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for a sustainable future

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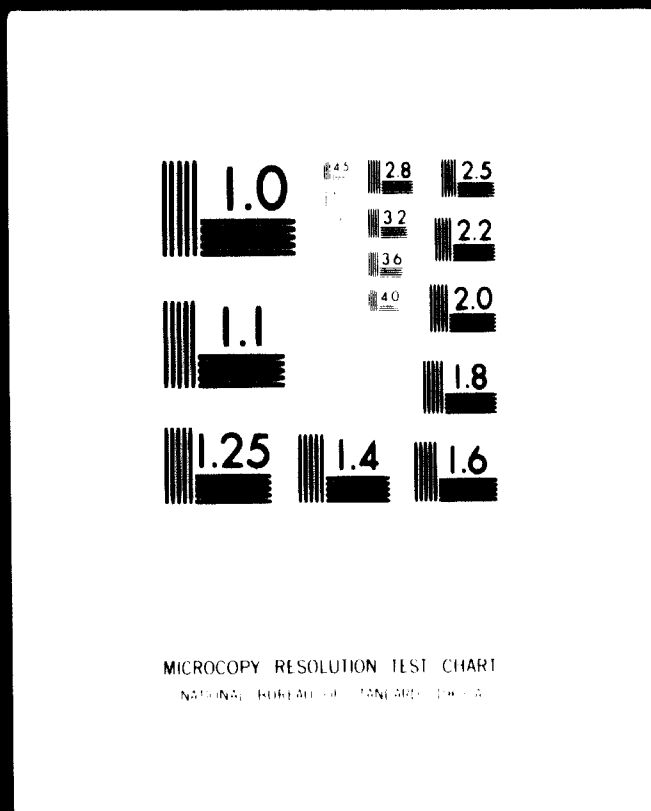
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United Nations Industrial Development Organization

Distr.
LIMITED

IPPD/PAP/20
31 August 1973

ORIGINAL: ENGLISH

Third Asian Meeting to Promote
Industrial Projects

Kuala Lumpur, Malaysia, 14-21 November 1973

Project Information Sheet

MANUFACTURE OF EDIBLE OILS, FATS, ETC.

COUNTRY	Papua New Guinea
PROJECT	Manufacture of Edible oils, Fats, etc. Total Investment : US\$ 942,800
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 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 EDIBLE OILS, FATS, ETC.

I. THE PROJECT

It is proposed to establish a new plant for the production of edible oils, fats and associated by-products. The estimated total investment of the project (including working capital) is about US\$ 943,000. The plant will be granted Five-Years tax holiday from the date of the commencement of operation.

II. ECONOMIC ASPECTS

The project will provide employment and, therefore, additional incomes; facilitate the utilization of local resources, contribute to the diversification of the economy as well as earn foreign exchange, from exports of the proposed products.

III. COMMERCIAL ASPECTS

Half the quantity of products will be sold on the domestic market and the other half will be exported to Australia and South East Asia.

<u>Estimated Profitability</u>		<u>US\$</u>
Total Sales Revenue		1,071,400
Direct manufacturing Costs:	61,400	
Salaries and wages	61,400	
Materials	535,700	
Utilities	14,300	
Factory overhead	14,300	
Interest on loans	50,000	
Contingencies	<u>5,000</u>	
	680,700	
Administrative expenses and sales costs	214,300	
Depreciation (3% buildings; 7% machinery)	<u>42,900</u>	<u>937,900</u>
Net Profit		<u>133,500</u> *****

IV. PHYSICAL ASPECTS

Land and Buildings

Land is available for site development but buildings will have to be constructed.

Raw Materials

The country grows ample coconut, oil palm and groundnuts.

Labour

General Manager	1
Plant Engineer	1
Accountant	1
Marketing Officer	1
Typist	1
Clerks	6
Skilled labour	10
Semi-skilled and unskilled	<u>50</u>
	81
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Infrastructure and utilities

All the necessary infrastructure are generally available and so are the utilities whose price vary from location to location.

