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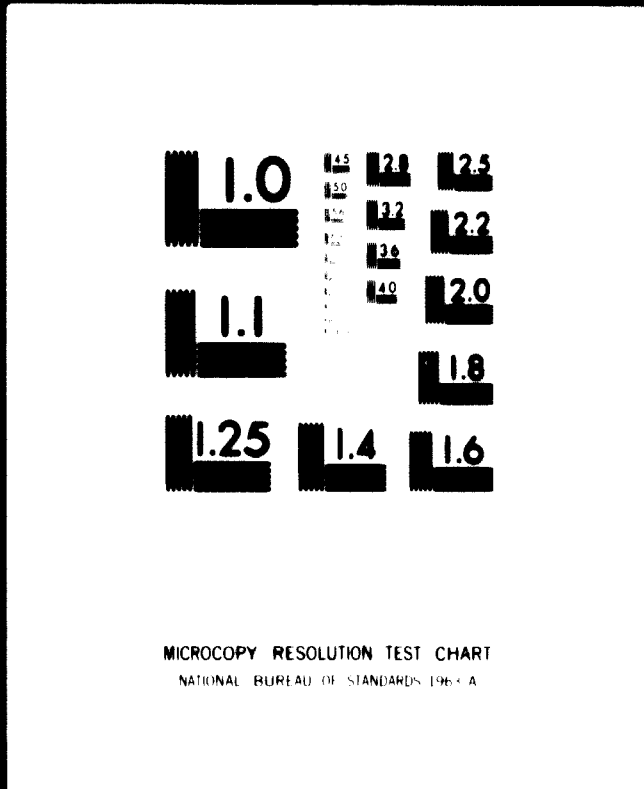
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Third Asian Meeting to Promote
Industrial Projects
Kuala Lumpur, Malaysia
14-21 November 1973

Project Information Sheet

PLASTIC TOYS AND DOLLS

COUNTRY	Malaysia
PROJECT	Plastic toys and dolls Capacity: 1,200,000 pieces/annum Total Investment: US\$ 200,000
FOREIGN CONTRIBUTION REQUIRED	Marketing Know-how Equity

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.

PLASTIC TOYS AND DOLLS^{1/}

I. INTRODUCTION

The Project

Manufacture of plastic toys and dolls such as children's toy weapons, cars and other vehicles, household utensils, educational building blocks, etc. The products are mainly for export.

The toys and dolls manufacturing industry in Malaysia is still in its very infant stage. At present, only three companies have been given approval, but not yet established.

Foreign Contribution Required

Marketing

Know-how

Equity (preferably on joint venture basis)

II. ECONOMIC ASPECTS

The implementation of the project will contribute to increased foreign exchange earnings and create new employment. 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 OF THE PROJECT

Projected Capacity

The rated capacity is 1,200,000 pieces/annum.

Market

Local: The local demand for plastic toys and dolls is envisaged to increase, in view of the high (about 3%) population increase together with the expected increase in per capita income of Malaysians by the end of Second Malaysia Plan Period. Based on a conservative 5% annual increase in demand by 1974, West Malaysia will be expected to absorb about US\$ 560,000 (1.6 million pieces priced at US\$ 0.32 each) worth of toys and dolls. (1969 is taken as the base year for the market projection).

^{1/} All figures in this project information sheet are based on an exchange rate of : US\$ 1 : M\$ 2.5.

Export: Published external trade statistics indicate that there has been a continued increase (50%-60% per annum) in demand for plastic toys and dolls in USA, the largest single importer, France, Belgium, Sweden, Switzerland and Australia over the past five years period 1967-1971. It is thus proposed that at least 70% of the products be exported.

Prices

The proposed average ex-factory selling price is US\$ 0.32 per piece.

IV. PHYSICAL ASPECTS

Location

In one of the existing industrial estates.

Land and Building

A single storey factory building with covered floor area of about 4,200 sq. ft. would be adequate.

Labour

Skilled and unskilled workers are easily available. For the proposed factory, 4 skilled workers at income US\$ 100/month, 12 semi-skilled workers at income US\$ 48/month and about 27 unskilled workers at income US\$36-40/month are required.

Raw Materials

The basic raw materials would be PVC powder and polyethylene of low density. These materials could be imported from Japan, UK and other countries. The current estimated CIF cost of PVC powder is US\$ 520 per ton and polyethylene of low density US\$ 300 per ton.

Cloth for doll dresses could be obtained locally. A small portion of the textiles required may need to be imported. Packaging materials like boxes, plastic bags etc. could be manufactured by local packaging companies.

Infrastructure

Dependent on location. But adequate transport and other facilities are available in the industrial estates.

Utilities

At full production about 231,000 kwh of electricity and 2,300,000 gallons of water will be consumed yearly. The average price for electricity is US\$ 0.03/kwh and for water US\$ 0.50 to 0.85/1,000 gallons.

