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Solidarity Ministerial Meeting
for Co-operation in the Industrial
Development of the People's Democratic
Republic of Ethiopia

Addis Ababa, November 1990

PROJECT PROPOSALS FOR INDUSTRIAL CO-OPERATION*

prepared by

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* The views expressed in this paper are those of the author and do not necessarily reflect the views of the Secretariat of UNIDO. This document has not been edited.

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I. INTRODUCTION

The Solidarity Ministerial Meeting for Co-operation in the Industrial Development of the People's Democratic Republic of Ethiopia, to be held in Addis Ababa late in 1990, is conceived precisely to contribute to the overall economic development of the country. Its main objective is to stimulate co-operative arrangements to help implement the project proposals and obtain the changes expected to result from successful application of the target of the outputs produced by these arrangements: to mobilize the other developing countries and financial institutions support for the industrial development and economic growth in Ethiopia.

The present economic, social, infrastructural and political conditions of Ethiopia are quite different from those existing in other least developed countries. Its base of resources is relative and not enough explored, natural disasters influence is high, environmental degradation is increasing, especially in agriculture sector, the economy is dependent in a high degree on few products, important sections of population, predominantly rural, being isolated and at a low income level.

Moreover, an important number of basic factors affecting the Ethiopian economy are, in fact, out of the Government reach such as: prices of raw materials, loan interest rates and foreign debt service charge, protectionist action, natural disasters a.s.o. Such difficult situation entangled practically all LDC's and in many African countries the structural adjustments did not achieve their objectives.

The Government of Ethiopia has courageously embarked upon policy reforms, currently undertaking a full swing process of radical measures with a view to enhancing economic efficiency and mobilizing the admittedly limited internal resources at its disposal.

While much still remains to be done by both the Ethiopian Government and the international community, UN system included, there is no doubt that awareness of the special problems and requirements of Ethiopia in the industrial sector has become more manifest than in the past.

The success of the follow-up of this country meeting will depend on comprehensive and consistent action based on three equally important principles: full and efficient mobilization by the host country of its national resources, strengthened partnership between Ethiopian promoters/sponsors and their development co-operation partners and the supply by these partners of the necessary foreign support in adequate volumes and terms. Such a support could be in the form of technical assistance, grant, joint-venture and direct investment, training and transfer of technology.

On the basis of these guiding principles and of the new economic policy measures taken by the Ethiopian Government, the foreign invited partners - from either the developing countries or international financing institutions attending the Solidarity Meeting - should give their thorough consideration to the project proposals submitted by national promotors/sponsors and allocate together necessary resources optimally therein. In this respect, priority should be given to those projects in the key sectors such as private small-scale industry promoted by HASIDA, and state/public industrial development of chemical, textile, metal works and leather and shoe industries sponsored by the respective national corporations.

Special attention is to be paid to technical assistance and training components and marketing aspects of the proposed projects as well as to their function of technology transfer and environment management. In undertaking the projects, interlinkage function need to be built between productive, service and infrastructural activities, and, perhaps most of all, between the foreign exchange earnings component of those projects and the rest of the national economy, in both public and private sectors.

Export promotion and diversification is to be actively pursued under each of these projects, a policy objective which calls not only for concrete measures to enhance international competitiveness, but also to foster their respective selected activities based on a modern export promotion strategy.

Official and private financial flow towards the industrial development projects proposed have to be enhanced orienting their foreign assistance to respond not only to the individual foreign and national partner's own perceptions and interests, but also to the particular priorities of each project within the context of the entire Ethiopian economy through their interlinkage effect.

In approaching the attached project proposals, attention should be given to the fact that their implementation has to contribute - no matter how modest - to the economic restructuring programmes in which they were conceived and promoted as part of the new policy reform currently applied in Ethiopia.

II. NEW INDUSTRIAL STRATEGY: EXPORT PROMOTION

The new policy reform promoted by the Government is mainly aiming at improving the efficiency of resource allocation and increasing the growth rate of the GDP by stimulating export production. The ultimate aim of the economic changes called for by this policy reform is the steady improvement in the standard of living of the fast growing population.

Within this context, important tasks lie ahead of the manufacturing sector of the economy. Thus, the new industrial strategy will be based on export promotion measures to bring about substantial increase in domestic production of this sector and to provide enough incentives enabling exports to grow rapidly.

Ethiopian industrial sector potentialities for development are considerable: abundant and easily trainable labour in productive occupations, low labour costs, high rates of capacity utilization and successful export performance of the public enterprises, very good economic management offer enough premises for increasing manufactured exports. A considerable potential in this respect belongs to the small-scale industries from the private sector.

Encouraging prospects for growing industrial production exports include especially the leather and shoe, textile, chemical and partly food processing subsectors, all labour intensive and with locally available raw materials.

The new economic measures of the Government provide for improving the regime of trade, stimulating the export production and promoting investment in both public and private sectors.

At present, the manufacturing sector has a relatively limited industrial base and contributes 8.5 per cent of GDP (in 1986), with average growth rates of 5.8 per cent, higher than any other sector of the country's economy.

In 1938 the manufactured exports in terms of percentage of total merchandise goods exported reached the highest level ever of almost 22 per cent. However the industrial sector growth rate decreased in the last years to above 3 per cent annually, with lower rates in the private sector. This decreased rate was mainly due to foreign exchange shortage.

The new policy and legislative measures facilitate substantially promotion of foreign and domestic investment, both in public and private industrial sector.

Thus, according to a special Decree no. 9/1989 published on 5 July 1989, co-operatives, business organizations and individual entrepreneurs may establish small-scale industry with the capital ceiling of 2 million Birr for an individual entrepreneur and 4 million for a co-operative or a business organization. There shall be no capital ceiling for co-operatives to reconstruct or expand their small-scale industries. The regulations provide for exemption from custom duty for the purpose of initial establishment, reconstruction or expansion of a small-scale industry. At the same time, exemption from income tax is provided for a period of four years starting from the date of commencement of production.

According to another special Decree no. 11/1989 published on 5 July 1989, joint ventures may be formed to undertake activities which introduce technologies and know-how, have positive foreign exchange impact and create employment opportunities in the country. However, in areas such as electric light and power, water supply, banking and insurance business, retail trade, transport and communications joint ventures are not permitted unless the Council of Ministers decide otherwise.

A foreign investor in a joint venture may contribute in any of the following forms: cash contribution in convertible currency and investment goods, while a domestic investor's contribution may include buildings facility, machinery and tools, vehicles, construction materials, services and rights on the use of land and local currency.

The ratio of capital contribution of domestic and foreign investors shall be assessed in Birr and shall be fixed in the joint venture agreement, subject to approval by the State Committee.

As the Government's economic policy is currently under a continuous process of evolution, its guidelines are gradually but surely translated into legislative action. As a matter of fact, all sectors of the economy are in a thorough review and new legislation is issued or contemplated to be issued in a very near future covering institutions and resources - both human and physical economic planning, agriculture, industry, financing, banking, mining, energy, trade and taxation.

By the end of April this year, the limitation of the capital ceilings in small-scale industries and joint venture arrangements was removed by policy decision and remained to be put in a regulatory form accordingly in a short time. Another number of economic policy actions are to follow to further liberalize the present legislative framework, to increase fiscal incentives, remove or substantially diminish restrictions on foreign currency allocation and investment, encourage higher rates of capacity utilization, stimulate productivity and modernize economic management.

A Special Decree of the State Council was issued in early May this year elaborating the fields of activity with no limitation on capital investment for the private sector.

Another similar Special Decree revised the Proclamation on Taxation of all sources of income, encouraging private investors and giving them greater opportunity to participate in all activities contributing to economic development of the country.

Under these new favorable conditions the private sector and especially the small-scale industries are expected to flourish and bring about considerable economic returns.

The public enterprises, which will continue to form the majority of the industrial productive sector in the near future, will be rationalized. They will undergo strict revision to make them efficient and able to be run autonomously both financially and economically on the basis of free initiative and competitiveness.

Consequently, their contribution to the development and growth of the Ethiopian economy is expected to increase considerably. They have good prospects being restructured to become mainly or even exclusively export oriented on the basis of limited imports and widely available raw materials. Outstanding prospects will have in this respect leather, textile and other agro-based or related industries.

III. EXPORT DEVELOPMENT POLICY

The new industrial strategy is to be implemented by appropriate economic policy measures enabling to create a favorable regulatory framework. In order to do this, the Government is currently working on applying the major economic adjustment policies already announced in various connected areas, e.g. action to modify accordingly the present exchange and trade regime and introduce highly stimulative incentives to industrial sector. Through such action, the currently predominant economic strategy of import substitution will be replaced by export promotion strategy, easing access to imports by providing import duties instead of restricting quota or foreign currency limitation and stimulating exports via adequate tariffs instead of exports subsidies.

In this way, the Government wants to considerably increase foreign currency earnings and improve investment for both public and private industries.

Trade liberalization is sought to replace the gradual move of the rate of exchange from its present over value to the market level. Later on, the price control is to be eased and gradually removed in close inter-relation with adequate measures to limit inflation and liberalize the imports.

As a direct result of the economic policy reform introduced last March to encourage competitiveness, private initiative and investment climate, confidence building measures for both internal and foreign potential partners have been taken, increasing their creadibility in small-scale business in Ethiopia. Legislative action is currently under way to remove legally investment ceiling, facilitate licencing and stimulate private investment by fiscal and financial incentives.

