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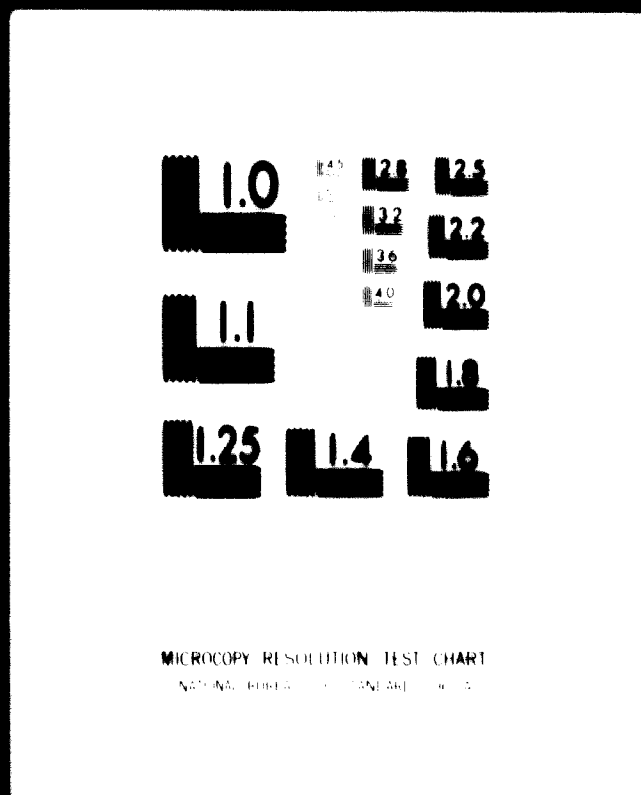
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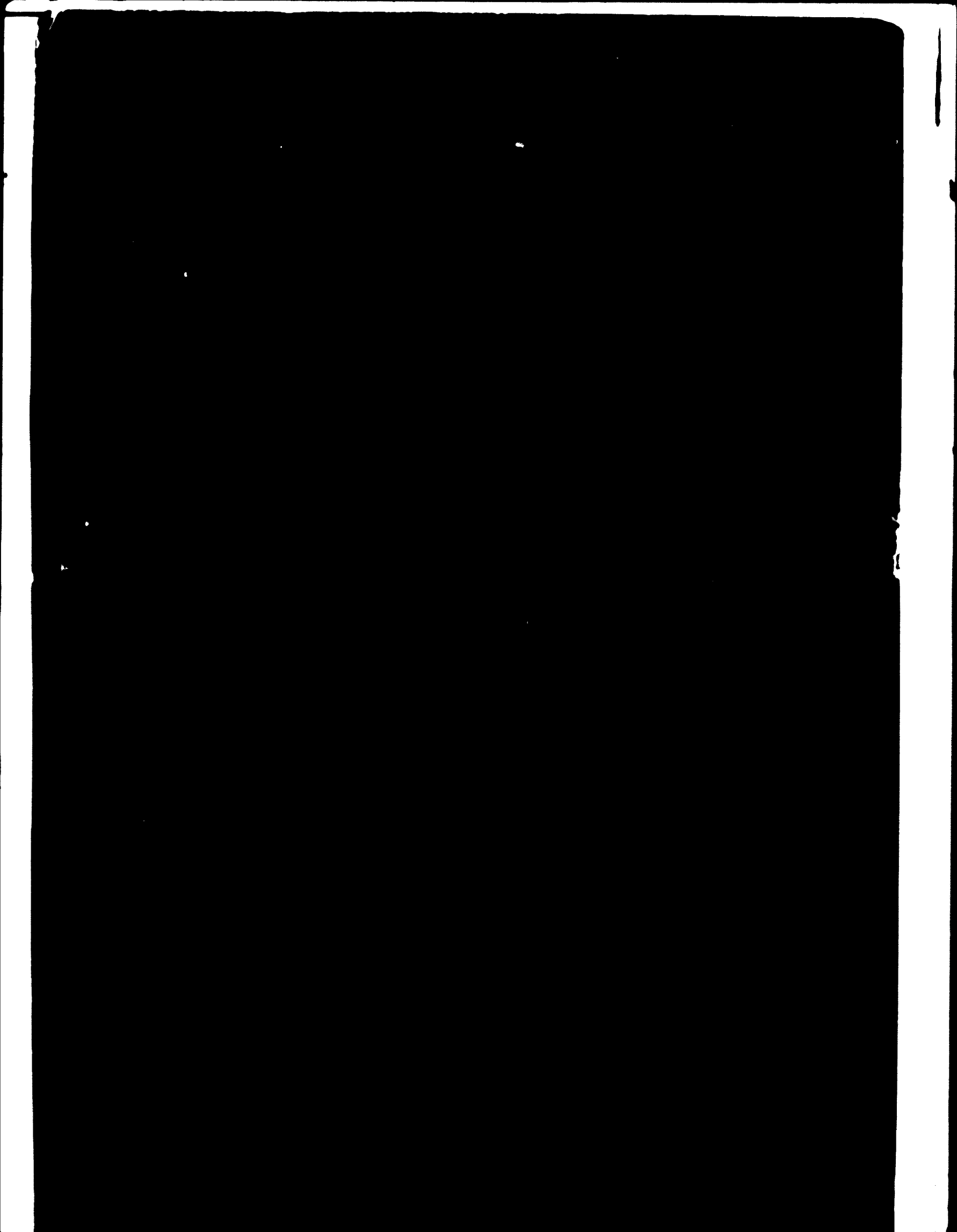
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Third Asian Meeting to Promote
Industrial Projects

