



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

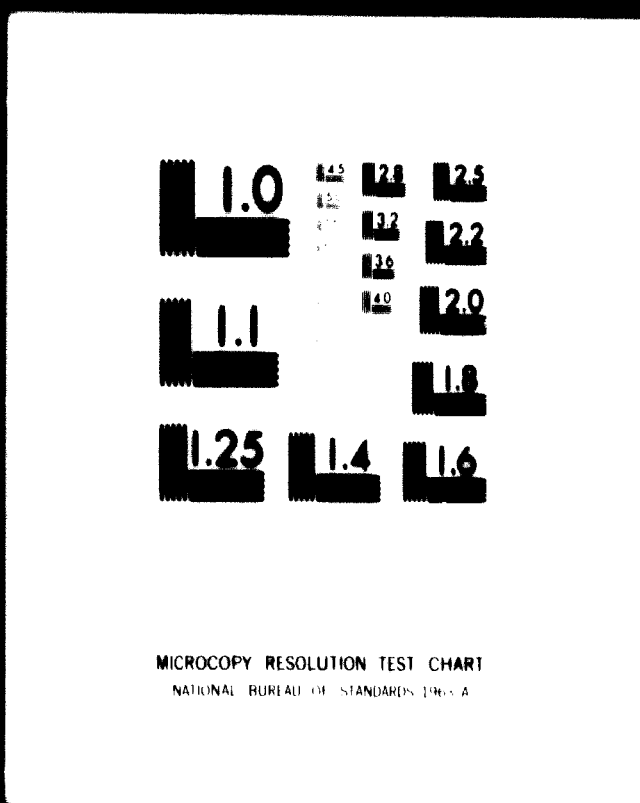
CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

1 OF 1

02031



24x
C

(

.



02031



United Nations Industrial Development Organization

Distr.
LIMITED

IPFD/KOR/17/Rev.1
24 August 1973

ORIGINAL: ENGLISH

Third Asian Meeting to Promote
Industrial Projects

Kuala Lumpur, Malaysia, 14-21 November 1973

Project Information Sheet

MICROMETERS

COUNTRY

Republic of Korea

PROJECT

Manufacture of electric micrometers
Capacity: 800,000 units per year
Total Investment: US\$ 323,000

FOREIGN CONTRIBUTION REQUIRED

Equity
Know-how

Sponsored by: The Economic Commission for Asia and the Far East (ECAFE) and
the United Nations Industrial Development Organisation (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 Asian countries and potential suppliers of capital, finance, equipment or know-how, as the case may be, from the industrialised 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 Asian 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.

MICROMOTORS

I. INTRODUCTION

The Project

The electronics industry in Korea is rapidly expanding. Under a long-term plan it is intended to set up a number of component factories to substitute for those components now being imported. It is proposed to establish a factory for the manufacture of micromotors with an annual capacity of 800,000 units.

The Proponent

Fine Instruments Center, Seoul, (Government Agency for the promotion of the electronics industry in Korea).

Government Attitude

The encouragement of the electronics industry in Korea was initiated by the Government in 1969. The electronics industry is highly emphasized as a strategic export industry and an eight-year development plan was made to assist in expanding the production of this industry and to develop the necessary techniques. In 1971 Korea exported about US\$66,503,000 worth of electronic components. Therefore, the Korean Government considers the prospects of this industry very positive and it will grant full support to electronics firms. A number of attractive incentives will be granted (see IV).

II. COMMERCIAL ASPECTS

The total domestic consumption in 1971 was 400,000 pieces worth about US\$550,000. There is no local production and the entire quantity had to be imported. It is expected that the consumption in 1972 may go up as high as 600,000 units worth about US\$700,000. At present micromotors are not exported. Estimated export projection is 200,000 pieces.

<u>Price</u>	<u>US\$</u>
Target price	1.20 per piece
Import price	1.40 per piece

III. PHYSICAL ASPECTS

Location

Kumi Industrial Estate, Korea, or another convenient location.

Land and Buildings

Land: 35,000 sq. ft.

Buildings: 20,000 sq. ft.

Labour

Workers of all skills are readily available. Wages per month, US\$ as of August 1971:

Technicians: Maximum 92, Minimum 40, Average 57

Workers: Maximum 39, Minimum 17, Average 23

Raw Materials

Raw materials will have to be imported mainly from Japan.

Infrastructure

The plant will be located in an industrial estate. Therefore, it has easy access to all infrastructural facilities.

Utilities

Electricity US\$0.019 per kwh

Water US\$0.034 per m/ton

IV. ECONOMIC ASPECTS

Importance

There are about 200 electronics firms in Korea with a limited range of products. The planned target is to expand the local supply to substitute for imports. Therefore, key component factories are required, also for the purpose of increasing the value added.