Putting into practice its firm desire to rapidly develop industrial exports, the Government is already acting to create an export processing zone (EPZ) and allow industries to take advantage of bonded warehouses incentives. They want thus to attract foreign investors especially in the field of clothing manufacturing due to low cost of local labour and unrestricted access to the common market countries via Lomé Convention. In another move to encourage the private entrepreneurs, the Government lifted licencing restrictions and offered incentives to local investors. Subsequently, Handicrafts and Small-Scale Industries Development Agency (HASIDA) was approached - on the basis of the respective special decrees of July 1989 - by more than 1,400 private entrepreneurs to apply in less than five months.

With a view to assist the local investors to avoid complicated procedure to acquire land for their small-scale industries, 30 special industrial estates are to be open for the private sector similarly to the first one inaugurated in December last year in Addis Ababa area.

In as far as the public sector enterprises are concerned, the new policy reform is to be applied depending on the present efficiency of each unit, through practical measures to improve management, modernize training, increase autonomy and confer greater authority both economically as well as financially.

IV. OPPORTUNITIES

A. THE NATIONAL LEATHER AND SHOE CORPORATION - NLSC

It is a public company co-ordinating - under the supervision of the Ministry of Industry - fifteen leather products factories: eight leather factories, six shoe factories and one leather goods factory. Most of them are concentrated in Addis Ababa area, where eight tanneries are also located.

The number of employees has at present reached already 7,500, while the export of hides and skins is the second foreign exchange earner next to coffee.

The development of livestock resources of Ethiopia will enable also a further development to the leather and shoe industry sub-sector. The prospects of this industry are very good taking into account that the country stands first in Africa and tenth in the world with its livestock of 27 million heads of cattle, 23 million sheep and 18 million goats.

From the total of earnings of the NLSC, more than one quarter is obtained in foreign exchange.

Usually, leather products supplied to the market include ready made shoe uppers, shoes, gloves, bags, jackets and pants, sofa covers and others. As regards shoe factories, there are over fifty of which 40 small-scale centres and 10 are large-and-medium-scale industries with a total capacity over 5 million pairs per year.

The good prospects of the leather industry sector are identified owing to the great demand for leather items and shoes in the international market as well as to the NLSC's sustained endevours to introduce new technologies in this sector and to raise the manpower skill level.

Taking all implied factors into consideration, specialists' studies estimate that the present foreign exchange earnings could be easily increased six times if more value would be added to the leather goods by an upgraded manufacturing process instead of exporting raw leathers.

Consequently, new projects are now initiated to develop the leather industry both in public and private sector including modernization of the existing tanneries, building new ones, expansion and technological upgrading of the existing leather goods and shoe factories as well as implementation of new small-scale projects under HASIDA and NLCS.

B. DEVELOPMENT OF LIVESTOCK RESOURCES

Agricultural sector will continue to remain the backbone of the national economy, with 85 percent of the population depending on this sector, the largest share of GDP and over 65 percent of the export earnings.

As a matter of fact, agriculture constitutes the crucial sector for the social and economic development of Ethiopia, due to important functions it plays: food production, substantial employment opportunity, major source of raw materials for industry, primary contribution to foreign trade and capital accumulation as well.

That is why, the recent economic reform is placing great attention on agriculture and new policy measures have been taken or are currently in the process to consolidate and even increase the contribution of this sector to economic development and growth of the country.

In this respect, besides the coffee production sub-sector, which is the chief earner of foreign exchange and provides livelihood for seven million people, the development of livestock resources has a significant importance for the country's economic growth.

Recent strategies designed to increase coffee production and improve its quality coupled with better price regimes would certainly consolidate and stabilize the basic contribution of this sub-sector to the development of economy.

Along with other important potential agricultural sub-sectors - as oil seeds and textile products - hides and skins could play a primary role, coming only the second to coffee in the country's foreign exchange earning.

Therefore, the main issue at stake is better and more intensive utilization of such an important resource since it is now widely recognized that the livestock sub-sector has not been well developed, especially in terms of its considerable resources.

C. IMPLEMENTATION OF NEW AGRICULTURAL POLICY

The new economic policy measures have removed institutional and other bottlenecks in the process of exchange of some food grain items, thus opening long term prospects for improvements in the farming sector. At the same time, they are bringing already short-term positive results on purchasing and selling prices of agricultural products.

The officially fixed prices of some of the most important agricultural commodities have been replaced by the vital market mechanisms of supply and demand generally tending to decrease prices. This change is to bring benefits to both consumers and producers.

Based on the recognized principle that any significant improvement of the economic situation could come primarily from the development and growth of the agriculture, the new economic policy attaches particular importance to rural economy and especially to the private sector which shares the bulk of the consumption needs.

The new economic measures have encouraged private investment to operate freely in the farming sector enabling producers to have enough incentives to produce better quality agricultural goods and in greater quantities to cover both domestic market demand as well as export needs.

The joint venture arrangements introduced by Proclamation 32/1989 and the introduction of foreign agro-industrial enterprises will certainly enhance investment in agricultural sector; generate considerable employment opportunities and, perhaps most significant of all, facilitate application of modern farming technologies and raise agricultural productivity.

As the country's high potentials in agricultural resources provide good prospects for future development of rural economy, the new economic measures could only have strong and beneficial impacts for the entire economy by stimulating home and foreign investors to take advantage of most favourable conditions for investment.

D. TECHNOLOGY DEVELOPMENT

As regards the technology transfer and development as an important factor of development and growth of the Ethiopian economy, the first National Conference on Science and Technology, held in June 1988 in Addis Ababa, identified the needs and defined the role to be played by science and technology in the national development process. On this occasion the Science and Technology Priority Programmes of the industrial sector were adopted to include, among others, particular attention to the development of technological capabilities in food, textiles, leather and agricultural machinery and equipment; the creation of capacities for the production of inputs that are critical to the development of the agricultural sector; and capability building and development of the chemical industries with special emphasis on agro-chemicals.

Following the recommendations of the same conference, the Ethiopian Government has already embarked upon the preparation and formulation of a National Science and Technology Policy Document which reflects how these priority programmes will be dealt with over the long term.

UNIDO has contributed to these efforts of the Government with a package of assistance upon its request. Thus, it organized and sponsored, late last year, in close co-operation with the Ministry of Industry, a National Workshop on Technology Policy focusing on Technology Acquisition and Negotiation. The main objectives of the workshop consisted of providing inputs to the industrial science and technology policy formulation as well as to expose and create awareness among Government officials and business quarters alike on the various issues and problems arising during the various stages of technology acquisition and negotiation with recommendations on how to cope with these issues.

UNIDO has extended services in the organization and conduct of a second national workshop in the second half of 1990, which supported the finalization and adoption of the National Science and Technology Policy Document integrating the contibution of the Government officials, representatives of R and D centres and specialists from universities.

In this way, important elements of technology policy and planning, awareness building, training assistance and specialists support was incorporated in the Industrial Science and Technology Policy of Ethiopia to be followed within the country's new economic policy measures for development and growth. Such a policy will integrate the major contribution of Science and Technology at the national co-ordination level to the process of the economic development of the country.

At the same time, the Government of Ethiopia intensified its preoccupation to improve the technological institutions and national expertise enabling them to cope better with evaluation, acquisition, negotiation, transfer and development of technology within the national technology policy framework.

E. WATER RESOURCES SECTOR

The use of water resources is expected to increase much over the next decade for a number of reasons: population growth, the expansion of the irrigated agriculture for the purpose of increasing agricultural output, the forseeable development of rural and urban water supply schemes and the expansion of water consumption in industrial activities.

At present, only 130,000 hectares of land are currently under formal irrigation, yet the land and water resources would permit to irrigate at least 20 times this area.

The development of water resources would increase agricultural production, establish a basis for industrial expansion, create employment opportunities, aid in the control of floods and sedimentation, enhance the preservation of fish, wildlife and the country's rich heritage.

Out of the country's area of 122 million hectares, 15.74 million hectares are cultivable. Taking into account the Ethiopia's population growth, current estimates suggest that about 3 million hectares are necessary to be developed on a large-scale irrigation scheme. Up to now only 130,000 hectares are under large-scale irrigation system mainly in the Awash Valley. Four dams have already been completed in order to expand irrigation development activities with African Development Bank assistance.

V. FINAL REMARKS AND CONCLUSIONS:

The prospects of the industrial sector of the economy are promising, the manufacturing industries having great expectations from the recently initiated policy reform, currently under implementation.

The new economic policy measures taken by the Government have laid down as their major objectives the gradual disengagement of the state from direct management and tight supervision of the public economic enterprises as well as the resolute promotion of the private sector.

Consequently, the Government is involved, among other things, in two basic categories of action arising from the establishment of two main types of projects:

a) primarily, the implementation of a public investment programme, currently under finalization, intended essentially for the setting up of infrastructures in the field of mining, energy, oil, transport, communications, water resources, education and public health, and also activities bound up with revitalizing and improving the efficiency of the public economic enterprises and agricultural farm system;

b) secondly, the promotion of small-scale industrial projects both in public and private sector to increase their contribution within an export-oriented industrial strategy for economic development and growth.

To take advantage of this spirit of enterprise, and the rapid increase in the number of sponsors and submissions of project profiles - especially in the private sector, the promotional services are calling for a considerable strengthening of the assistance given by sponsors at all stages of the project design, execution and operation with particular attention to the private sector projects.

Consequently, in response to Ethiopia's present needs of economic development and growth, the solidarity of the various countries and the international agencies invited should not only be actively and concretely manifested in the context of the selected projects but also focused on the necessary assistance for the development of services of promotion and investment support bodies.

In order to submit projects which are compatible with the spirit and goals of the Solidarity Ministerial Meeting, the selection of the proposed projects has been made according to the following basic criteria:

- the technologies involved in the projects should be available and already mastered in the invited countries;
- local inputs, particularly raw materials are to be included to the largest extent possible in the projects;
- export promotion has to be the main aim of the projects;
- preliminary opportunity or even feasibility studies should be made available enabling the projects to reach a certain level of maturity;
- the identified sponsors should be able to invest a reasonable proportion of their own funds to finance the projects.