Kuala Lumpur, Malaysia 14-21 November 1973

Project Information Sheet

COCONUT OIL MILL

COUNTRY	Philippines
PROJECT	Coconut oil Annual Capacity: 18,600 Tons Oil 9,600 Copra Cake/Pellets Total Investment: US\$ 3,400,000
FOREIGN CONTRIBUTION REQUIRED	Financing Marketing

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.

I. THE PROJECT

It is proposed to establish a coconut oil mill with a daily capacity of 100 metric Tons Copra input with extraction rates of 62% for coconut oil and 32% for Copra cake. The present use and applications for coconut oil cover a wide variety of edible and non-edible products. Copra cake or meal, on the other hand, is mainly used as animal feed.

Foreign contribution required

The proponent needs foreign assistance in the form of either loan or equity or both, to be utilized for the purchase of machinery and equipment and for working capital. Another form of foreign assistance that can be explored is a marketing tie-up for the export of its products on the world market.

II. ECONOMIC ASPECTS

The project is export-oriented. It is in line with the government's policy of further processing and increasing the value added before exporting at full capacity, the new foreign exchange earnings are estimated at US\$ 800,000 p.a.

The project is eligible for incentives including free import of capital-equipment, tax reliefs, etc.

III. COMMERCIAL ASPECTS

Capacity

The rated capacity of the plant is:
62 Tons of crude coconut oil per day
32 Tons of Copra cake per day (18,600 Tons oil and 9,600 Tons cake annually).

Market

More than 90% of the production are intended for export.
The projected export sales volume is:

<u>Year</u>	<u>Coconut Oil</u>	<u>Copra Cake Pellets</u>
1975	10.230 MT	5.016 MT
1976	14.570 MT	7.124 MT
1977	16.585 MT	8.134 MT
1978 and thereafter	16.740 MT	8.208 MT

<u>Price</u>	<u>Proposed (US\$/MT)</u>	<u>Prevailing (US\$/MT)</u>
a) Domestic:		
Copra Cake/Pellet	61.54	61.54
b) Exports:		
Coconut Oil	240	413
Copra Cake/Pellet	60	159

Profitability (estimated at full capacity)

	<u>(US\$)</u>
Sales:	<u>4,745,000</u>
Cost of Sales:	
Raw material	3,466,000
Labour	70,000
Overhead	400,000
Depreciation	150,000
Financing charges	<u>230,000</u>
Total cost	4,316,000
Net profit before tax	<u><u>429,000</u></u>

IV. PHYSICAL ASPECTS

Location

The mill will be established in La Paz, Iloilo City. Iloilo is centrally located with respect to raw material supply.

Land

23 hectares on lease

Buildings

At an estimated cost of US\$ 950,000.

Labour (excluding management and administration)

<u>Required</u>	<u>Rate (US\$)</u>
Skilled 20	\$77/month
Semi-skilled 3	\$54/month
Unskilled 10	\$ 1.46/day

Infrastructure

Adequate facilities for proper operation are available at the site.

Utilities

Power - to be supplied by two units of 505KVA

Steam - 2,300 lbs./hr.

Water - 1,630 gallons/hr.

Fuel - Steam generator 1.5 Tons/24 hrs.

Diesel generator 2.26 Tons/24 hrs.

Raw materials

The neighbouring provinces had an estimated potential Copra production in 1960 of 120,000 Tons/year. Considering that the trees planted after 1960 must be now bearing fruit, the present production must be considerably greater.

