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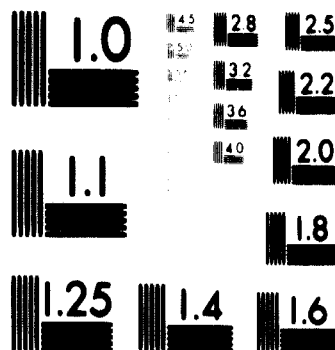
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Third Asian Meeting to Promote
Industrial Projects

Kuala-Lumpur, Malaysia, 14-21 November 1973.

Project Information Sheet

MANUFACTURE OF COTTON TEXTILE FINISHING MACHINES

COUNTRY

Pakistan

PROJECT

Plant to Manufacture Cotton
Textile Finishing Machines

Total Investment: US \$750,000

FOREIGN CONTRIBUTION REQUIRED

Equity

Know-how

Marketing

Sponsored by: The Economic Commission for Asia and the Far East (ECAFE), and the
United Nations Industrial Development Organisation (UNIDO).

id.73-5804

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 COTTON TEXTILE FINISHING MACHINES

I. THE PROJECT

It is proposed to establish a factory for the manufacture of 4 to 6 machines for cotton textile bleaching, dyeing and finishing. The total estimated investment is US \$750,000.

Incentives: This project will qualify for 3-4 years tax holidays; repatriation of foreign capital, dividends and fees earned for supplying technical know-how; and permission to pay by instalments customs duty on machinery.

II. COMMERCIAL ASPECTS

There is already sufficient demand for machines of this kind. At present these machines are being imported.

There is also promising scope for exports to neighbouring countries. The proposed plant will have no local competitors. The following are the proposed local prices per unit and comparative cost of imported counterparts:

	<u>Proposed Price Per Unit</u>	<u>Imported c.i.f. prices per unit</u>
	US \$	US \$
Open width bleaching machine	112,500	225,000
Mercerising machine	51,500	103,000
Cont. Dyeing machine	56,000	112,000
Hot Air Stenter	56,000	112,000
Blows Calander	35,500	71,000

There is already a concentration of textile industries in Pakistan. These will no doubt buy cheaper locally produced machines. Over 150 textile and other mills will require expansion, replacements and renovations.

III. PHYSICAL ASPECTS

(a) Land and Building

Three acres of land have already been acquired in Lahore. The building is expected to cover 20,000/25,000 sq. ft.

(b) Labour

Labour is available at the following wage rates:

Skilled at US \$2.50 per day

Unskilled at US \$1.25 per day

(c) Raw Materials

Major materials will be imported initially; but by 1975-76, the planned local steel plants are expected to supply the raw materials. M.S. plates are imported at US \$420 c.i.f. per ton, and stainless steel at US \$2,500. c.i.f. per ton both inclusive of import duties.

(d) Infrastructure and Utilities

All facilities for transportation are available, and so are all the necessary utilities at nominal rates.

IV. ECONOMIC ASPECTS

The importation of textile finishing machines is a strain on the already acute foreign exchange position. Hence the importance of the proposed project to the economy. The project will create new jobs and will supply finishing machines to over 150 local textile mills which are at present not fully equipped in the finishing process. This kind of project will also facilitate the development and expansion of engineering knowledge which already exist in the country.

V. FINANCIAL ASPECTS

(a) Proposed Investment

	<u>Local Currency</u> US \$	<u>Foreign Currency</u> US \$	<u>Total</u> US \$
Assets including pre-investment costs	350,000	200,000	550,000
Working capital	<u>200,000</u>	<u>-</u>	<u>200,000</u>
	<u>550,000</u>	<u>200,000</u>	<u>750,000</u>

(b) Financing

This is to be negotiated with interested parties.