Prior to the submission of the attached 53 projects selected, it would seem worthwise to present some general information on the opportunities for co-operation and investment in Ethiopia. Such opportunities are based on locally available resources, national demand for increased foreign exchange earning, hence export production in the small-scale industries as well as the need to cover certain basic domestic requirements in the country.

The new investment policy proposes a non-exclusive list of priority subsectors in the small-scale industries:

- chemicals;
- textiles;
- leather and shoes;
- metal works;
- food processing;
- other agro-based or related industries.

The country's new economic policy for the development and growth has good prospects owing to certain comparative advantages Ethiopia enjoys: considerable size, geographic location, important human and natural resources,and perhaps one of the most significant factor of development - relatively high level of competence in general administration and management. These particular features as well as its present good financial situation offer Ethiopia favorable conditions for the implementation of the new policy reform of the Government aiming at raising efficiency through better use of human and physical capital and improvement of available technologies, enabling the country to move to a higher growth rate of the economic development in the medium and long range prospectives.

PROJECT NO. 1

1. **TITLE OF PROJECT:**

Agriculture Irrigation/Drainage U-P.V.C. Pipes & Fittings Manufacturing Plant.

2. **SPONSOR:**

National Chemical Corporation - NCC.

3. **LOCATION:**

Ethiopia Plastic Factory, Addis Ababa.

4. **OBJECTIVE:**

The main objective of the project is the establishment of a PVC pipes & fittings manufacturing facility as a result of which the distribution of potable water in urban areas is enhanced (plus drainage system) and savings in foreign exchange is realized.

The establishment of the project will also result in other important indirect objectives:
- Increasing the output of crops (as a result of usage of irrigation) thus having linkage to the agricultural sector;
- Transporting of potable water and drainage in rural and urban areas: having linkage to Ethiopian water supply and sewerage disposal for Addis Ababa:
- Use of calcium carbonate which can be available from the New Caustic Soda Plant as a linkage to the mining industry (for the major ingredient for manufacturing caustic soda are lime and soda ash).

5. **CAPACITY:**

3,389 tons of U-PVC per year when full capacity production will be attained.

6. **ESTIMATED COST:**

The project calls for a total investment of Birr 23.22 million or about $US 11.2 million of which Birr 16.05 million is in foreign currency or about $US 7.7 million.

7. **JUSTIFICATION:**

The project is justified both by growing internal needs and import substitution. Ethiopia's requirement of pipes both for potable water distribution and sewerage lines is met through imports of mainly steel but also some PVC pipes.
The production of U-PVC pipes and fittings is one of the viable projects indicated in a comprehensive plastic survey on which basis a feasibility study has recently been accomplished. This detailed study also proved the viabililty of the project both economically and financially.

The market covers the following categories of PVC pipes:
- PVC pipes for potable water;
- PVC pipes for agricultural irrigation;
- PVC pipes for sewerage and
- Fittings for PVC pipes.

8. BENEFIT:

The ultimate benefits of the project will consist of:

- improved health (as a result of getting pure pipe born water);
- transporting of irrigation water to require site;
- employment opportunities for 105 persons;
- strengthen technological capabilities.

9. CO-OPERATION NEEDED:

The sponsors of this project have good experience in plastic manufacturing. They propose to become actively involved in manufacturing also UPVC and PVC pipes and fittings. This new production facility will be accomodated in Ethiopia Plastics Factory, in Addis Ababa, one of the two plastic plants under the National Chemical Corporation. They are looking for medium-term loan to cover foreign currency for machine purchase, and other needs. Technical assistance in training for technical and production personnel, quality controllers, expert deputation and study tours is also sought. A foreign partner in a position to procure this financing could be associated with them within the context of a joint-venture. The present regulations provide that foreign participation shall be fixed in the joint venture agreement.

10. RESEARCH AVAILABLE:

A comprehensive plastic sector survey was prepared. Based on that, a feasibility study has recently been accomplished. As a result a pre-investment study could be easily done on the basis of the findings and conclusions of both survey and feasibility studies mentioned above. A detailed project document is also available.

Annex to Project No. 1

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(Area of 2,446 M^2 available)		
2.	Land development	-	-	-
3.	Construction	1.1	2.5	3.6
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	2.4	9.0	11.4
6.	Non-productive equipment			
	Vehicles	0.1	0.1	0.2
	Offices	0.01	0.01	0.02
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training	0.04	0.06	0.1
10.	Studies, engineering and assistance	0.3	0.1	0.4
11.	Primary establishment costs	0.12	0.08	0.2
	Sub-total	4.07	11.85	15.92
12.	Miscellaneous and unforeseen expenditure (in %)	-	-	-
	Total or in $US rounded to	4.07	11.85	15.92
13.	Total capital assets in $US ($US 1 = Birr 2.07)	2.0	5.7	7.7
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL	3.0	4.2	7.2
	REVOLVING FUND IN $US	1.5	2.0	3.5
	FINANCING NEEDED (in $US)	3.5	7.7	11.2

PROJECT NO. 2

1. **TITLE OF PROJECT:**

   Sulphonation Plant.

2. **SPONSOR:**

   National Chemical Corporation - N.C.C.

3. **LOCATION:**

   Sulphuric Acid Plant (under construction) located in Addis Ababa.

4. **OBJECTIVE:**

   The objective of the project is to produce dodecylbenzene sulphonic acid or DDBSA which is the basic raw material for the detergent industry. The product is obtained from the aromatic linear hydrocarbon called dodecylbenzen or DDB through the process described as sulphonation.

5. **CAPACITY:**

   Since expert estimation for the DDBSA local market is now about 2,000 tons per year, this quantity has been selected to be obtainaed in 3 shifts. The full capacity will be attained within 3 years.

6. **ESTIMATED COST:**

   The project calls for a total investment of Birr 4.46 million or about $US 2.15 million, out of which Birr 3.2 million is in foreign currency or about $US 1.56 million.

7. **JUSTIFICATION:**

   The existing detergent plants under N.C.C. are to small to satisfy the growing national demand for detergents. At the sulphuric acid plant, now under construction, oleum (SO3) is produced. This could make the operation of a sulphonation unit so much handy and with an overhead very much reduced.

   The laboratory office complex, transformer house, resident buildings etc. will be readily available with the existing plant.

   The unit will produce DDBSA from DDB through sulphonation process, thus providing the raw material for detergents. Other products like natural or synthetic lauryl alcohol could also be used with the same equipment.

   Some of the sulphonated derivatives of aromatic compounds are tanning agents, intermediates for preparing dyes, pharmaceuticals, auxiliary products for textile and leather industry, ion exchange resins, phenolic compounds, emulsifiers, etc.

   The project is considered necessary and viable while the main market is local. Until the capacity is fully utilized by the local market, the difference is expected to be exported thus gaining foreign exchange.

   At the same time, the plant having the right linear hydrocarbon input can produce sulphonate for other purposes like ion exchange resins. Since these resins are imported in some quantity, another advantage of the project will be to substitute this import and save foreign exchange accordingly.

8. **BENEFIT:**

The economic analysis shows that the project will have net foreign exchange effect. Employment opportunity will be provided for 33 people.

Backward linkage effect will be also secured. The implementation of the project will also strengthen local technological capabilities and improve health situation through raising hygienic level. hence the living standard.

9. **CO-OPERATION NEEDED:**

- Loan covering the foreign cost of expert assistance.
- Manpower training and study tour financing.

The project sponsors are also open to revising this approach. doubling and tripling the plant capacity so that export potentials are more fully exploited. In this case joint venture possibility could be considered.

10. **RESEARCH AVAILABLE:**

A detailed project document is available as well as opportunity study. A feasibility study will be completed before the end of 1990.

Annex to Project No. 2

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land (in 3)			
2.	Land development	0.040	-	0.040
3.	Construction	0.507	-	0.507
4.	Connections: (in 3)			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	0.384	1.520	1.904
6.	Non-productive equipment) (included in 5)			
	Vehicles)			
	Offices)			
	Storage and miscellaneous)			
	Maintenance and insurance)			
7.	Transport and insurance)			
8.	Assembling)			
9.	Training)	0.068	0.225	0.293
10.	Studies, engineering and assistance)			
11.	Primary establishment costs)			
	Sub-total	0.999	1.745	2.744
12.	Miscellaneous and unforeseen expenditure (10 %)	0.099	0.175	0.274
	Total or in $US rounded to	1.098	1.920	3.018
13.	Total capital assets in $US ($US 1 = Birr 2.07)	0.530	0.928	1.458
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL or in $US Rounded to:	0.120 0.058	1.320 0.638	1.440 0.696
	REVOLVING FUND IN $US			$0.696 million
	FINANCING NEEDED (in $US)			$2.154 million

PROJECT NO. 3

1. **TITLE OF PROJECT:**

Chlorine and Chlorine Based Chemicals Production Facility.

2. **SPONSOR:**

National Chemical Corporation - NCC.

3. **LOCATION:**

Nazareth area (90 km from Addis Ababa).

4. **OBJECTIVE:**

The objective of the project is the establishment of a chlorine and chlorine based chemicals production facility starting from common salt and lime/limestone.

5. **CAPACITY:**

Plant capacity is as follows (tons/yr)

- Bleaching powder Ca(OCL)2.........2.500
- Solution of the above (calcium hypochlorite solution)...........11,000
- Sodium hypochlorite solution..... 200
- Hydrochloric acid................. 250
- Caustic soda..................... 2,715
- Chlorine........................ 675

Important reminder: The capacity of the electrolytic plant could be increased to meet the HCl requirements of a PVC plant based on acetylene, if the PVC via this route is found to be feasible.