V. FINANCIAL ASPECTS

<u>Composition of investment</u>	(US\$)
Land and Land Improvements	33,400
Plant, Building and other Civil Works	356,200
Machinery and Equipment	1,007,700
Other Fixed Assets	<u>26,200</u>
Total Fixed Assets	2,523,500
Organisational Expenses	92,300
Working Capital	<u>303,300</u>
Total Investment	<u><u>3,424,500</u></u>

Proposed Financing Plan

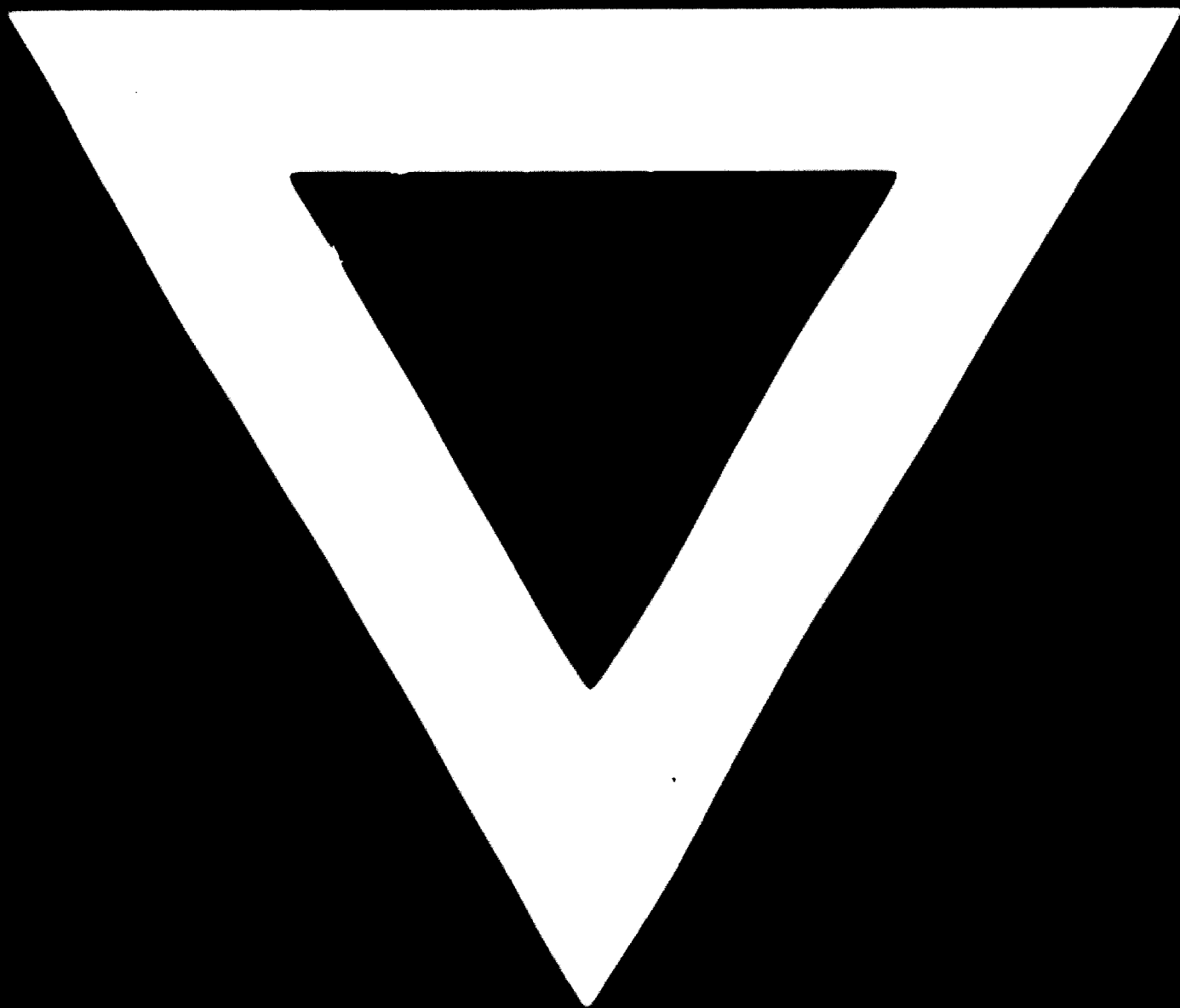
	(US\$)
Equity	356,100
Foreign Loan (Machinery and Equipment)	1,236,200
Foreign Cash Loan	1,166,200
Short-term Loan	<u>116,100</u>
Total	<u><u>3,424,600</u></u>

VI. OTHER RELEVANT INFORMATION

Proprietor:

West Visayas Industrial Corporation
La Paz, Iloilo
Philippines

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