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for a sustainable future

OCCASION

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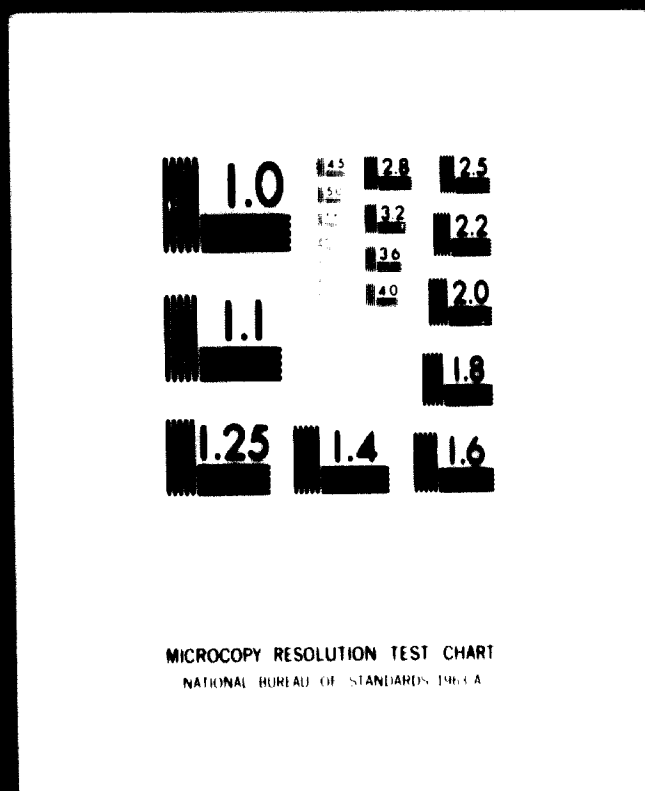
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Third Asian Meeting to Promote
Industrial Projects

Kuala Lumpur, Malaysia
14 - 21 November 1973

Project Information Sheet

MANUFACTURE OF METAL PRODUCTS

COUNTRY	Korea
PROJECT	Manufacture of Metal Products (steel and aluminum sheets) Annual Capacity: Value US\$ 1,750,000 Total Investment: US\$ 1,300,000
FOREIGN CONTRIBUTION REQUIRED	Equity Suppliers' Credit Staff-Training Export-Marketing

Sponsored by: The Economic Commission for Asia and the Far East (ECAFE) and 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 Asian 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 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.

MANUFACTURE OF METAL PRODUCTS

I. THE PROJECT

Proponent intends to expand his present metal products factory by installing machinery and equipment for the production of stainless steel and aluminum sheets to be sold on the local and export markets. Annual turn-over expected to be reached is estimated at a value of US\$ 1,750,000.

Foreign Contribution Required

Total capital investment required is estimated at US\$ 1,300,000 of which proponent is prepared to furnish US\$ 250,000 in equity. The remaining part of local funds needed are hoped to be raised from local banks in the form of long and short-term loans.

The foreign collaborator is expected to participate in the equity of the company by means of a minority (up to 47%) shareholding. Also, it is anticipated that he will be able to provide or arrange a suppliers' credit to cover the machinery costs.

Further, foreign assistance is welcomed in staff training and export marketing.

II. COMMERCIAL ASPECTS

<u>Estimated Trading Results</u>	<u>US\$</u>	<u>US\$</u>
Sales Revenue		1,750,000
Cost of Production:		
Raw materials and supplies	1,080,000	
Utilities	30,000	
Direct and indirect wages/ salaries	215,000	
Factory and administrative overheads	60,000	
Transport and selling costs	115,000	
Contingencies	<u>20,000</u>	
		1,520,000
Trading Profit:		230,000
Financial expenses	48,000	
Depreciation	<u>112,000</u>	
		<u>160,000</u>
Profit Before Tax:		70,000

III. FINANCIAL ASPECTS

<u>Estimated Capital Cost</u>	<u>Local Currency</u> US\$	<u>Foreign Currency</u> US\$	<u>Total</u>
Land and site development	40,000	---	40,000
Buildings and ancillary works	110,000	---	110,000
Machinery and equipment, incl. transport and installation	135,000	500,000	635,000
Pre-investment and start-up expenses	50,000	20,000	70,000
Contingencies	25,000	20,000	45,000
Working Capital	<u>400,000</u>	<u>---</u>	<u>400,000</u>
Total:	750,000	540,000	<u>1,300,000</u>

