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*for a sustainable future*

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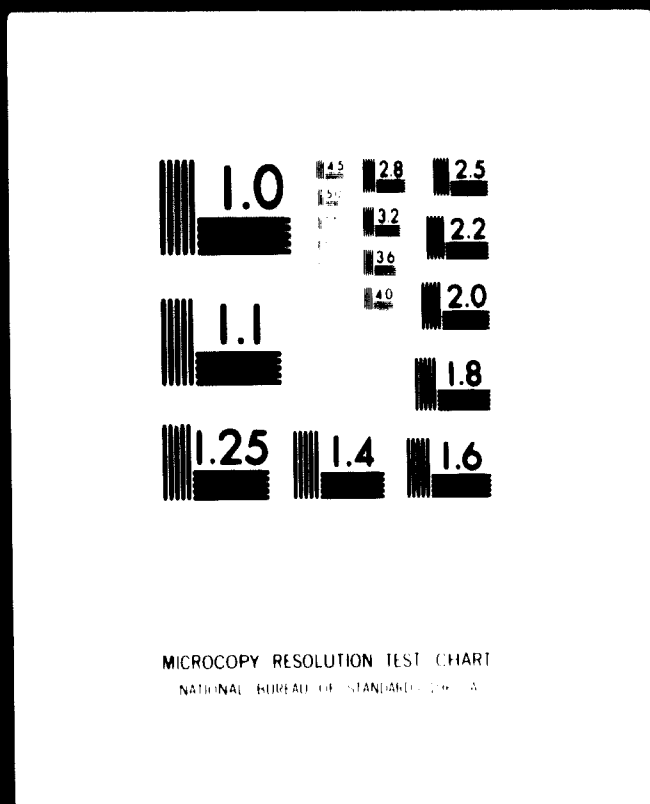
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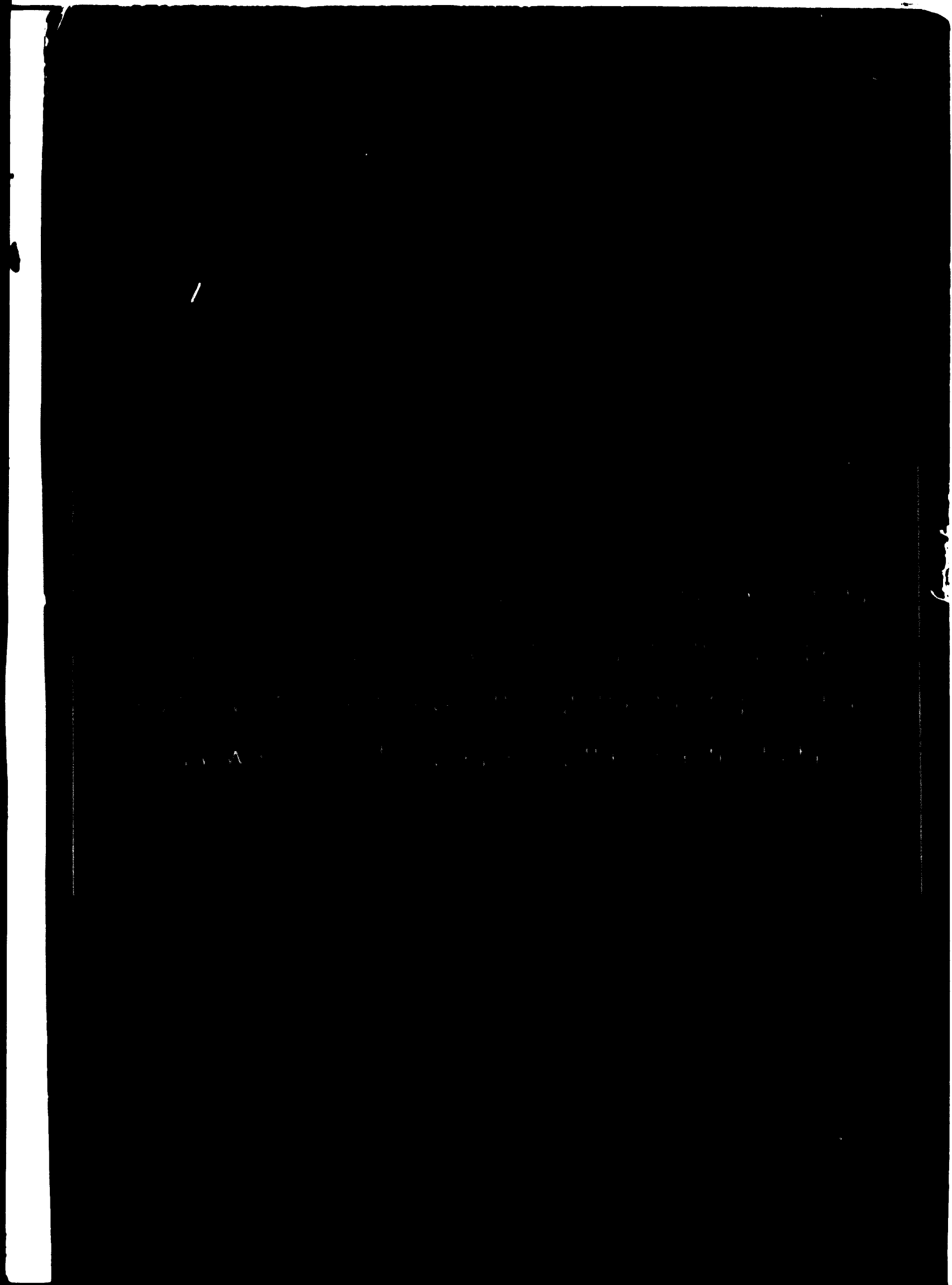
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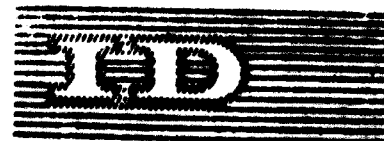