Incentives

A number of incentives are granted under the Foreign Capital Inducement Law to export industries and import substitution industries with foreign investment components. They include: exemption for five years from corporation tax, income tax, property tax and property acquisition tax. A 50% reduction of these taxes for the ensuing three years is allowed. Customs duties on capital goods to be imported for investment purposes and on raw materials for the manufacture of export goods are exempt.

V. FINANCIAL ASPECTS

Estimated Investments

	<u>Local Cost</u>	<u>US\$</u> <u>Foreign Exchange</u>	<u>Total</u>
Land	10,000	-	10,000
Buildings	25,000	-	25,000
Machinery	-	194,000	194,000
Working capital	<u>94,000</u>	<u>-</u>	<u>94,000</u>
Total	<u>129,000</u>	<u>194,000</u>	<u>323,000</u>

A detailed financing plan will be prepared in co-operation with the foreign partner.

VI. ADDITIONAL RELEVANT INFORMATION

Legal Structure

Corporation

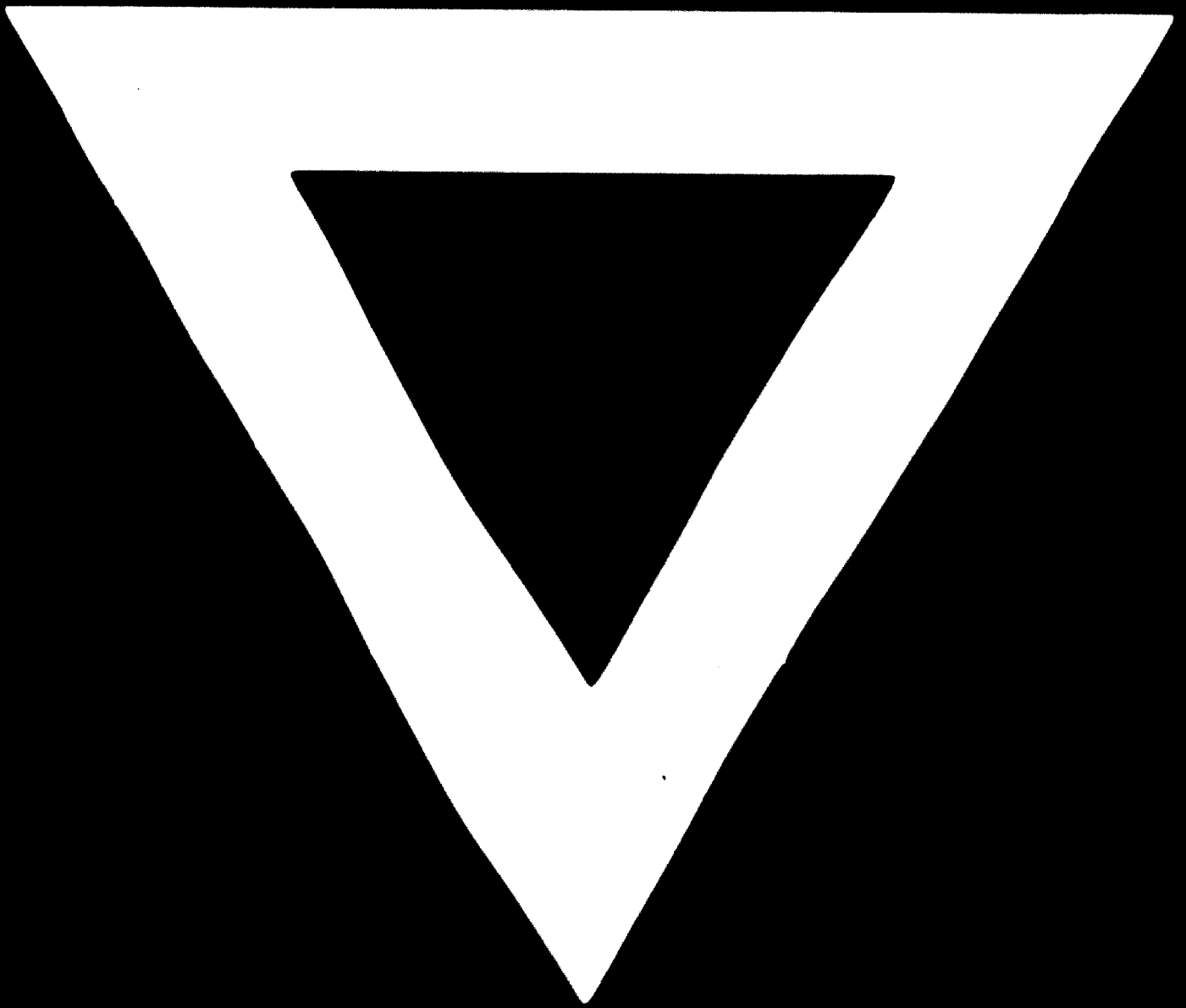
Documentation

The Fine Instruments Center, Seoul, is in a position to supply further information.

- - - - -



G - 345



80.11.20