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for a sustainable future

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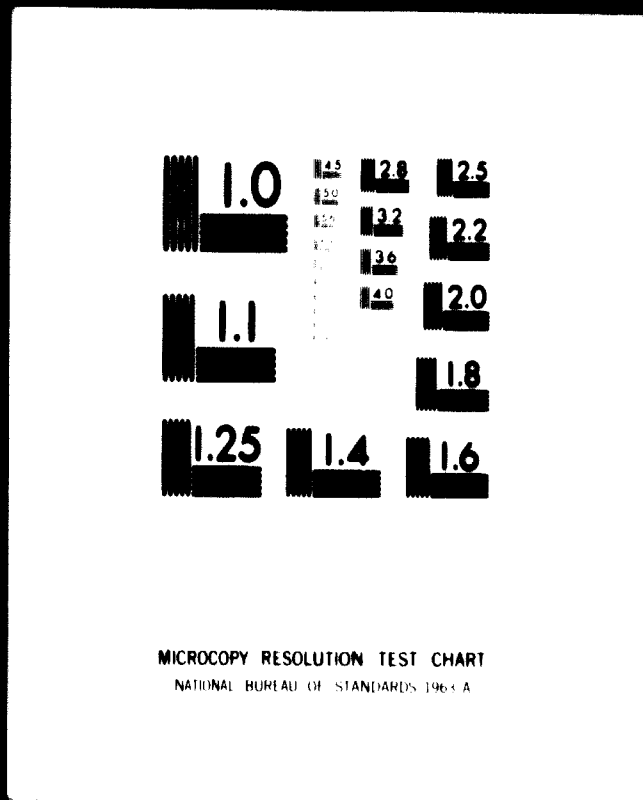
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Third Asian Meeting to Promote
Industrial Projects

Kuala Lumpur, Malaysia, 14-21 November 1973

Project Information Sheet

MANUFACTURE OF COCONUT COIR PRODUCTS

COUNTRY

Papua New Guinea

PROJECT

Manufacture of Coconut Coir Products

Total Investment: US\$ 357,000

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).

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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.

MANUFACTURE OF COCONUT COIR PRODUCTS

I. THE PROJECT

It is proposed to establish a new plant for the manufacture of coir bristle brushes, coir yarn textiles and rubberized coir. It is estimated that the plant will require a total investment of about US\$ 357,000 (including working capital). The project will be granted 5 years tax holidays commencing from the date of operation.

II. ECONOMIC ASPECTS

The project will create jobs and generate income for local people, earn foreign exchange from exports, contribute to the diversification of the economy as well as facilitate the utilization of local resources.

III. COMMERCIAL ASPECTS

Fifty per cent of the products will be absorbed by the local market and the remaining half will be exported to Australia and Japan.

<u>Estimated Profitability</u>	US\$
a) Total Sales Revenue . .	714,300
b) Direct manufacturing costs:	
Salaries and wages	145,700
Materials	278,600
Utilities	14,300
Factory overhead	14,300
Interest on loans	21,400
Contingencies	<u>5,000</u>
	479,300
c) Administrative expenses and sales costs	142,900
d) Depreciation (3 % buildings 7 % machinery)	<u>19,300</u>
	<u>641,500</u>
e) Profit (tax free)	<u>72,000</u> -----

IV. PHYSICAL ASPECTS

a) Land and Buildings

Land for the site will be available in a suitable area but buildings will have to be constructed.

b) Raw Materials

Coconut in quantities sufficient for the factory is grown in the country.

c) Labour

General Manager	1
Plant Engineer	1
Accountant	1
Typist	1
Clerk	7
Skilled labour	120
Semi-skilled and unskilled	30
	<u>161</u>

d) Infrastructure and utilities

The necessary infrastructure is generally available and so are utilities whose prices vary from location to location.