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Third Asian Meeting to Promote  
Industrial Projects

Kuala Lumpur, Malaysia, 14-21 November 1973

Project Information Sheet

INDUSTRIAL DRYERS, FURNACES AND COOLING UNITS

COUNTRY	Indonesia
PROJECT	Establishment of a plant to manufacture: - Industrial Dryers - Heat Treatment Installations and Industrial Furnaces - Refrigeration and Air conditioning equipment  Total Investment: US \$1,000,000
FOREIGN CONTRIBUTION REQUIRED	55% Equity participation of a total of approximately US \$800,000  Know-how  Technical management

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

INDUSTRIAL DRYERS, FURNACES AND COOLING UNITS

I. THE PROJECT

The project envisages either the establishment of a new plant or the expansion of existing facilities to manufacture three lines of products as follows:

- Industrial dryers for the processing of agricultural products;
- Heat treatment installations and industrial furnaces necessary for the production of bricks, rooftiles and tiles;
- Refrigerators for the fishing industry; and
- Household air conditioning equipment

The foreign partner is expected to provide technical know-how, either with or without a licensing arrangement.

Incentives

At least three years of exemption from income taxes and during this period duty-free import of production machinery and raw materials. In case of adequate volume and quality of output, the Government would consider prohibition of imports of similar products. Other incentives to new industries are listed in the country information sheet on Indonesia.

II. COMMERCIAL ASPECTS

Domestic demand for the above mentioned products - which have to be imported at present - is steadily growing. It is estimated that due to the low labour costs prevailing in Indonesia, locally manufactured equipment could be produced at a fraction of the costs for comparable imported products as in the case of industrial dryers, for at least 30% less. Although no relevant marketing data exists, a strong market is expected for industrial furnaces and refrigeration equipment.

The products would be sold through an existing network of distributors.

III. PHYSICAL ASPECTS

Plant Capacity

So far the plant capacity has not been determined and is open for negotiations.

Location

A site of about 12,000 m<sup>2</sup> was chosen near the center of Bandung which is situated approximately 180 km. from Djakarta. There is easy access to the main road leading to Djakarta and the railway station at Bandung. Fuel (at low cost) and water are adequately available. A generator would have to be installed to supply the necessary power.

Raw Materials

All raw materials and most of the semi-processed materials have to be imported.

Labour

Adequate labour is available locally. The requirements are as follows:

	<u>Monthly Wages</u> US \$
1 Top Manager	500 - 1,000
1 Engineer	200 - 300
2 Technicians	100 - 200
3 Commercial Staff	100 - 200
5 Clerks and Typists	50
3-4 Foremen	50
Skilled	20 - 30
Semi-skilled	15 - 20
Unskilled	15

IV. FINANCIAL ASPECTS

(a) <u>Estimated Total Investment</u>	<u>US \$</u>
<u>Fixed Assets:</u>	
Land, site development (already available 12,000 m <sup>2</sup> )	340,000
Buildings and ancillaries	48,000
Machinery and equipment (including delivery and app. 168,000,000 installation maximum)	400,000
<u>Other Investments</u>	
Pro-investment costs (engineering, training interest during construction, etc.)	48,000
Start-up expenses	24,000
Contingencies	24,000
Working Capital	<u>116,000</u>
<b>Total</b>	<b>1,000,000</b> *****

<u>(b) Proposed Financing Plan</u>	<u>US \$</u>
Equity capital available as land and buildings	340,000
Long-term loan for working capital	116,000
Supplier's credits for machinery	400,000
Other credits for other expenses	<u>144,000</u>
Total	<u>1,000,000</u> *****

Details of the financing plan are to be negotiated. Equity distribution is expected to be 55% foreign and 45% local.

