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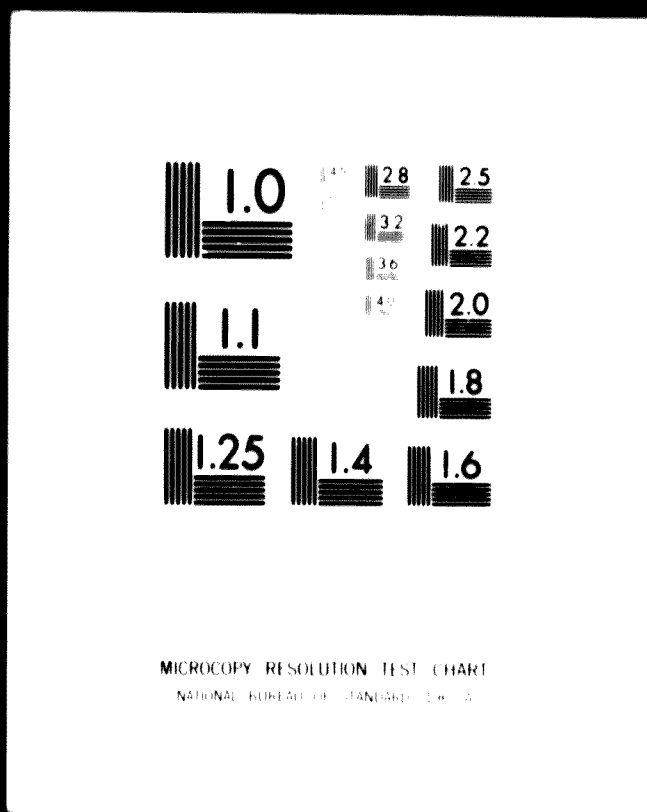
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United Nations Industrial Development Organization

PROJECT INFORMATION SHEET

MOR-19-71

THIRD AFRICAN MEETING TO PROMOTE INDUSTRIAL PROJECTS ^{1/}

ABIDJAN, IVORY COAST, 24 NOVEMBER - 1 DECEMBER 1971

SETTING UP OF THREE MODERN OLIVE OIL UNITS

COUNTRY: Morocco

PROJECT: Setting up of three modern olive oil units
Annual capacity: 1,500 tonnes of olive oil per unit
Total investment: US\$350,000

FOREIGN CONTRIBUTION REQUIRED: Equity participation
Know-how
Management



^{1/} Sponsored by: The African Development Bank (ADB)
The Economic Commission for Africa (ECA)
The United Nations Industrial Development Organisation (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.

SETTING UP OF THREE MODERN OLIVE OIL UNITS

I. THE PROJECT

It is proposed to set up three new units for the production of virgin olive oil in the Fès region. Two of the units will utilize the pressure system, the third (at Bou-Adel) the "centriolive" system.

Total investment for the three units, which will each be able to process 1,500 tonnes of olives, is estimated at US\$350,000.

The aim of the project is to modernize olive oil production.

The project could benefit from the incentives provided for in the Investment Code, such as exemption from customs duties on equipment, accelerated depreciation, tax guarantees and guarantees for the transfer of funds abroad. The scope of these would have to be fixed by the Investment Commission.

II. COMMERCIAL ASPECTS

Local consumption at present amounts to 30,000 tonnes a year, with a value of 82.5 million dirhams (US\$16.5 million). It is covered 100 per cent by local manufacture.

Exports amount to 5,324 tonnes (1970) worth DH16,050,000 (US\$3.2 million).

The project provides for a cost price of DH2.75 and a sales price of DH3.01 kg.

III. PHYSICAL ASPECTS

The proposed units will be set up in the Fès region, i.e.

- At Rafsaf (pressure system)
- At Tafrant (pressure system)
- At Bou-Adel (centriolive system)

The mills will be located at the olive-growing centres, so that raw material supplies will be available within a maximum radius of 10 km. Olives delivered at the mill are expected to cost DH380 (US\$76) per tonne.

The following items will be relevant in determining operating costs:

(a) Pressure system

Water: 0.13 m³/tonne of olives
Electricity: 30 kWh/tonne of olives

(b) Centriolive system

Fuel oil: 8 tonnes per tonne of olives
Water: 3 m³/tonne of olives
Electricity: 37 kWh/tonne of olives
Costs: Electricity: 0.12 DH/kWh
Water: 0.40 DH/m³
Fuel oil: 400 DH/tonne

IV. FINANCIAL ASPECTS

(a) Investment

(in dirhams)

	<u>Local cost</u>	<u>Foreign exchange portion</u>	<u>Total</u>
Pre-investment cost	37,200		37,200
Assets: Land	16,800		16,800
Building	432,000		432,000
Tooling	314,240	836,960	1,151,200
Estimated working capital	<u>31,800</u>		<u>31,800</u>
	832,040	+ 836,960	1,669,000

(b) Financing plan

(in dirhams)

	<u>Local cost</u>	<u>Foreign exchange portion</u>	<u>Total</u>
Participation of the Banque nationale pour le développement économique in the capital	83,000		83,000
Joint venture: Morocco	375,000		375,000
Foreign partner	374,000		374,000
Loans		<u>837,000</u>	
Total	832,000	837,000	1,669,000

V. FOREIGN CONTRIBUTION REQUIRED

In addition to sharing in the capital of the private enterprise to be set up, the foreign partner should provide know-how and management.