V. FINANCIAL ASPECTS

<u>Estimated Total Investment</u>	<u>US\$</u>	<u>US\$</u>
<u>Fixed Assets</u>		
Land and site development		21,400
Buildings and ancillaries		121,400
Machinery and equipment, including delivery and installation)		542,900
<u>Other Investments</u>		
Pre-investment costs (engineering, training, etc)		35,700
Start-up expenses		50,000
<u>Working Capital</u>		<u>71,400</u>
		942,800
		=====

Financing Plan

	<u>US\$</u>
Equity Capital	285,700
Long-term loan	571,400
Suppliers Credit	<u>85,700</u>
	942,800
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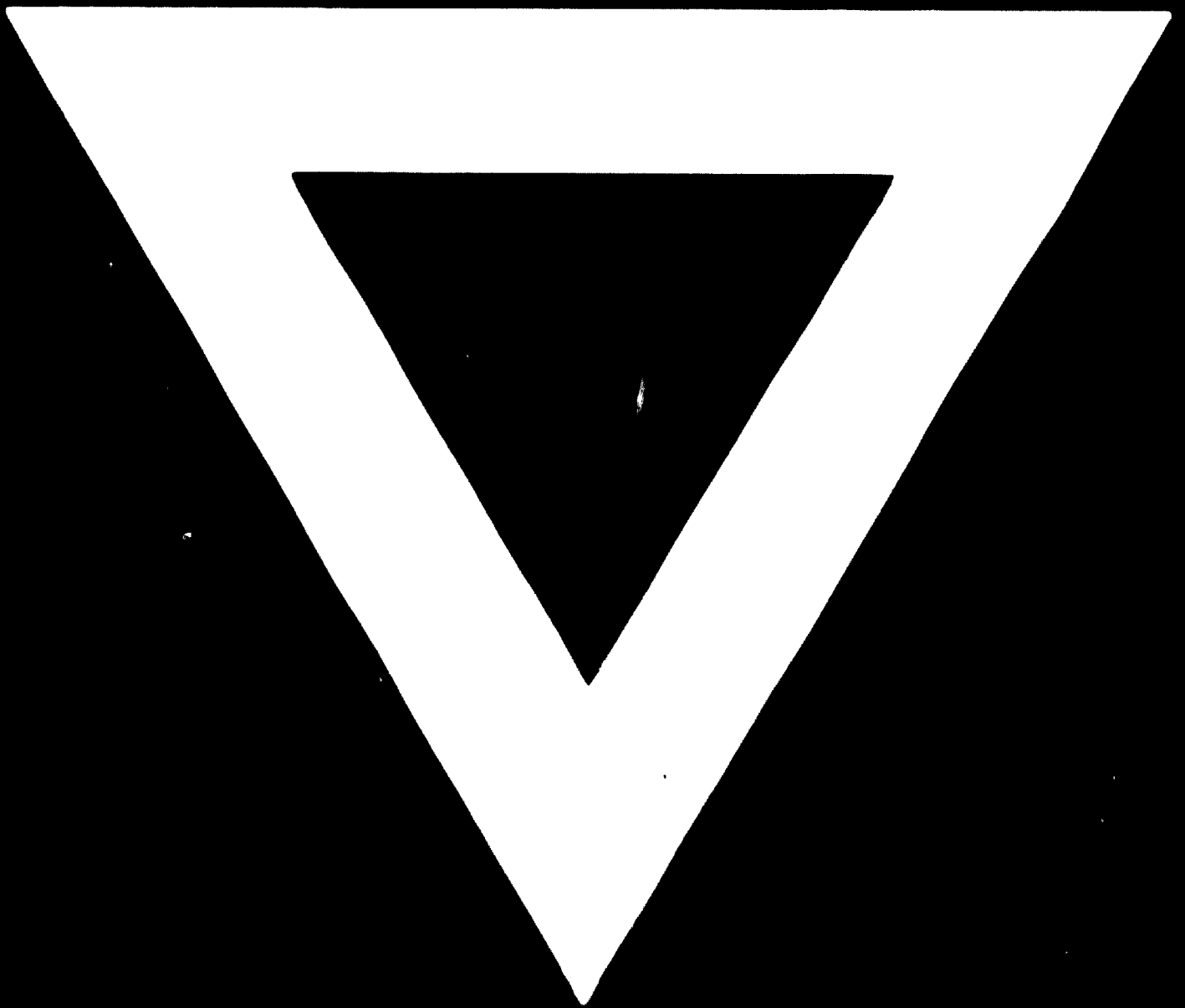
VI. OTHER RELEVANT INFORMATION

The project is being sponsored by the Department of Foreign Relations and Trade, P.O. Box 612, Port Moresby, Papua New Guinea. Tel: 2151; Cable address : TRADIND PORT MORESBY.

It is suggested that a company should be formed for the implementation and operation of the project. The preferred local equity participation is 26-49%, leading 51% to foreign participation. The Investment Corporation of Papua New Guinea, a state owned enterprise, would be willing to subscribe 20% of the share capital of the proposed new company.



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