6. **ESTIMATED COST:**

The project calls for a total initial investment of $30.5 million out of which $22.7 million is in foreign currency.

7. **JUSTIFICATION:**

The market is mainly for the local industrial and household use. There is a potential for the export of caustic soda bleaching powder. However, the proposed plant capacity (which can be revised to higher level) is based on the assured domestic market.
At present, the demand for various Chlorine based chemicals is picking up (being witnessed by the shortages in the market and exorbitant prices when they are available). A few of these are:

- Sodium hypochemite for both household and industrial uses;
- Calcium hypochlorite for water treatment;
- Caustic soda as an input with a fast growing demand;
- Hydrochloride acid as an industrial import.

The economic viability of the project is shown by an opportunity study done for a relatively small plant. This project seeds to be promoted mainly because all the raw materials are of local sources (common salt and limestone) and the nation's immense potential in hydro-power. Its financial viability will be improved if the electrolytic plant capacity is raised and/or the electricity tariff is further reduced.

8. **BENEFIT:**

Its implementation will generate on employment opportunity for about 230 people; save foreign exchange through import substitution; strengthen local technological capabilities.

9. **CO-OPERATION NEEDED:**

As the project heavily relies on foreign exchange availability, outside sources are needed to cover the foreign exchange component of the project (loan, joint venture, etc.).
Technical assistance is also needed through the deputation of expatriates during commissioning and first year of production and training of local personnel to run the plant.

10. **RESEARCH AVAILABLE:**

An opportunity study (done for a relatively small plant) showing the economic viability of the project is available.

Annex to Project No. 3

('000 US Dollars)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	221	-	221
3.	Construction	2,024	800	2,824
4.	Connections:			
	Electricity)			
	Compressed air) (included in 3)			
	Telephone (3 & 4))			
5.	Productive equipment	4,068	18,000	22,068
6.	Non-productive equipment)			
	Vehicles) (included in 5			
	Offices)			
	Storage and miscellaneous)			
	Maintenance and insurance			
7.	Transport and insurance	620	1,200	1,820
8.	Assembling)			
9.	Training)			
10.	Studies, engineering and assistance)(included in 7)			
11.	Primary establishment costs)			
	Sub-total	6,933	20,000	26,933
12.	Miscellaneous and unforeseen expenditure (10 %)	700	2,000	2,700
	Total	7,633	22,000	29,633
	or in $US rounded to			
13.	Total capital assets in $US ($US 1 - Birr 2.07)	7,633	22,000	29,633
	REVOLVING FUND			
	1. Wages and salaries)			
	2. Basic raw materials)	182	748	930
	3. Secondary raw materials)			
	4. Consumer goods			
	5. General expenditure			
	TOTAL	182	748	930
	REVOLVING FUND IN $US	182	748	930
	FINANCING NEEDED (in $US)	7,815	22,748	30,563

PROJECT NO. 4

1. **TITLE OF PROJECT:**

   Biomass Based Chemicals Plant.

2. **SPONSOR:**

   National Chemical Corporation - NCC.

3. **LOCATION:**

   To be determined by the feasibility study or Addis Ababa.

4. **OBJECTIVE:**

   The basic objective of this project is to stimulate economic and industrial development by providing efficient use of locally available sources and to save foreign currency by replacing the imported products.

   Additionally, the projects will contribute directly and effectively to the:
   - Introduction of the concept of converting unused regenerative homegrown resources into jobs, money, energy etc.;
   - Agricultural and industrial development through reforestation and proper utilization of natural resources;
   - Expertise in the implementing of energy programmes and in the application of conversion technologies;
   - Satisfying the present and future demands and basic needs, strengthening and expanding N.C.C. with additional plants;
   - Awarding the exploration of sources to create chemicals, fuels.

5. **CAPACITY:**

   The plant capacity-which is based on a continuous operation (3 shifts) for 300 days a year - has been selected to process, through dry distillation 13,500 tons/year of wood and produce between:
   - 200 - 400 tons/year of acetic acid;
   - 200 - 300 tons/year of creosote;
   - 280 - 300 tons/year of raw methanol;
   - 3000 - 3500 tons/year of charcoal.

   The production programme has been assumed to reach 60% of the capacity at the end of the first year, 80% - second year and 100% - third year.

6. **ESTIMATED COST:**

   The project calls for a total investment of $3.14 million out of which $2.184 million is in foreign currency.

7. **JUSTIFICATION:**

   Biomass - a renewable resource - offers potential for significant contribution to at least four important areas by:
   - Providing an alternative energy source;
   - Processing into chemicals, feed, food, etc.;
   - Enhancing environmental quality;
   - Promoting economic development.

   At present, the most promising local raw material resource that could be made available easily for the production of chemicals is wood and wood chips.

The following major products have been taken into consideration, all of them being imported and widely used in the country at present:
- Acetic acid, mainly used in the textile industry;
- Creosote, for impregnating wood and wood poles;
- Methanol and charcoal, as fuel sources and substrates.

The production will equal the yearly imported quantity substituting all imports used saving foreign exchange in the amount of 867,000 $US annually.

Financially, the project requires low investment and present interesting financial ratios.

8. **BENEFIT:**

The major benefits of this project are:
- Making use of local resources;
- Economizing foreign currency by substituting imports;
- Creating jobs for around 90 persons;
- Contributing to the development of the economic and industrial sections; and
- Strengthen local technological capabilities.

At the same time, as a result of the implementation of the project large reforestation and rehabilitation programmes are to be financed contributing both to increasing fuel energy available resources and the improvement of the environment and life quality.

9. **CO-OPERATION NEEDED:**

The sponsor is looking for financing to cover the project foreign exchange component for machinery and equipments, spare parts and expenses of two foreign experts for the first six months operation period of the plant.

10. **RESEARCH AVAILABLE:**

An opportunity study has been carried out on the possibility of processing locally available wood through dry distillation.

Presently, a research is being conducted on biomass-based chemicals at R & D level under N.C.C. on which basis a detailed feasibility study will be soon made available.

A detailed project document is also available.

Annex to Project No. 4

('000 US Dollars)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	40	-	40
3.	Construction	480	-	480
4.	Connections:			
	Electricity)			
	Compressed air) (included			
	Telephone (3 & 4)) in 3)			
5.	Productive equipment)	-	1,410	1,410
6.	Non-productive equipment)			
	Vehicles)			
	Offices) (included		-	-
	Storage and miscellaneous) in 5)			
	Maintenance and insurance)			
7.	Transport and insurance	130	130	260
8.	Assembling	90	170	260
9.	Training)			
10.	Studies, engineering and assistance)	64	206	270
11.	Primary establishment costs)			
	Sub-total	804	1,916	2,720
12.	Miscellaneous and unforeseen expenditure (10 %)	80	200	280
	Total or in $US rounded to	884	2,116	3,000
13.	Total capital assets in $US ($US 1 = Birr 2.07)	884	2,116	3,000
	REVOLVING FUND			
	1. Wages and salaries)			
	2. Basic raw materials)			
	3. Secondary raw materials)	73	68	141
	4. Consumer goods)			
	5. General expenditure)			
	TOTAL	73	68	141
	REVOLVING FUND IN $US	73	68	141
	FINANCING NEEDED (in $US)	957	2,184	3,141

PROJECT NO. 5

1. **TITLE OF PROJECT:**

Hygienic Products Plant.

2. **SPONSOR:**

National Chemical Corporation - NCC.

3. **LOCATION:**

Addis Ababa or any location next to main roads and railway.

4. **OBJECTIVE:**

The establishment of hygienic products formulation/production plant in Ethiopia. The major objectives of this project are:

- Enhancing industrial and economic development based on locally available raw materials;
- Satisfying the present and future demands, basic needs;
- Strengthening and expanding the chemical sector with additional plants;
- Providing for the health sector by producing extremely important hygienic products.

5. **CAPACITY:**

The demand for the hygienic products is estimated on the basis of imports made during the last two years which amounts to 500,000 $US annually.

These imports constitute the majority of the internal consumption presently hampered by high prices, thus discouraging considerably a potentially high demand, especially in urban areas (approx. 4.7 million inhabitants). On the basis of this consideration the following consumptions have been estimated as a minimum reasonable forecast (annually):

- tooth paste: 1 million pieces/45 g each ....45,000 kg
- cream: 500,000 pieces/45 each ....22,500 kg
- shampoo: 300,000 pieces/100 cm3 each ....30,000 lit.
- hydrating cream: 300,000 pieces/45 g each ....13,500 kg
- baby oil: 100,000 pieces/50 cm3 each ....5,000 lit.

Assuming 0.8 specific gravity of liquid products - total weight ....109,000 kg.

The capacity of the selected production equipment of a small-scale facility is 2 tons per batch. This is the minimum economical size of the major equipment. Working on one shift, one or two batches per day can be prepared. The above products of the initial stage will be further increased during the later development of the production.

6. **ESTIMATED COST:**

The project calls for a total investment of $885,000, out of which $560,000 is in foreign currency.

7. **JUSTIFICATION:**

The project is justified by the need to meet the urgent requirements of hygienic products used in the preservation and completion of the healthy conditions of the population. An opportunity study has been carried out for setting up a hygienic products formulation/production facility. For a total population of close to 50 million, and about 10% of it living in towns, the capacity of production is small. All financial and economic parameters considered in the study indicate that the project will be viable at the selected capacity due to very low investment needed and availability of some local raw materials (calcium carbonate, maize starch, glycerine, salt, etc.). In addition, the majority of the products are obtained mainly by diluting ingredients imported during the initial stage as concentrates along with the technology and know-how.

