



**TOGETHER**  
*for a sustainable future*

## OCCASION

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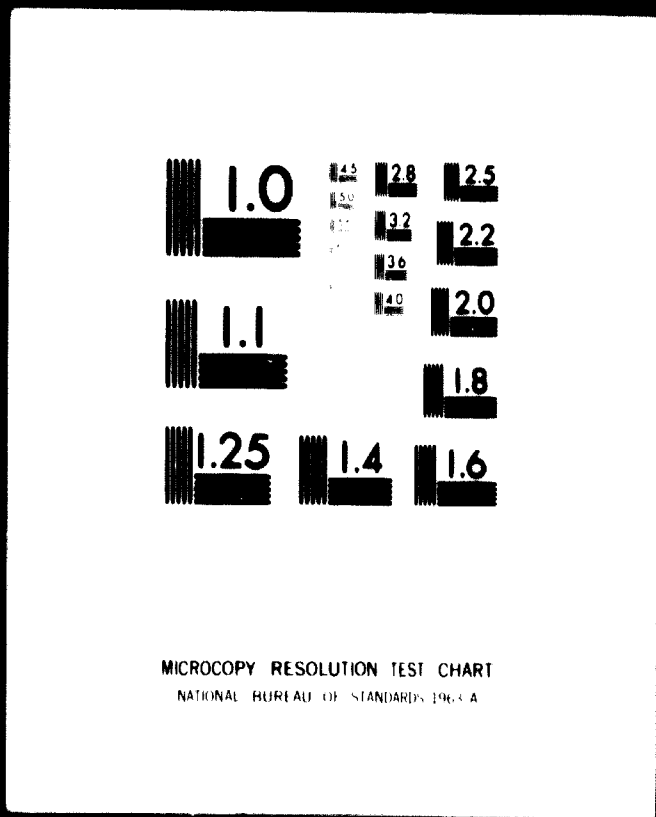
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Third Asian Meeting to Promote  
Industrial Projects

Kuala Lumpur, Malaysia  
14-21 November 1973

Project Information Sheet

HAND TOOLS

COUNTRY

Malaysia

PROJECT

Hand Tools

Capacity: 500,000 units p.a.

Total investment: approximately US\$ 300,000

FOREIGN CONTRIBUTION REQUIRED

Technical know-how

Minority equity participation

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.

HAND TOOLS<sup>1/</sup>

I. INTRODUCTION

The Project

To set up a plant for manufacturing of hand tools, at present not yet industrially produced in Malaysia.

For the time being, the project covers only a limited range of tools, mainly wrenches, pliers, hammers and screw drivers.

Foreign contribution required

Technical know-how and minority equity participation.

II. ECONOMIC ASPECTS

The project will substitute imports and create new employment opportunities.

It is eligible for incentives such as duty free import of machinery and equipment, total or partial exemption from duties on imported raw materials and exemption from corporation and development tax for a period up to 8 years.

III. COMMERCIAL ASPECTS

Proposed capacity

500,000 units p.a. (one shift basis) equal to around 500 tons of steel; comprising:

- 25,000 hammers
- 50,000 monkey wrenches
- 50,000 pliers
- 75,000 screw drivers
- 50,000 wrecking bars
- 25,000 scrips
- 225,000 open wrenches.

Market

The average annual import of hand tools (non mechanical) amounted to 2.9 million US\$ (CIF) in the years 1968 to 1971. Local production is confined to small blacksmith's workshops.

<sup>1/</sup> All figures are based in this project information sheet on an exchange rate of : US\$ 1 = M\$ = 2.5.



Infrastructure

Preferably in an existing industrial estates where adequate infrastructure facilities are available.

Utilities

Consumption per year :

Electricity 270,000 kWh at US 2.8 cts/kwh  
Water 900,000 gals at US 48 cts/1000 gal.  
Fuel 14,000 gals at US 16.5 cts/gal.

V. FINANCIAL ASPECTS

<u>Investment</u>	<u>US\$</u>
Land/Building	68,000
Machinery/Equipment	120,000
Working capital	<u>52,000</u>
Total	240,000

This estimate is based on a previous study and requires up-dating, which may lead to an increase where cost of machinery and equipment is concerned.

Financial

No financial plan established as yet.

Cost of production

	<u>US\$</u>
Raw material	144,000
Utilities	10,000
Labour	52,000
Overhead expenses (including administration depreciation etc)	<u>36,000</u>
	244,000

Sales Revenue

Based on 150% of the CIF price of the most popular models in the market : US\$ 274,000

VI. OTHER RELEVANT INFORMATION

Proponent:

Federal Industrial Development Authority on behalf of State Development Corporation to be determined.

Address : Federal Industrial Development Authority  
5th and 6th Floor, Wisma Damansara  
Jalan Semantan  
Kuala Lumpur, Malaysia

Telephone: 202388

Proposed legal structure

Private Ltd. Company



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