V. OTHER RELEVANT INFORMATION

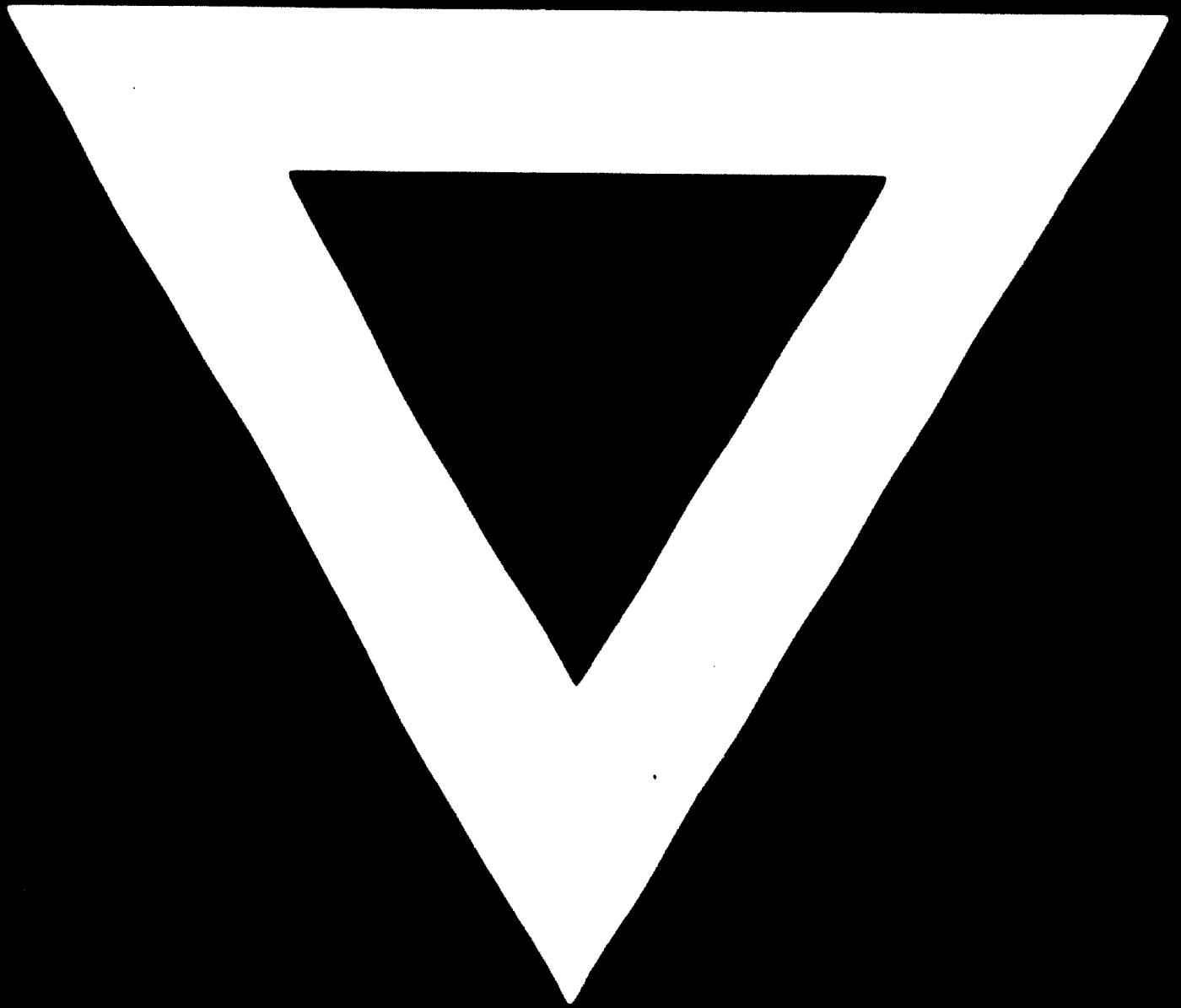
The project promoter is P.T. Kerta Laksana, P.O. Box 146, Jln. Jendral Sudirman 360, Bandung, Indonesia. Telephone: 51093, 51094, 2833. Cable: KERTALAKSANA BANDUNG.

The project promoter is a medium-sized manufacturer of machinery mainly for the local agricultural industry. He is also a joint partner of HYTEX Singapore for the manufacture of P.P. bags with production volume of 300,000 bags per month.





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