECT

Plant for the manufacture of wire products

Capacity: 4,700 tons p.a.

Total investment: US \$350,000

FOREIGN CONTRIBUTION REQUIRED

Equity participation

Loan

Know-how/licence



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.

PLANT FOR THE MANUFACTURE OF WIRE PRODUCTS

I. INTRODUCTION

a) The Project

The proponents envisage the establishment of a plant for the manufacture of wire products such as weldmesh, BRC fabrics, screws, barbed wire, fencing wire, nails, tacks, staples, etc.

The proposed plant capacity is 1,600 tons BRC fabrics p.a., 600 tons barbed wire p.a., 1,000 tons fencing wire p.a. and 1,500 tons of other products p.a.

b) Importance

The motivation for the project is import substitution, the use of locally available raw materials and possibilities of export to the East African market plus Rwanda, Burundi and Congo.

c) Incentives

Free capital repatriation, duty free import of machinery, 20% investment allowance in the first year of production are incentives to 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 products is 2,000 tons BRC fabrics p.a., 1,000 tons barbed wire p.a., 1,500 tons fencing wire p.a., and 3,000 tons of other products p.a.

The present production is about 3,000 tons of nails p.a. and negligible production of barbed wire and there is no expansion programme. The import is about 6,000 tons p.a. of goods.

Export of the products is envisaged. The proposed prices per ton of the finished product is US \$200 to US \$225 which corresponds to the prevailing import prices.

III. PHYSICAL ASPECTS

a) Location

The plant will be located in Kampala.

b) Land

One acre of land and 15,000 sq. ft. of building are required.

c) Labour

All labour is available except for technical personnel.

d) Raw Materials

Iron rods and bars are available within 5 miles of the plant site. Iron rods 10mm, 12mm, 16 to 32 mm are available at a cost of approximately US \$180 per ton. All necessary components for the product are manufactured in Uganda.

e) Infrastructure

Railroad, road, fuel, gas, water and electricity are available within the factory area.

IV. FINANCIAL ASPECTS

a) Composition of Investment: (US \$1,000)

	<u>Local Cost</u>	<u>Foreign Exchange</u>	<u>Total</u>
Pre-investment cost	8	-	8
Assets:			
Land	2	-	2
Buildings	50	-	50
Machinery	-	200	200
Estimated working capital	90	-	90
Total	<u>150</u>	<u>200</u>	<u>350</u>

b) Proposed Financing Plan (US \$1,000)

	<u>Local Cost</u>	<u>Foreign Exchange</u>	<u>Total</u>
Equity	100	100	200
Loan capital	-	100	100
Supplier's credit	50	-	50
Total	<u>150</u>	<u>200</u>	<u>350</u>

V. FOREIGN CONTRIBUTION REQUIRED

Equity participation, loan and know-how/licence are required.

VI. ADDITIONAL RELEVANT INFORMATION

a) Project Presented by

Industrial Promotion Services (Uganda) Ltd.

P. O. Box 3417

Kampala, Uganda

b) Legal Structure

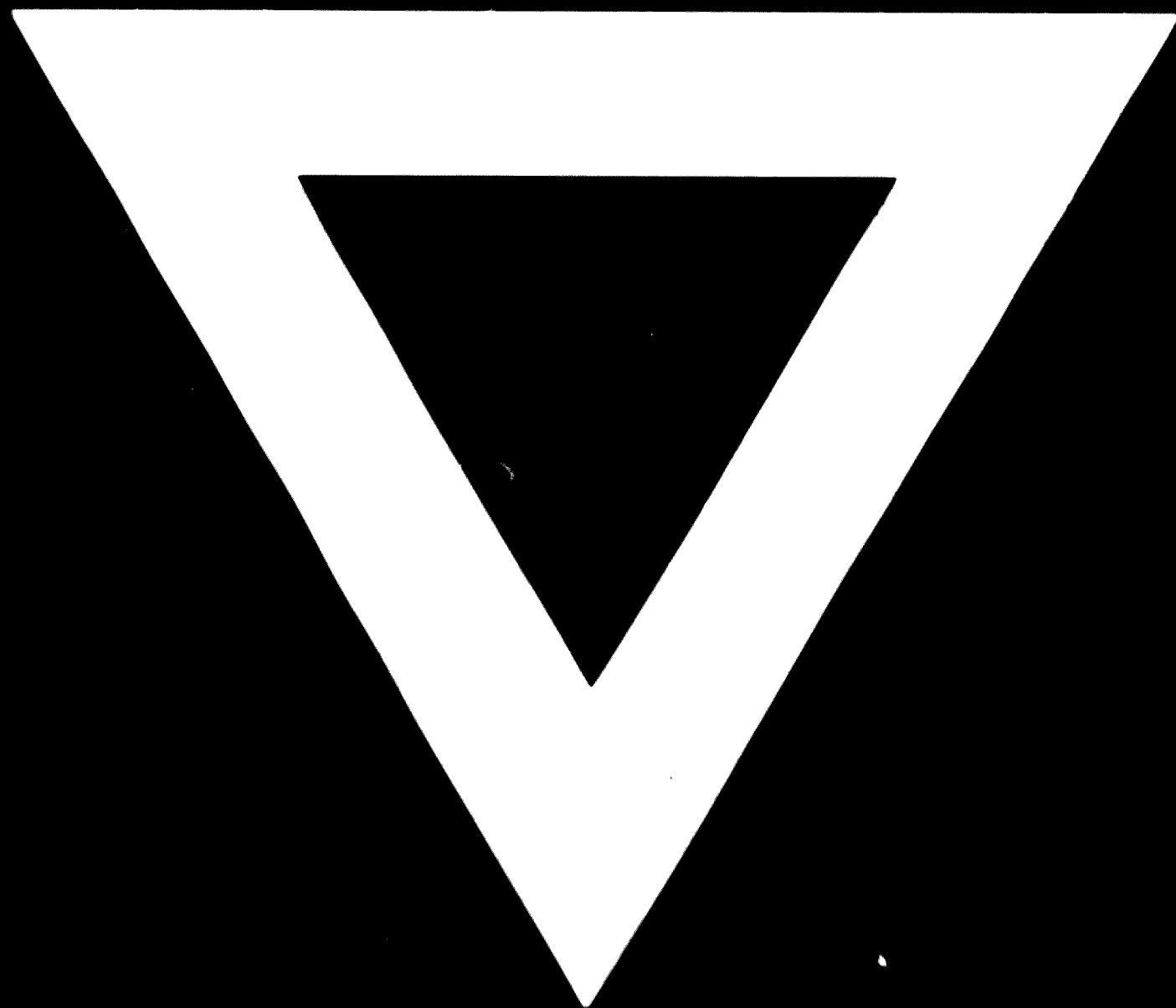
Private limited liability company.

c) Documentation

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



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