8. BENEFIT:

The major benefits of this project are:
- Saving foreign currency by substituting imported products;
- Making use of some local resources;
- Creating jobs for around 50 persons;
- Contributing in economic and industrial development:
- Strengthen local technological capabilities.

At the same time, the implementation of the project will improve in a long run the health condition of the population resulting in increasing health factors of the society and consumption of hygienic products.

9. CO-OPERATION NEEDED:

The sponsor is looking for financing to cover the foreign currency component of the project consisting of machinery and equipment, transport and erection, spare parts and licence, expenses of a foreign expert for one year, training of personnel, etc.
- Technical management and quality control agreement are also required.
- The foreign exchange is needed through a loan but joint venture with expanded market can be also considered.

10. RESEARCH AVAILABLE:

An opportunity study has been carried out for setting up a hygienic products formulation/production facility. On the basis of the conclusions of this study the preparation of a feasibility study was recommended. A detailed project document is also available.

Annex to Project No. 5

('000 US Dollars)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	20	-	20
3.	Construction	200	-	200
4.	Connections: Electricity, Compressed air, Telephone (3 & 4) (included in 3)			
5.	Productive equipment	-	310	310
6.	Non-productive equipment: Vehicles, Offices, Storage and miscellaneous, Maintenance and insurance (included into 5)			
7.	Transport and insurance	24	24	48
8.	Assembling)			
9.	Training)	24	24	48
10.	Studies, engineering and assistance)			
11.	Primary establishment costs : License		60	60
	Sub-total	268	418	686
12.	Miscellaneous and unforeseen expenditure (10 %)	27	42	69
	Total or in $US rounded to	295	460	755
13.	Total capital assets in $US ($US 1 = Birr 2.07)	295	460	755
	REVOLVING FUND			
	1. Wages and salaries) 2. Basic raw materials) 3. Secondary raw materials) 4. Consumer goods) 5. General expenditure)	30	100	130
	TOTAL	30	100	130
	REVOLVING FUND IN $US	30	100	130
	FINANCING NEEDED (in $US)	325	560	885

PROJECT NO. 6

1. **TITLE OF PROJECT:**

ESSENTIAL OILS PRODUCING PLANT

2. **SPONSOR:**

National Chemical Corporation N.C.C.

3. **LOCATION:**

Wondo Genet, at 265 Km South of Addis Ababa.

4. **OBJECTIVE:**

To continue and finalize renovating and rehabilitating the plant, operation started already by N.C.C. Production of various essential oils (eucalyptus, lemon grass, geranium). The existing plant has got 2 distillation units with 500 and 300 kg capacity, respectively, which can be operated with fire wood boiler or diesel oil boiler.

The main objectives of the project are:

- enhancing the industrial and economic development by providing efficient use of locally available plant materials;
- saving foreign currency by substituting feavouring and fragrance materials- which are being imported by the locally produced oils;
- earning foreign currency by exporting oils.

Although foreign market is being assessed for lemmon grass oil and Eue. citriodora, the main aim is to fulfill the local demand for industrial uses, mainly in soap factories.

5. **CAPACITY:**

The plant capacity will be as follows:
a) lemmon grass oil: 6.000 kg/annum
b) Eue. citriodora: 16,000 kg/annum;

6. **ESTIMATED COST:**

The project calls for a total investment of US $229,000.00 out of which US $105,000.00 is in foreign currency.

7. **JUSTIFICATION:**

The project, which is mainly export oriented, is viable and sound. It is conceived to use local raw materials available from different essential oil bearing plants, which could be widely grown on a commercial scale basis in various regions of the country.

8. **BENEFIT:**

The project, in addition to its production for the export market and strengthening the local technological capabilities, will enhance the national afforestation programme. Civil engineering and civil works activity are not required.
Employment opportunity for about 20 people will be generated.

9. CO-OPERATION NEEDED:

Assistance/loan to cover the foreign currency cost is sought. Since marketing outlet has to be assured, a joint venture on the marketing side is desirable.

Expert services to look into the diversification and expansion possibility/desirability are required.

Training of quality control personnel and on agronomy side is also needed.

10. RESEARCH AVAILABLE:

An opportunity study was conducted on a mobile distilling unit. A detailed project document is available.

Annex to Project No. 6

('000 US Dollars)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land)			
2.	Land development)	Available		
3.	Construction)			
4.	Connections:)			
	Electricity) (included in 3)			
	Compressed air)			
	Telephone (3 & 4))			
5.	Productive equipment	97	81	178
6.	Non-productive equipment :)			
	Vehicles) (included in 5)			
	Offices)			
	Storage and miscellaneous)			
	Maintenance and tooling)			
7.	Transport and insurance)			
8.	Assembling)	8	7	15
9.	Training)			
10.	Studies, engineering and assistance)			
11.	Primary establishment costs)			
	Sub-total	105	88	193
12.	Miscellaneous and unforeseen expenditure (10 %)	10	9	19
	Total or in $US rounded to	115	97	212
13.	Total capital assets in $US ($US 1 = Birr 2.07)	115	97	212
	REVOLVING FUND			
	1. Wages and salaries)			
	2. Basic raw materials)	9	8	17
	3. Secondary raw materials)			
	4. Consumer goods)			
	5. General expenditure)			
	TOTAL	9	8	17
	REVOLVING FUND IN $US	9	8	17
	FINANCING NEEDED (in $US)	124	105	229

PROJECT NO. 7

1. **TITLE OF PROJECT:**

   Castor Oil Producing Facility

2. **SPONSOR:**

   National Chemical Corporation - N.C.C.

3. **LOCATION**

   Addis Ababa

4. **OBJECTIVE:**

   To establish a Castor Oil Producting Facility to cover by its production the necessary castor oil for the local market mainly used (after down stream processing) in paints, lubricants, textiles, cosmetics and, to some extent, pharmaceuticals.

   The establishment of such facility and its production operation will require an estate operation (including an out growers scheme on perennial type of castor beans) of castor plantation, castor meal/cake utilization either as a 500fertilizer or animal feed after detoxification.

5. **CAPACITY:**

   On the basis of the apportunity study conducted so far, the capacity has been established to 2,350 tons per year. However, revision of this capacity is a very real possibility, as at present, there is sufficient justification to do so (down stream processing for the domestic market).

6. **ESTIMATED COST:**

   The project calls for a total initial investment of US $1,433,000 out of which $985,000 is in foreign currency.

7. **JUSTIFICATION:**

   The project has an attractive financial and economic viability, even on the low production capacity considered, and without down stream processing of the oil, which one could fairly conclude to improve the indicated financial and economic viabilities.

   The project is mainly export market oriented in the initial phase. As the domestic market for castor oil and its derivatives catches up (dehydrated castor oil and possibly sulfonated castor oil), the major share of the oil will be for local industries as an important substitution commodity.

   The project will make efficient use of locally available raw material - castor beans - which can be grown extensively in various regions of the country.

8. **BENEFIT:**

   The project will save and earn foreign currency. It will generate an employment opportunity for about 60 people while strengthening the local capabilities of this sector.

The financial viability of the project could be further improved if the plant capacity is raised and/or the cost of castor beans is reduced.

9. CO-OPERATION NEEDED:

As the project relies heavily on foreign exchange availability and outside sources are needed to cover the foreign exchange component of the project under the form of loan or joint venture arrangement.

The project needs also technical assistance through the deputation of expatriates during the commissioning and first year of production as well as training of local personnel to run the plant.

10. RESEARCH AVAILABLE:

An opportunity study has been conducted in 1987 noting the potential of castor beans and castor oil. A detailed project document is also available.

Annex to Project No. 7

('000 US Dollars)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	98	36	134
3.	Construction			
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	207	648	855
6.	Non-productive equipment			
	Vehicles			
	Offices			
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling)			
9.	Training)			
10.	Studies, engineering and assistance)	100	11	111
11.	Primary establishment costs)			
	Sub-total	405	695	1,100
12.	Miscellaneous and unforeseen expenditure (10 %)	40	70	110
	Total or in $US rounded to	445	765	1,210
13.	Total capital assets in $US ($US 1 = Birr 2.07)	445	765	1,210
	REVOLVING FUND			
	1. Wages and salaries)			
	2. Basic raw materials)			
	3. Secondary raw materials)	3	220	223
	4. Consumer goods)			
	5. General expenditure)			
	TOTAL	3	220	223
	REVOLVING FUND IN $US	3	220	223
	FINANCING NEEDED (in $US)	448	985	1,433

PROJECT NO. 8

1. **TITLE OF PROJECT:**

Automotive Battery Manufacturing Plant

2. **SPONSOR:**

National Chemical Corporation - N.C.C.

3. **LOCATION:**

Addis Ababa

4. **OBJECTIVE:**

The main objective of the project is to relocate and expand the Addis Ababa Car battery Factory. A thorough study and analyse of the present conditions of those three existing battery factories are to be also undertaken in order to recommend precise action for improving their performance; complete use of installed capacities, raise of production, improve quality standards, increase use of local raw material to decrease imports and thus save foreign exchange, increase competitiveness as compared with imported batteries, etc.

The existing automotive battery factories are one in Addis Ababa and two in Asmara. At the same time, a complete investigation of the present and future local demand for car batteries is to be undertaken. Particularly, a detailed techno-economic feasibility study on the rehabilitation and expansion of the Addis Ababa Car Battery Manufacturing Factory is requested to be done on a priority basis, having in mind its relocation due to impossibility to provide extension at the present site, otherwise legally owned by another entity.

5. **CAPACITY:**

The combined full capacity of all three existing battery factories is about 33,000 pieces per year, their production depending completely on imported raw materials, except for some reclaimed lead secured from used batteries.