V. FINANCIAL ASPECTS

<u>Investment</u>	<u>US\$</u>
Land	2,400
Factory	25,600
Machinery and Equipment	112,000
Pre-operation Expenses	6,000
Contingencies	5,500
Working Capital	<u>40,800</u>
Total	196,400 -----
	Rounded up 200,000 -----

Proposed Financial Plan

Equity	170,000
Loan (available from local sources)	<u>30,000</u>
	200,000 -----

VI. ADDITIONAL RELEVANT INFORMATION

Proponents

Federal Industrial Development Authority (FIDA) on behalf of State Development Corporations. The State Development Corporations of Malacca, Penang, Johore and Trengganu are interested in the implementation of this project.

Address Federal Industrial Development Authority
5th and 6th Floor, Wisma Damansara
Jalan Semantan
Kuala Lumpur. Tel no. : 202388

Proposed Legal Structure

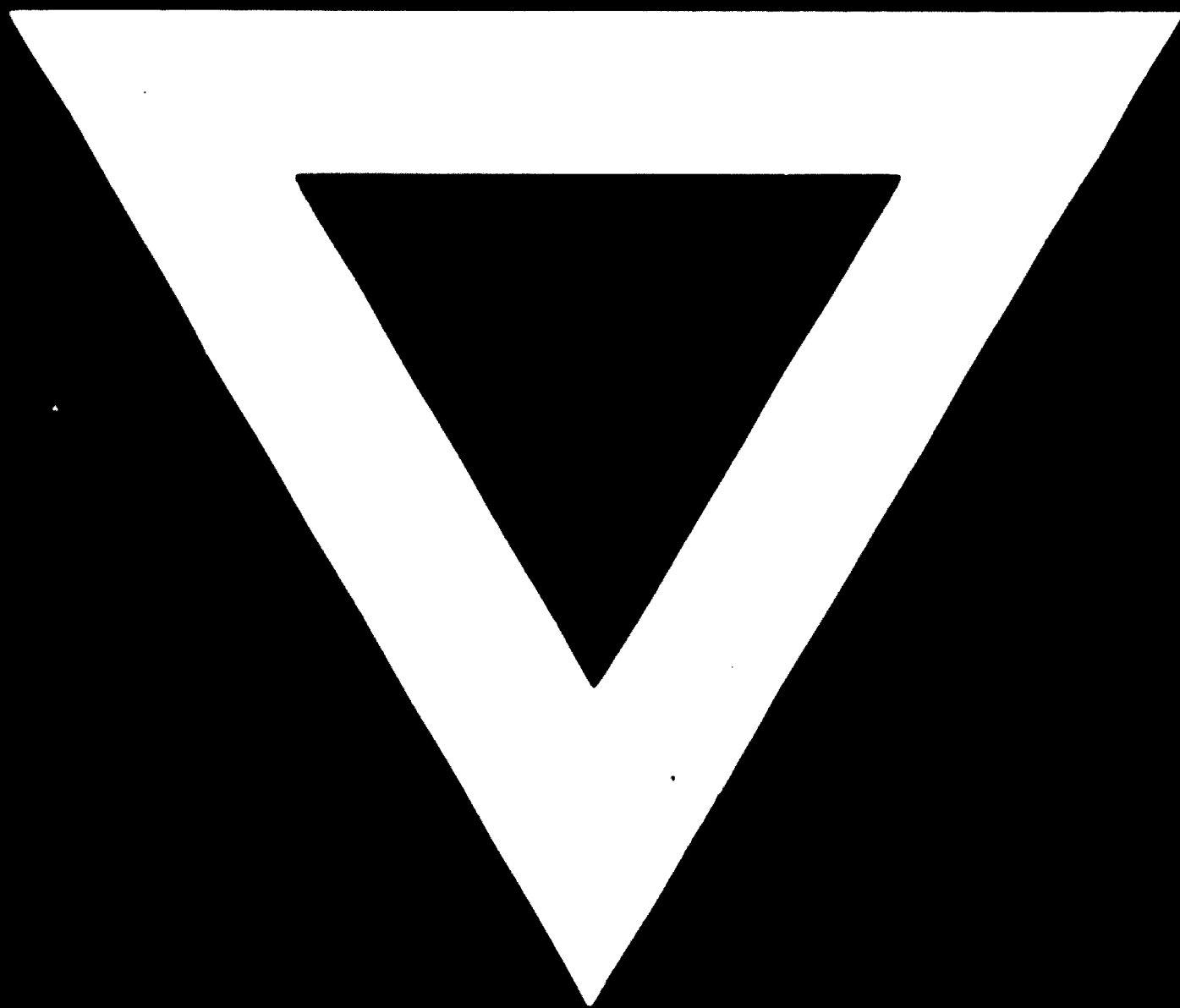
Joint venture with foreign participation (percentage to be negotiated).

Documentation

Preliminary report on manufacture of plastic toys and dolls by FIDA Malaysia will be available at the meeting on request.



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