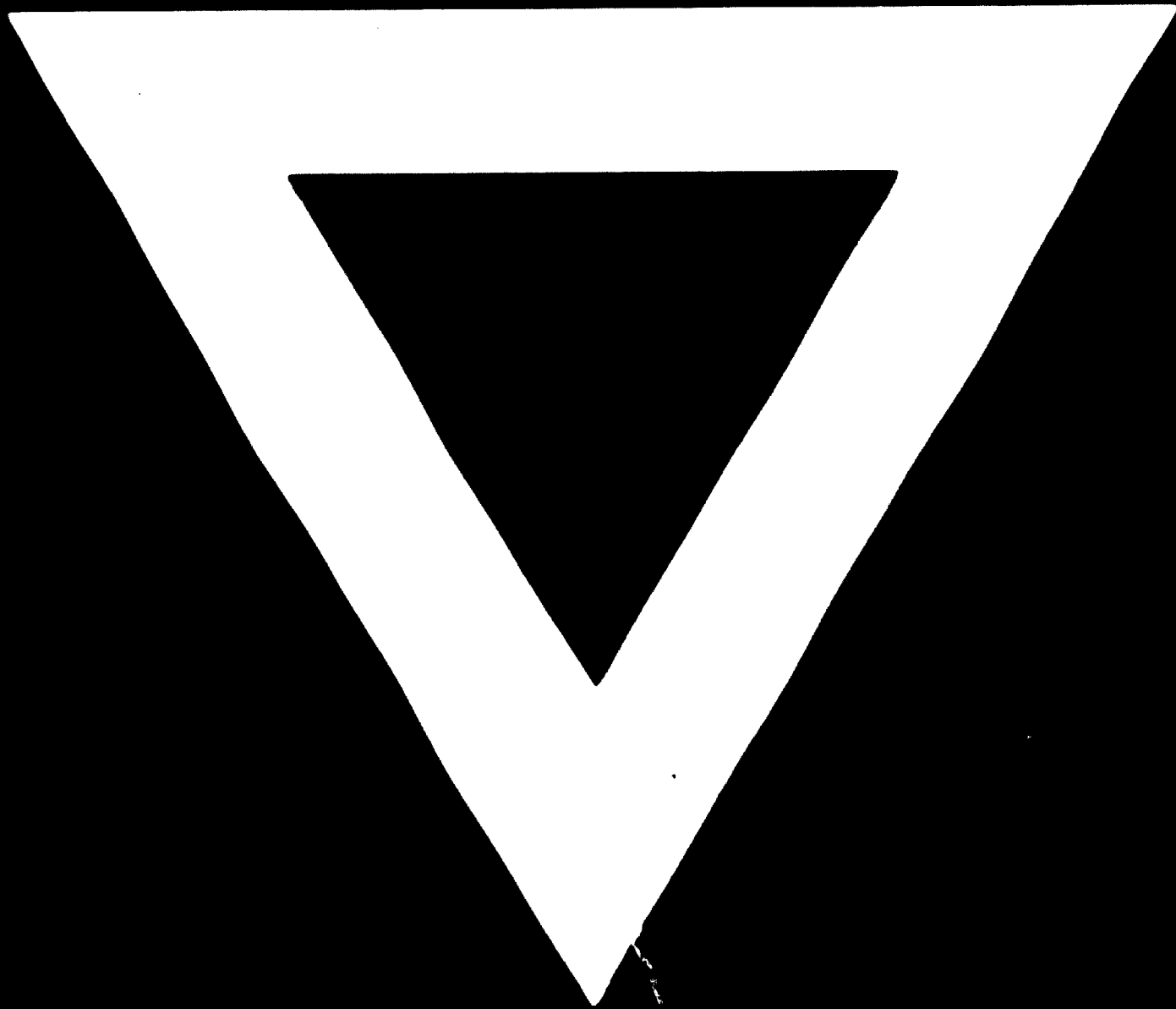
VI. OTHER RELEVANT INFORMATION

The proponent of this project is F.I. Fabrication Industrial Engineering, 128 G.T. Road, P.O. Maghalpura, Lahore, Pakistan. They have been engaged in this business for the last 15 years.

The formation of a public limited company is proposed for the execution of this project.



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