The bulk of the demand for the whole country is to be met by the output of a new factory to be built in Addis Ababa area. Following the investigation of market requirements the production capacity of this new factory will be implemented in three stages:

a) 50,000 pieces/year satisfying approximately 70-80% of the demand when the factory will be commissioned;
b) 65,000 pieces/year by 1995;
c) 80,000 pieces/year by 2000.

All domestic made batteries will be dry charged.

6. **ESTIMATED COST:**

The project calls for a total investment of US $5.97 million out of which US $2.9 million is in foreign currency.

7. JUSTIFICATION:

The establishment of the New Car Battery Factory in Addis Ababa area is a viable project. It is assumed that this factory will cover 80% of the total national demand. The existing plant capacity of 10,000 pcs/year can hardly meet one-sixth of the current demand.

The implementation of the project is fully justified and the amount of foreign exchange saved shows considerable surplus. The production of the factory will thus replace substantial quantities of batteries which are now imported.

8. BENEFIT:

The implementation of the project will increase considerably the net national value added and, at the same time, will strengthen local technological capabilities in the sector. It will provide employment opportunities for about 60 people.

Since the new car battery factory will include an installation of lead oxid mill supplying fresh oxide, the quality of the products will be significantly improved.

The new factory will protect the environment through the installation of a pollution controlling system to collect and treat polluting substances coming from various processing units and will improve by far the working conditions as well, contributing to health preservation of the labour force.

9. CO-OPERATION NEEDED:

The sponsor is looking for a partner to cover the foreign currency component of the project under the form of a loan. Expert assistance and manpower training including a study tour are also needed, as well as technology transfer through licensing. Joint venture arrangement could be considered.

IMPORTANT NOTE:

Three different contracts are to be signed for the implementation of the project:

- With a consultant for the preparation of tender specification as well as for design, engineering and construction supervision;
- With the foreign manufacturer for the supply of the production equipment and ancillary items, and
- With local contractor for the construction and supply of civil works and utilities.

10. RESEARCH AVAILABLE:

A comprehensive study to analyse the present conditions of the three existing factories is to be urgently undertaken. A feasibility study is available. A detailed project document is also available.

Annex to Project No. 8

('000 US Dollars)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	150	-	150
3.	Construction	1,500	-	1,500
4.	Connections: Electricity) Compressed air) Telephone (3 & 4))	50	-	50
5.	Productive equipment	850	1,500	2,350
6.	Non-productive equipment) Vehicles) Offices) Storage and miscellaneous) Maintenance and tooling) (included in 5)			
7.	Transport and insurance) (included in 5)			
8.	Assembling)			
9.	Training)	60	50	110
10.	Studies, engineering and assistance)			
11.	Primary establishment costs)			
	Sub-total	2,610	1,550	4,160
12.	Miscellaneous and unforeseen expenditure (in %)	260	150	410
	Total or in $US rounded to	2,870	1,700	4,570
13.	Total capital assets in $US ($US 1 = Birr 2.07)	2,870	1,700	4,570
	REVOLVING FUND			
	1. Wages and salaries 2. Basic raw materials 3. Secondary raw materials 4. Consumer goods 5. General expenditure	200	1,200	1,400
	TOTAL	200	1,200	1,400
	REVOLVING FUND IN $US	200	1,200	1,400
	FINANCING NEEDED (in $US)	3,070	2,900	5,970

PROJECT NO. 9

1. **TITLE OF PROJECT:**

   Electric Lamp Producing Plant

2. **SPONSOR:**

   National Metal Work Corporation - N.M.W.C.

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   The main objective of this project is to establish an ELECTRIC LAMP PRODUCING PLANT IN ADDIS ABABA to manufacture and assembly GLS lamps and components to cover the local demand.

5. **CAPACITY:**

   Market survey and demand analysis carried out have shown that the local requirements for GLS lamps (mainly 25-60 watts) ranks on top with 12 million pieces per year. On this basis the following production capacities have been recommended for the manufacture/assembly:

   - GLS lamp shell manufacture: 15 million shells/year/shift;
   - GLS lamp cap production: 14.5 million caps/year/shift;
   - Two semi-automatic GLS lamp assembly lines each: 6 million lamps capacity/year/shift.

6. **ESTIMATED COST:**

   The project calls for a total investment of Birr. 37.164 million out of which Birr. 23.314 million in foreign currency, or US $11.263 million.

7. **JUSTIFICATION:**

   The project is fully justified to be implemented both due to its financial profitability and economic viability. The new established ELECTRC LAMP MANUFACTURING PRODUCING PLANT will cover the increasing local market demand substituting imports and saving considerable foreign exchange.

8. **BENEFIT:**

   The implementation of the project will:
   - save foreign exchange by import substitution;
   - utilize partly indigeneous materials;
   - strengthen local technological capabilities;
   - createe job opportunities for 200 people;
   - contribute to improving living standard of the population.

9. CO-OPERATION NEEDED:

The sponsor is looking for financing to cover the foreign currency component of the project and requires co-operation for:

- detail engineering of project;
- supply of machinery, equipment and know how;
- supervision of erection and commissioning;
- training of local personnel;
- technical assistance after start-up;
- supply of input components and material to be imported.

The investment financing is to be sought under the form of:

a. long term credit for foreign component of investment cost;
b. grant for training and technical assistance.

10. RESEARCH AVAILABLE:

A complete techno-economic feasibility study for the domestic manufacturing of electric lamps has been carried out by consultant firm identifying the project as a viable venture.

A market survey and demand analysis were carried out. A detail project document as well as other relevant papers are also available.

Annex to Project No. 9

('000 US Dollars)

No.	Item	Local Currency ('000 Birr)	Foreign Currency ('000 Birr)	Total ('000 Birr)
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	5,934	-	5,934
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	4,085	19,453	23,538
6.	Non-productive equipment			
	Vehicles	387	-	387
	Offices	90	-	90
	Storage and miscellaneous			
	Maintenance and tooling	-	-	-
7.	Transport and insurance			
8.	Assembling	60	427	487
9.	Partial interest	1,055	1,665	2,720
10.	Studies, engineering and assistance	1,368	44	1,412
11.	Primary establishment costs	248	152	400
	Sub-total	13,227	21,741	34,968
12.	Miscellaneous and unforeseen expenditure (%)			
	Total (Birr)	13,227	21,741	34,968
13.	Total capital assets in $US ($US 1 = Birr 2.07)	6,390	10,503	16,893
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL (Birr)	623	1,573	2,196
	REVOLVING FUND IN $US	301	760	1,061
	FINANCING NEEDED (Birr)	13,850	23,314	37,164
	FINANCING NEEDED (US$)	6,691	11,263	17,954

PROJECT NO. 10

1. **TITLE OF PROJECT:**

   Consumer Electronic Products Factory

2. **SPONSOR:**

   National Metal Works Corporation

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   To establish a Consumer Electronic Products Factory to assemble/manufacture low cost radio receivers, cassette players and TV sets in order to cover the increasing local demand in this sub-sector at present met only to a limited extent by importation.

5. **CAPACITY:**

   The following production capacities are recommended by the market survey and demand analysis, to be attained at full capacity operation of the facatory.

Product	Capacity/year
MW Radio receiver	200.000 sets;
MW/SW Radio receiver	60,000 sets;
SW/MW Radio cassette recorder	40,000 sets;
Black and white TV	20,000 sets;
Colour TV	5,000 sets.

6. **ESTIMATED COST:**

   The project calls for a total investment of Birr. 11.246 million out of which Birr 7.565 million or US $3.655 million in foreign currency.

7. **JUSTIFICATION:**

   The project is considered economically viable and financially profitable. The local assembly/manufacture of such consumer electronic products is fully justified in order not only to substitute the imports and consequently save foreign exchange but also meet the increasing local demand.

8. **BENEFIT:**

   The implementation of this project will:

   - improve considerably mass diversification of information, education and entertainment;
   - lay basis for further development of the electronic industry in the country and strengthen its technological capabilities;
   - reduce cost prices of consumer electronic products for more distribution to the mass population;
   - contribute to the improvement of living standard;

- create job opportunities for about 200 people;
- generate interlinkage with the country's broadcasting system.

9. **CO-OPERATION NEEDED:**

The sponsor is looking for financing to cover the foreign currency component of the project and requires co-operation for:

- detail engineering of project;
- supply of machinery, equipment and know how;
- supervision of erection and commissioning;
- training of local personnel;
- technical assistance after start-up;
- supply of input components and material to be imported;

The investment financing is to be sought under the form of:
a. long term credit for foreign component of investment cost;
b. grant for training and technical assistance.

10. **RESEARCH AVAILABLE:**

A comprehensive survey of the electronic sub-sector of the country and a strategic development programme have been conducted by a national consultant showing the need to start industrial activity in consumer electronics by setting up a complex to assemble/manufacture low cost radio receivers, cassette players and TV sets.

A market survey and demand analysis were carried out. A detail project document as well as other relevant papers are also available.

Annex to Project No.

('000 US Dollars)

No.	Item	Local Currency ('000 Birr)	Foreign Currency ('000 Birr)	Total ('000 Birr)
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	2,714	2,002	4,716
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	250	2,253	2,503
6.	Non-productive equipment			
	Vehicles	25	225	250
	Offices	297	297	594
	Storage and miscellaneous			
	Maintenance and tooling	-	-	-
	Equipment installation	13	112	125
7.	Transport and Insurance			
8.	Assembling	-	-	-
9.	Partial interest	12	737	749
10.	Studies, engineering and assistance	114	430	574
11.	Primary establishment costs	76	1,009	1,085
	Sub-total	3,531	7,065	10,596
12.	Miscellaneous and unforeseen expenditure (5 %)			
	Total In Birr	3,531	7,065	10,596
13.	Total capital assets in $US ($US 1 = Birr 2.07)	1,706	3,413	5,119
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL (Birr)	150	500	650
	REVOLVING FUND IN $US	72	242	314
	FINANCING NEEDED (Birr)	3,681	7,565	11,246
	FINANCING NEEDED (US$)	1,778	3,655	5,433

PROJECT 11

1. **TITLE OF PROJECT:**

DRY CELL BATTERY PRODUCING PLANT

2. **SPONSOR:**

National Metal Works Corporation - NMWC

3. **LOCATION:**

The existing United Abilities Factory - UAF is located in Addis Ababa. The new plant could be located either in Addis Ababa or anywhere on the line between ports and centre due to imported raw materials.