V. FINANCIAL ASPECTS

a) Estimated total investment

US\$

Fixed Assets

Land and site development	14,300
Buildings and ancillaries	46,400
Machinery and equipment (including delivery and installation)	214,300

Other Investments

Pre-investment costs (engineering, training, etc)	17,800
Start-up expenses and contingencies	28,600


Working Capital

<u>35,700</u>
357,100

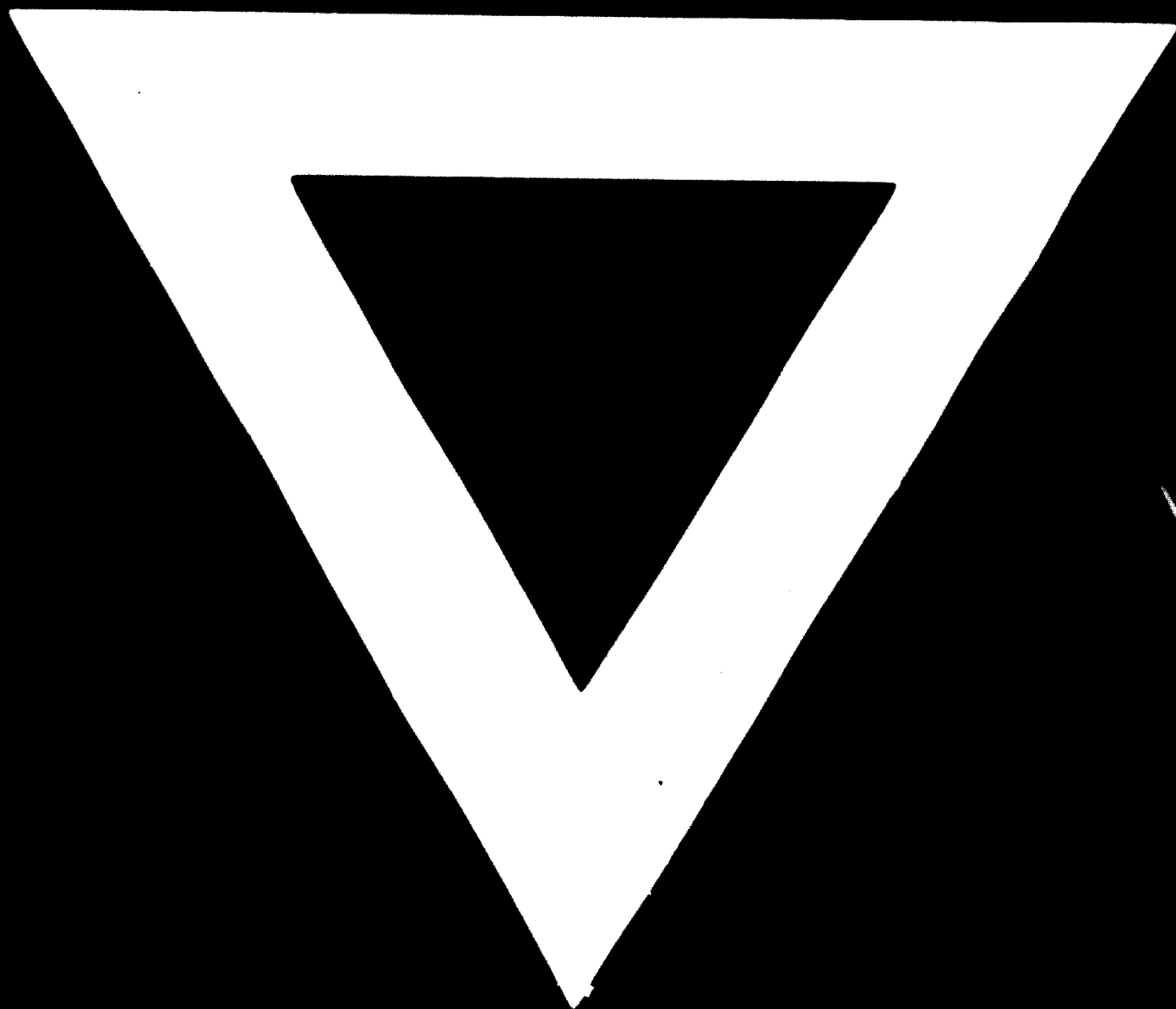
b) <u>Financing Plan</u>	US\$
Equity capital	107,100
Long-term loan	214,300
Supplier and other credits	<u>35,700</u>
	357,100

VI. OTHER RELEVANT INFORMATION

The proponent is The Department of Foreign Relations and Trade, P.O.Box 612, Port Moresby, Papua New Guinea. It is proposed that a new company should be formed for the execution of this project. Local participation in the equity of the new company should be 26 - 49 %, leaving 51 % to foreign partners. Of the local participation, the Investment Corporation of Papua New Guinea (a State owned organisation) would subscribe 20 % of the equity, leaving 29 % to other local participants.



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