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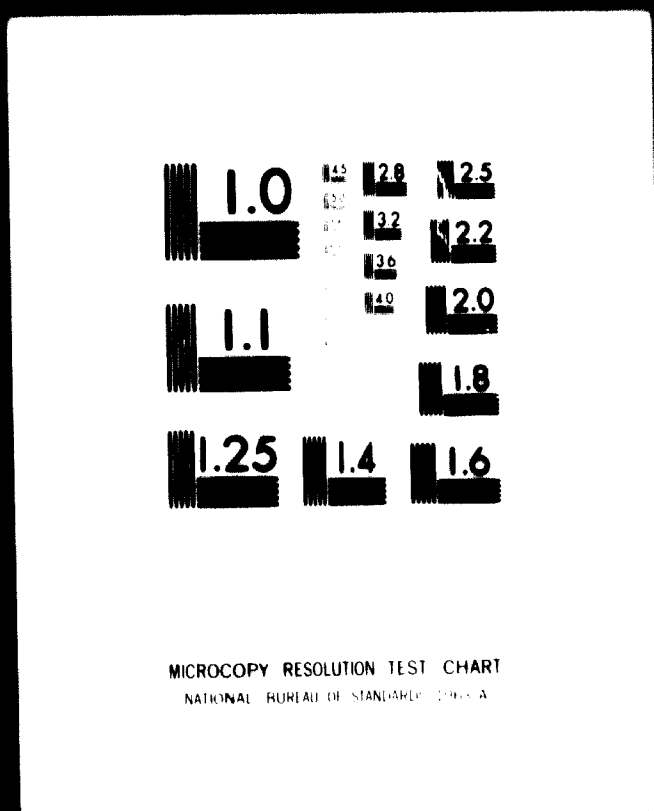
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United Nations Industrial Development Organization

Distr.
LIMITED

IPPD/BGD/03
13 August 1973

ORIGINAL: ENGLISH

Third Asian Meeting to Promote
Industrial Projects

Kuala Lumpur, Malaysia, 14-21 November 1973

Project Information Sheet

MANUFACTURE OF MARGARINE

COUNTRY

Bangladesh

PROJECT

Margarine Manufacturing Plant.
Capacity: 300 tons per annum
Total Investment: US\$578,600

FOREIGN CONTRIBUTION REQUIRED

Loan and/or Suppliers Credit

Sponsored by: The Economic Commission for Asia and the Far East (ECAFE) and
the United Nations Industrial Development Organization (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 MARGARINE

I. THE PROJECT

It is proposed to establish a plant for the manufacture of 300 tons of margarine per annum; i.e. manufacturing at 66% of its maximum capacity during the first five years. The total estimated investment (excluding working capital) is US\$578,600.

This project has government backing and is already included in the Five Year Development Plan.

II. COMMERCIAL ASPECTS

The product is for the domestic market. It is estimated that the cost of production will be US\$0.56 per pound of margarine; and the ex-factory price is estimated at US\$0.86.

III. PHYSICAL ASPECTS

(a) Land and Buildings

The plant will be erected on the existing premises of the Dacca Vegetable Oil Industries.

(b) Raw Material

Three hundred tons of soyabean oil will be imported at an estimated cost of US\$471 per ton; dried skimmed milk will also be imported at an estimated cost of US\$157 per ton, so will other chemicals.

(c) Labour

The plant will employ about 14 people in different cadres.

(d) Infrastructure and Utilities

All the necessary infrastructure, water, fuel and power are available at the proposed site.

IV. FINANCIAL ASPECTS

(a) Estimated Total Investment

	<u>Local Currency</u> US\$	<u>Foreign Currency</u> US\$	<u>Total</u> US\$
<u>Fixed Assets</u>			
Buildings and Ancillaries	71,400	-	71,400
Machinery, equipment, delivery and erection	114,300	228,600	342,900
Other Investments (engineering, training, etc.)	14,300	-	14,300
Start-up expenses	28,600	114,300	142,900
Contingencies	7,100	-	7,100
Total	<u>235,700</u>	<u>342,900</u>	<u>578,600</u>

Estimate of the required working capital will have to be made at a later stage.

(b) Financing Plan

The financing of this project will be the subject for negotiations. The promoters are seeking foreign loans and/or suppliers credit and equity.

