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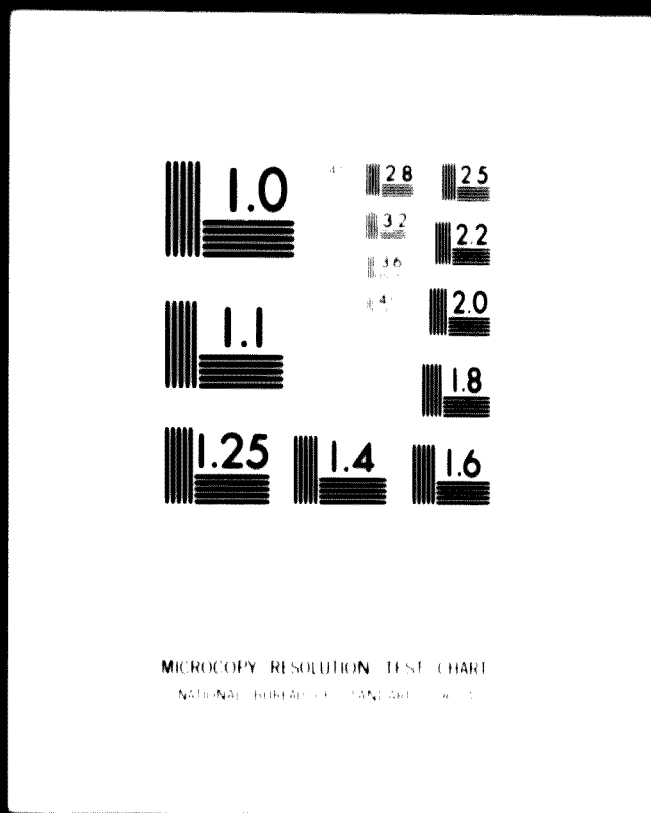
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United Nations Industrial Development Organization

PROJECT INFORMATION
SHEET

MOR-18-71

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

ABIDJAN, IVORY COAST, 24 NOVEMBER - 1 DECEMBER 1971

PROCESSING OF EXHAUSTED OLIVE OIL CAKE

| | |
|--------------------------------|---|
| COUNTRY: | Morocco |
| PROJECT: | Processing of exhausted olive oil cake Annual capacity: 35,000 tonnes Investment: US\$2.4 million |
| FOREIGN CONTRIBUTION REQUIRED: | Equity participation Know-how (licence) Management Marketing |



^{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.

PROCESSING OF EXHAUSTED OLIVE OIL CAKE

I. THE PROJECT

The purpose of the project is to use exhausted oil cake for the manufacture of xylose, yeast and humic fertilizers. The planned capacity is 35,000 tonnes of olive oil cake per annum. The investment is estimated at US\$2,400,000.

The project aims to derive greater value from oil mill by-products, at the moment used as fuel by the oil mills.

The Government is prepared to grant this project important incentives such as exemption from customs duty, accelerated depreciation, capital equipment bonuses, re-transfer guarantees, etc.

The extent of the benefits will depend on the consent of the investment commission.

II. COMMERCIAL ASPECTS

No precise information is yet available on the potential of market for the products to be manufactured. A market study should be undertaken. In this regard, the assistance of potential partners would be appreciated.

The selling prices of the product ex factory are estimated at DH 8,000/tonne (US\$1,600) for xylose, DH 1,000/tonne (US\$200) for yeast, DH 160/tonne (US\$32) for A type fertilizer and DH 240/tonne (US\$48) for B type fertilizer.

III. PHYSICAL ASPECTS

It is planned to process 35,000 tonnes of olive oil cake per annum, producing:

- 450 tonnes of xylose
- 900 tonnes of yeast
- 25,000 tonnes of fertilizers.

Location

The city of Fez, which has ample potential for the supply of raw materials, owing to its oil mills, as well as the necessary infrastructure (railway, roads, waste water treatment, etc.), seems to be a highly suitable location for the plant.

Services

The cost of water consumption is estimated at DH 280,000 and that of electricity at DH 116,000 per annum. The price of fuel oil is DH 160/tonne, and the annual cost is estimated at DH 57,600.

Personnel expenses (35 persons) are estimated at DH 612,000 per annum.

Raw materials

It is expected to obtain exhausted olive oil cake at the price of DH 20 per tonne free factory.

The materials used in the manufacturing process and available locally are:

SO₂ (500 tonnes at DH 240/t)

Soda (450 tonnes at DH 320/t)

Sulphuric acid - methanol - resins, earth as filtering medium (DH 64,000 per annum in all)

IV. FINANCIAL ASPECTS

(a) Investment (approximate estimate)

(In thousand DH)

| | <u>Total cost</u> | <u>Foreign exchange portion</u> | <u>Total</u> |
|-----------------------------------|-------------------|---------------------------------|--------------|
| 1. Pre-investment costs | 180 | | 180 |
| 2. Assets | | | |
| land (12,000 m ²) | 96 | | 96 |
| buildings (5,000 m ²) | 704 | | 704 |
| tooling | 1,080 | 8,520 | 9,600 |
| 3. Estimated working capital | <u>1,200</u> | | <u>1,200</u> |
| Total | 3,260 | 8,520 | 11,780 |

(b) Proposed financing plan

| | | | |
|------------------------------|-------|--------------|--------------|
| 1. BNDE equity participation | 433 | | 433 |
| Capital equipment bonus (1) | 1,560 | | 1,560 |
| Joint venture, Morocco | 1,267 | 681 | 1,948 |
| Foreign | | 1,949 | 1,949 |
| 2. Borrowings | | <u>5,890</u> | <u>5,890</u> |
| Total | 3,260 | 8,520 | 11,780 |

(1) Capital equipment bonus given as a indication.