4. **OBJECTIVE:**

To establish a New Plant Producing Dry Cell Batteries and also to rehabilitate the existing United Abilities Factory located in Addis Ababa, specially designed to give jobs to disabled people.

5. **CAPACITY:**

The annual full production capacity was selected as per the detailed feasibility study on the basis of various alternative methods of analysis as follows:

Production Year	Types of MnO2 batteries				Total (at full capacity)	
	R 6	R 14	R 20			
First Year	12.2	4.8	48.4		65.4	
Forth Year	15.0	5.9	58.4		79.3	
Nineth Year	19.4	7.7	74.8		101.9	
Fourteenth Year	25.3	10.1	96.5		131.9	
Sixteenth Year	28.2	11.31	107.0		146.5	
Group:	House hold	Profes-sional	House hold	Profes-sional	House hold	Profes sional
Standard quality	-	-	-	80%	-	90%
Super power qt.	100%	-	-	20%	-	10%
Professional type	-	-	-	-	100%	-

The demanded figures for R 6 are divided into general purpose use approx. 75% and professional use approx. 25%; for R 14 all for house and R 20 divided into general purpose use approx. 80% and professional use apparox. 20% on which basis the production mixed was selected.

NOTE: The existing UAF production capacity is 10 million pieces annually of R 20 type batteries. The other production lines for R 6 (1 million) and R 14 (2 million) are closed down.

6. **ESTIMATED COST:**

The project calls for (both rehabilitation of the existing UAF and execution of the new plant) Birr 37.0 million out of which Birr 26.1 million or US $12.6 million in foreign currency.

7. **JUSTIFICATION:**

The feasibility study recommends both the rehabilitation of the existing UAF and execution of the new plant under the same project. The study considered that the project is justified given proper consideration to its financial soundness and economic viability. The implementation of the project will manage to cover by its production the present gap between the actual demand and local production of the existing plant which is now met partly by imports, thus saving foreign exchange through import substitution. At a later stage the production will replace gradually all imports increasing foreign exchange savings.

8. **BENEFIT:**

The execution of the project through both the rehabilitation of the existing UAF and establishment of the new plant will:

- save foreign currency by import substitution;
- meeting increasing demand for dry cell batteries;
- eliminate the present wasteful production condition in the existing UAF and also extend the production capacity of this plant;
- improve utilization of the locally available resources;
- create employment opportunities for 224 personnel;
- generate income for the owner and tax revenue to the Government;
- enhance technological development.

9. **CO-OPERATION NEEDED:**

The sponsor is looking for a foreign partner to cover the hard currency cost of the project consisting of supply of machinery and equipment, expert services and overseas training of local personnel.
Services and supplies requested include:

- general plant layout;
- M/C layout and production flow charts;
- manpower requirement and its overseas training needs;
- machinery and service and materials handling equipment with two year spare parts;
- detail civil and engineering design work;
- supervision of erection and commissioning;
- electrical installation materials;
- overseas training for local personnel;
- expert services (two experts for one year each).

The offer shall state favourable credit terms with a grace period, long term repayment period and minimum interest rate of any other methods of co-operation it deems acceptable.

10. **RESEARCH AVAILABLE:**

A comprehensive feasibility study undertaken by BALDO and Co. consultant. A detail project profile and invitation for offer are also available.

Annex to Project No.11

No.	Item	Local Currency ('000 Birr)	Foreign Currency ('000 Birr)	Total ('000 Birr)
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	7,500	-	7,500
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	170	13,921	14,091
6.	Non-productive equipment			
	Vehicles	1,500	300	1,800
	Offices			
	Storage and miscellaneous			
	Maintenance and tooling	-	340	340
7.	Transport and insurance			
8.	Assembling	300	300	600
9.	Partial interest	938	3,136	4,074
10.	Studies, engineering and assistance	373	390	763
11.	Primary establishment costs	-	-	-
	Sub-total	10,781	18,387	29,168
12.	Miscellaneous and unforeseen expenditure (in 5%)			
	Total			
13.	Total capital assets			29,168
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL	172	7,720	7,892
	REVOLVING FUND			
	FINANCING NEEDED	10,953	26,107	37,060

PROJECT NO. 12

1. **TITLE OF PROJECT:**

Forty- Eight Garment Factories

2. **SPONSOR:**

National Textiles Corporation - N.T.C.

3. **LOCATION:**

The project site is not determined yet.

4. **OBJECTIVE:**

To manufacture shirts for the foreign market which will help in increasing the foreign exchange earning of the country and creating employment opportunity for a considerable number of people.

5. **CAPACITY:**

The total production capacity (at 100% utilization) of the garment factories is estimated at 57.6 million pieces of shirt per annum. The output per garment factory in a single shift, would be 1.2 million pcs of shirt/annum. The final output of the factories would be for export.

6. **ESTIMATED COST:**

The total investment cost for 48 garment factories is estimated at US $676.7 million, (about US $14.1 million/factory); out of which US $124.5 mil. is in foreign currency (about US$ 2.6 million/factory).

7. **JUSTIFICATION:**

The establishment of the garment factories will play a significant role in the development of this sub-sector and of the textile industry mainly in foreign exchange generation and employment opportunity creation. At the same time, in view of the operation of the project and the income secured by thousand of workers, more economic activities can be anticipated in the vicinity of the garment factories due to linkage effect.

8. **BENEFIT:**

The implementation of the project will:

- provide foreign exchange earning by export promotion strategy;
- utilize indigenous materials;
- create considerable employment opportunities for 629 per factory of whom 50% would be women, approximately 30,000 in total for all 48 factories;
- strengthen local technological capabilities.

9. **CO-OPERATION NEEDED:**

The following are some of the major areas of co-operation for which foreign financial support in hard currency is sought.

a) Design and Supply of m/c and equipment: Co-operation may be in the form of joint-venture, long-term loan or any other feasible form;

b) Technical assistance : in the form of grant.
c) Training abroad : in the form of grant.
d) Study tour : in the form of grant.

10. **RESEARCH AVAILABLE:**

The feasibility study of the project is to be finalized by the time of the Solidarity Meeting. However, a detail project document and other relevant papers are already available.

Annex to Project No. 12

('000 US Dollars)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	54,948.7	16,843.3	71,792.0
4.	Connections:			
	Electricity)			
	Compressed air)	-	-	-
	Telephone (3 & 4))			
5.	Productive equipment	2,947.2	58,910.4	61,857.6
6.	Non-productive equipment			
	Vehicles	475.2	4,752.0	5,227.2
	Offices	12,256.4	-	12,256.4
	Storage and miscellaneous	-	-	-
	Maintenance and tooling	-	-	-
7.	Transport and insurance	693.3	-	693.3
8.	Assembling)			
9.	Training)			
10.	Studies, engineering and assistance)	21,441.6	32,668.8	54,110.4
11.	Primary establishment costs)			
	Sub-total	92,762.6	113,174.5	205,936.9
12.	Miscellaneous and unforeseen expenditure (10%)	9,276.2	11,317.4	20,593.6
	Total capital assets in US$(000) (US$1=Eth. Birr 2.07)	102,038.6	124,491.9	226,550.5

REVOLVING FUND

No.	Item	Local Currency	Foreign Currency	Total
1.	Wages and salaries	23,860.8	-	23,860.8
2.	Basic raw materials	312,115.2	-	312,115.2
3.	Secondary raw materials	109,240.3	-	109,240.3
4.	Consumer goods	1,753.0	-	1,753.0
5.	General expenditure	3,208.8	-	3,208.8
	TOTAL			
	REVOLVING FUND IN $US	450,178.1	-	450,178.1
	FINANCING NEEDED (in $US)	552,216.7	124,491.9	676,708.6

PROJECT NO. 13

1. **TITLE OF PROJECT:**

Ten Knitwear Manufacturing Factories

2. **SPONSOR:**

National Textiles Corporation - N.T.C.

3. **LOCATION:**

Not identified yet.

4. **OBJECTIVE:**

To manufacture knitwear for the foreign market which will help in increasing the foreign exchange earnings of the country and in creating employment opportunities for a large number of people.

5. **CAPACITY:**

The annual production capacity (at 100% utilization) of the 10 knitwear plants would be 60 million pieces, i.e. 6 million pcs/factory/year. The final output is totally intended for export.

6. **ESTIMATED COST:**

The total investment cost of the project is not yet finalized. Only the purchase of machinery and equipment and its accessories alone will be about US$67.0 million in total or US$6.7 million per each factory. The precise investment cost will be available when the feasibility study is finalized.

7. **JUSTIFICATION:**

The establishment of the knitwear factories will play a significant role in the development of this sub-sector of the textile industry in the country, mainly in foreign exchange generation and employment opportunity creation. At the same time, in view of the operation of the project and the income secured for a considerable number of people, more economic activities can be anticipated in the vicinity of the ten knitwear factories due to forward and backward linkages.

8. **BENEFIT:**

Although the feasibility study of the knitwear plants project is not yet finalized, the project is anticipated to be beneficial through the generation of foreign exchange by expert promotion strategy. A considerable number of people would also have an opportunity of getting employment. Local building materials and labour would be employed during the construction period. Local technological capabilities in the knitwear sub-sector of textile industry will be strengthened.