(c) Estimated Profitability

Sales Revenue		565,700
<u>Direct Manufacturing Costs:</u>		
Salaries and wages	18,000	
Materials	171,400	
Utilities	71,400	
Interest on loans	57,000	
Contingencies	7,100	
	<u>324,900</u>	
Administrative expenses and Sales Costs	8,700	
Depreciation	<u>17,900</u>	<u>171,500</u>
Gross Profit before tax		194,800

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		<u>US\$</u>
	C/F	194,200
Profit Tax (50%)		<u>97,100</u>
Net Profit		<u>97,100</u>

V. OTHER RELEVANT INFORMATION

The proponent is the Bangladesh Food and Allied Products Corporation, Adamjee Court Annexe, Motijheel Commercial Area, Dacca 2, Bangladesh.

Telephone Nos: 245842, 258520, 258478 and 258866.

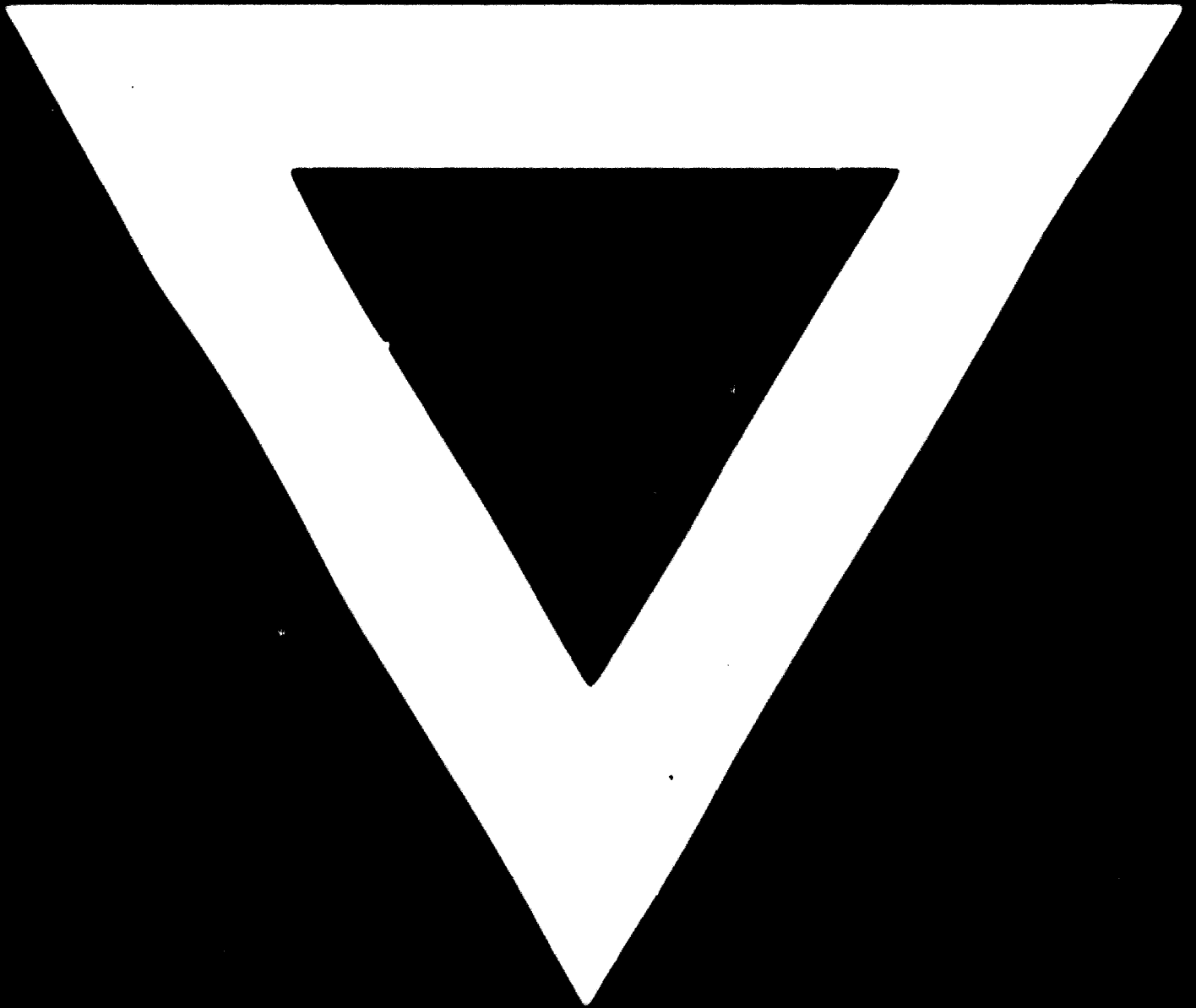
Cable: FAPCOR.

The Corporation which is owned by the Government is already engaged in numerous food processing industries. The project will be executed by the Corporation or by one of its subsidiaries.



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