V. FOREIGN CONTRIBUTION REQUIRED

In addition to equity participation in the private company to be set up, the foreign partner should provide the know-how and management. He should also help the enterprise in marketing its products.

VI. LOCAL PROMOTER

The project is submitted by the:

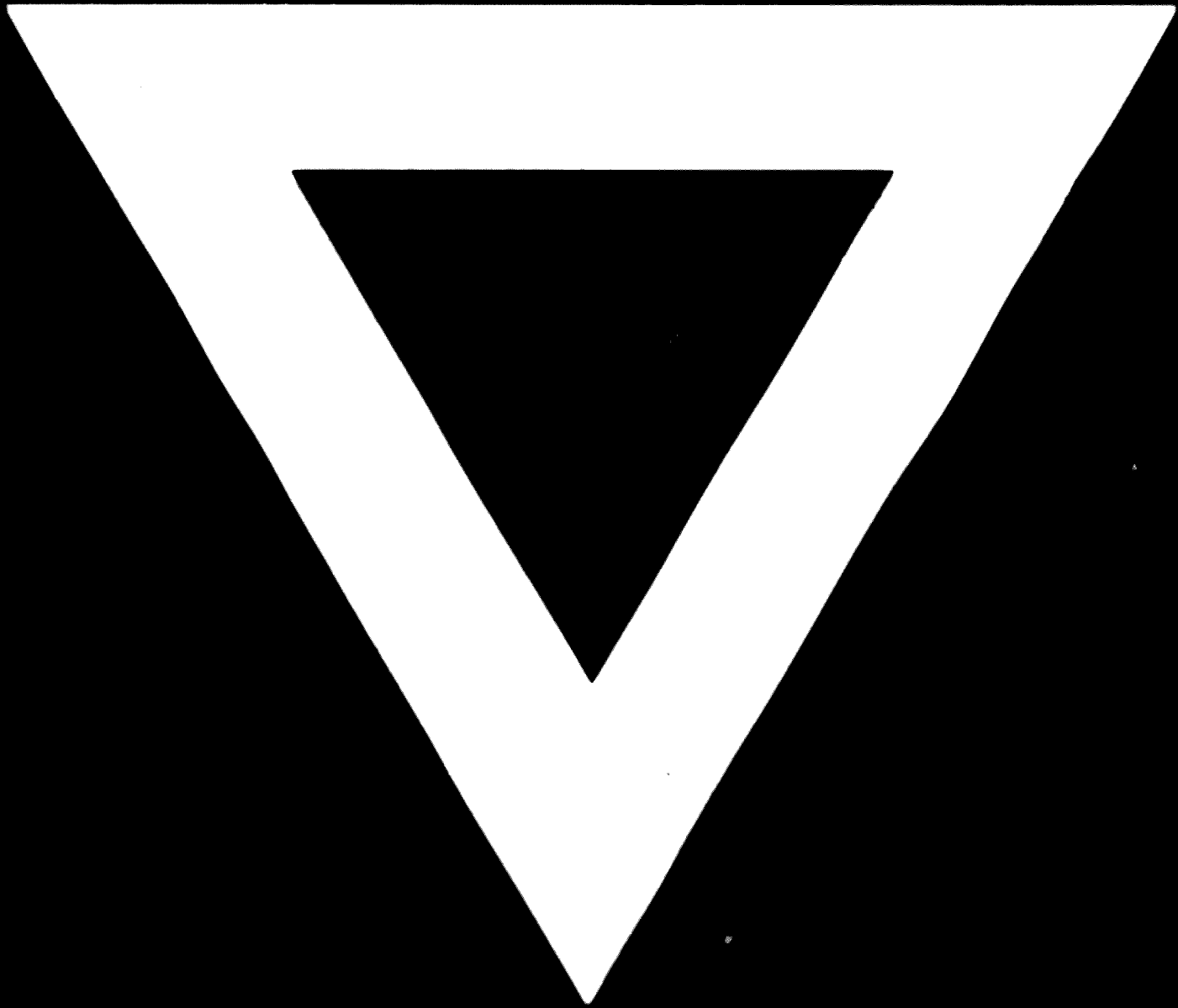
Banque nationale pour le développement économique (BNDE)
B.P. 407
Rabat, Morocco

VII. DOCUMENTATION

A feasibility study has been prepared and can be made available to interested parties at the meeting. It should be supplemented by a market study which has yet to be undertaken.



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