Proposed Capital Structure

Equity	250,000	240,000	490,000
Long-term loan/suppl. credit	110,000	300,000	410,000
Bank overdraft	<u>400,000</u>	<u>---</u>	<u>400,000</u>
Total:	<u>760,000</u>	<u>540,000</u>	<u>1,300,000</u>

IV. OTHER RELEVANT INFORMATION

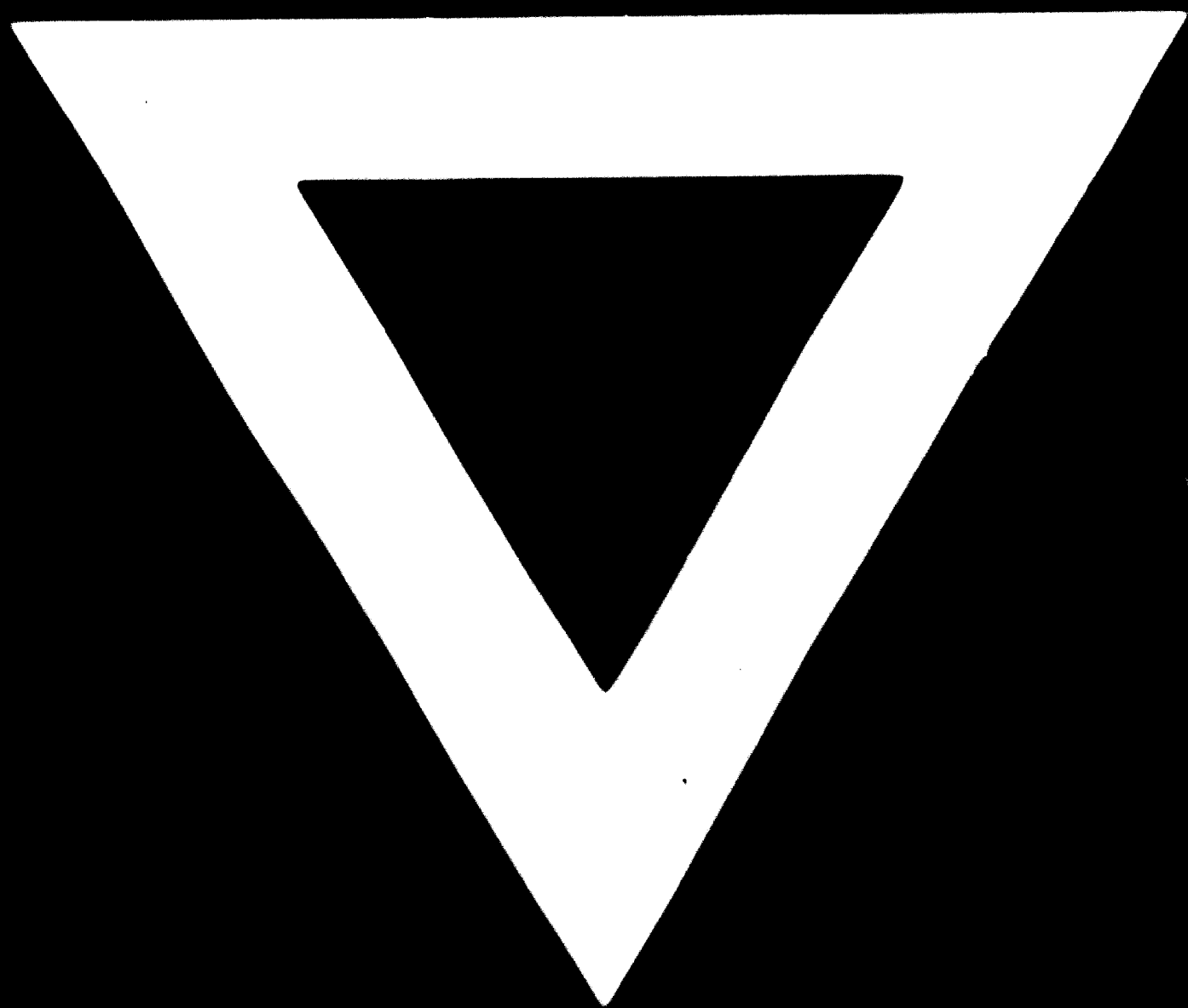
Address of proponent: Mr. Tae Kyung Lee

414, Ssangmun-dong, Sungbuk-ku,
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Mr. Lee owns a private company manufacturing a variety of medical, electrical and agricultural equipment, in which he so far invested approximately US\$ 480,000 in machinery alone. Total staff and workers employed in his company amount to 70 persons.



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