VI. LOCAL PROMOTER

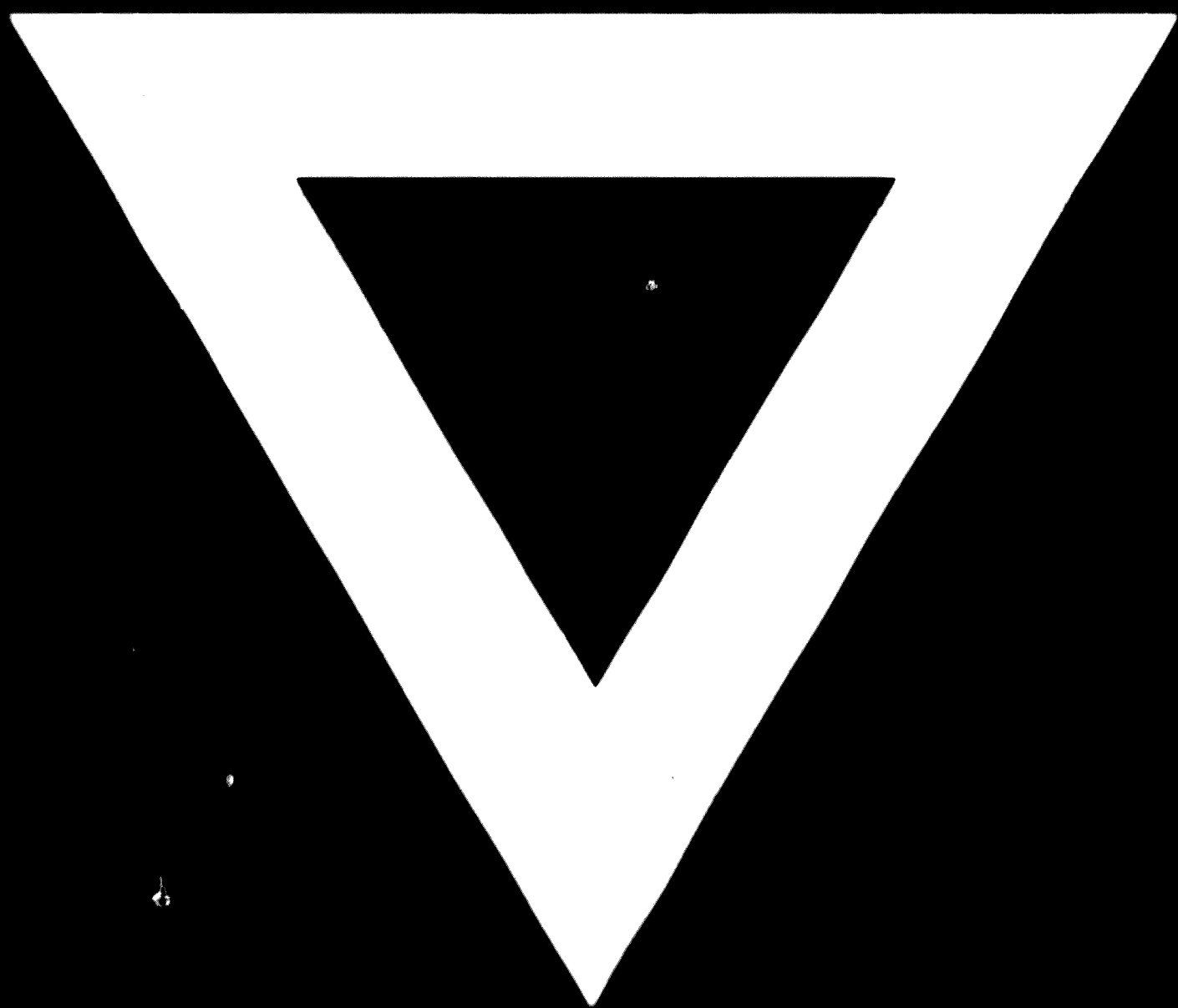
Banque nationale pour le développement économique
B.P. 407
Rabat
Morocco

VII. DOCUMENTATION AVAILABLE

Study of the olive oil sector in Morocco
Feasibility study.



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