9. **COLLABORATION NEEDED**:

Foreign financial support in hard currency is sought for:

a) Design and supply of machinery and equipment: co-operation may be in the form of joint venture, long-term loan or any other feasible form;

b) Technical Assistance : In the form of grant;
c) Training (abroad) : In the form of grant;
d) Study tour : In the form of grant.

10. **RESEARCH AVAILABLE**:

The feasibility study of the present project is not yet finalized. A detail project document and other relevant papers are available.

NOTE:

Annex containing financial cost breakdown not done yet.

PROJECT NO. 14

1. **TITLE OF PROJECT:**

   Polypropylene Bag Manufacturing Plant

2. **SPONSOR:**

   National Textile Corporation - N.T.C.

3. **LOCATION:**

   Selected locations are Debrezeit, Nazaret and Bahrdar. (At 25 km, 40 Km and 230 Km respectively from Addis Ababa).

4. **OBJECTIVE:**

   Production of polypropylene bags will allieviate the shortage of such products in the country. The plant will also produce wrapping fabrics, rope, cordage and twine. The implementation of the project will further contribute in increasing foreign exchange saving and creating employment opportunities for a large number of people.

5. **CAPACITY:**

   Total annual output of the plant is estimated at 5 million polypropylene bags. The final product (polypropylene bag) is intended totally for the local market.

6. **ESTIMATED COST:**

   The maximum fund required for the polypropylene plant is US$5.47 million, out of which US$2.62 million in foreign currency. The total of fixed investment cost alone is US$4.33 million.

7. **JUSTIFICATION:**

   The establishment of the Polypropylene Bag Manufacturing Plant will play a significant role in the development of the sub-sector, mainly in saving foreign exchange and providing employment opportunities. The execution of the project is fully justified being both financially profitable and economically viable. The total production of the plant is to meet the increasing internal market demand, providing replacement of the presently used jute sacks at half price.

8. **BENEFIT:**

   The implementation of the project will have:
   a) Financial benefit: the plant gains profit in the third year of operation.
   b) Economic benefit:
      - Utilization of domestic resources;
      - Total employment opportunities for 554 people (consisting of direct, indirect as well as semi-direct employment);
      - Important value added;
      - Foreign exchange savings;
      - Strengthen local technological capabilities.

9. **CO-OPERATION NEEDED:**

Foreign financial support in hard currency is sought to cover:
Design and supply of machinery and equipment:
Collaboration may be in the form of joint venture, long term loan or any other feasible form mutually agreed upon;
Technical assistance:
Through expert(s) services in the form of grant.

10. **RESEARCH AVAILABLE:**

A feasibility study report conducted by a foreign consultant is available, recommending the implementation of the project.
A detailed project document and other relevant papers have been prepared and are also available.

Annex to Project No. 14

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	927.1	647.8	1,574.9
4.	Connections:	-	-	-
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	162.3	1,615.5	1,777.8
6.	Non-productive equipment			
	Vehicles	6.3	62.80	69.1
	Offices	55.1	60.4	115.5
	Storage and miscellaneous	-	-	-
	Maintenance and tooling	-	-	-
7.	Transport and insurance	-	-	-
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs	399.6	-	399.6
	Sub-total	1,550.4	2,386.5	3,936.9
12.	Miscellaneous and unforeseen expenditure (in %)	155.0	238.7	393.7
	Total or in $US rounded to	1,705.4	2,625.2	4,330.6
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
1.	Wages and salaries	155.5	-	155.5
2.	Basic raw materials	414.5	-	414.5
3.	Secondary raw materials	8.2	-	8.2
4.	Consumer goods	49.3	-	49.3
5.	General expenditure	512.6	-	512.6
	TOTAL	1,140.1	-	1,140.1
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in $US)	2,845.5	2,625.2	5,470.7

PROJECT NO. 15

1. **TITLE OF PROJECT:**

Ready-Made Leather Uppers Producing Factory

2. **SPONSOR:**

National Leather and Shoe Company - NLSC

3. **LOCATION:**

Within the vicinity of Addis Ababa where tannery facilities and raw materials are available.

4. **OBJECTIVE:**

The establishment of a Ready-Made Uppers producing Factory to process the considerable commercial supply of hides and skins available on the local market. The project is export-oriented.

5. **CAPACITY:**

Considering the present daily capacity of tanneries the project is proposed to be developed in two phases with daily capacity of 2,700 and 7,000 pairs at full capacity operation in year three for each phase. Most of the production will be exported.

6. **ESTIMATED COST:**

The project calls for an investment (in million Birr) including working capital:

	Total Investment	Foreign Currency
Phase I:	4.96	2.10
Phase II:	10.46	5.60

Necessary land, connection facilities and utilities will be made available. A complete budgeting will be made on the basis of the results of the feasibility study and marekt analysis.

7. **JUSTIFICATION:**

The NLSC administers eight tanneries processing hides and skins. The implementation of the project is justified, the venture being finacially profitable and economically sound and viable. Given thc available tanning capacity and taking into account the on-going modernization and process up-grading with the object of products quality finished leather, the project should concentrate mainly on leather products. The best end uses are shoes, given the nature of the raw hides and skins. The main prupose of the project is to produce more intensive value added leather products for export by highly processing locally available raw materials.

8. **BENEFIT**:

The implementation of the project will provide:
- Complete use of local raw materials;
- Production of more intensive value added products;
- Foreign exchange earning through export promotion strategy;
- Job opportunity to large number of people;
- Generation of income to the Government;
- Development in the trade sector;
- Strengthening of local technological capabilities.

The project is less sensitive to decreased capacity utilization, price decrease and cost increase but highly sensitive to unit leather consumption variation.

9. **CO-OPERATION NEEDED**:

The sponsor is looking for foreign financial support to cover the hard currency component of the project (machinery and equipment, expert services and training of local personnel) under the form of loan.

A joint venture possibility could be also considered. Co-operation required refers to foreign assistance for:
- Investment financing in foreign currency;
- Detail engineering of project;
- Supply of machinery and equipment;
- Supervision of civil engineering work, erection and commissioning;
- Training;
- Technical assistance after start-up;
- Supply of input components and material to be imported;
- Marketing operation.

10. **RESEARCH AVAILABLE**:

A project document and other relevant paper are available. A preliminary opportunity study is also available. A cost-benefit analysis and a comprehensive marketing study are to be undertaken by the foreign expertise provided by external partner.

Annex to Project No. 15

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land)			
2.	Land development)			
3.	Construction)			
4.	Connections:)			
	Electricity)			
	Compressed air)			
	Telephone (3 & 4))			
5.	Productive equipment)	3,000	2,300	5,300
6.	Non-productive equipment)			
	Vehicles)			
	Offices)			
	Storage and miscellaneous)			
	Maintenance and tooling)			
7.	Transport and insurance)			
8.	Assembling)			
9.	Training)	820	290	1,110
10.	Studies, engineering and assistance)			
11.	Primary establishment costs)			
	Sub-total	3,820	2,590	6,410
12.	Miscellaneous and unforeseen expenditure (in %)	382	259	641
	Total or in $US rounded to	4,202	2,849	7,051
13.	Total capital assets in $US ($US 1 = Birr 2.07)	4,202	2,849	7,051
	REVOLVING FUND			
	1. Wages and salaries)			
	2. Basic raw materials)	1,470	80	1,550
	3. Secondary raw materials)			
	4. Consumer goods)			
	5. General expenditure)			
	TOTAL			
	REVOLVING FUND IN $US	1,470	80	1,550
	FINANCING NEEDED (in $US)	5,672	2,929	8,601

PROJECT NO. 16

1. **TITLE OF PROJECT:**

Leather Shoe Factory

2. **SPONSOR:**

National Leather and Shoe Company - NLSC

3. **LOCATION:**

Within the vicinity of Addis Ababa near a tanning factory.

4. **OBJECTIVE:**

The setting up of a Shoe Factory to process the considerable commercial supply of hides and skins available on the local market. The project will be export oriented.

5. **CAPACITY:**

Taking into account the present considerable capacity of the existing tanneries, the project is to be developed on the processing of locally available raw materials. The production capacity will be selected by the feasibility study and market analyses to be undertaken under foreign co-operation component needed.

6. **ESTIMATED COST:**

To be determined by the feasibility study to be undertaken by foreign expertise requested under external co-operation. The budgeting will be done on the findings of the study. Necessary land, connection facilities and utilities will be made available.

7. **JUSTIFICATION:**

The NLSC - the sponsor of the project is administering eight tanneries processing hides and skins. Though the cost-benefit analysis is not yet carried out, given the large availability of leather, cheap labour and fairly better experience in shoe making viability of the project is guaranted. The main purpose of the project is to produce more intensive value added leather products for export by highly processing locally available raw materials. This project could be either extension of the Ready-Made Uppers or a separate one.

8. **BENEFIT:**

The execution of the project will have the following advantages:
- Production of more intensive value added products;
- Earn foreign currency by applying an export promotion strategy;
- Make a complete use of local raw materials;
- Generate income to the Government;
- Create employment opportunities;
- Develop the trade section;
- Strengthen local technologies.

9. **CO-OPERATION NEEDED**:

Foreign financial support is needed to cover the hard currency component of the project (import of machinery and equipment, providing of expert services and training of local personnel), under the form of loan. A joint-venture possibility could be also taken into account.

The foreign co-operation is requested for:
- Investment financing in foreign currency;
- Detail engineering of project;
- Supply of machinery and equipment;
- Supervision of civil engineering work, erection and commissioning;
- Training;
- Technical assistance after start-up;
- Supply of input components and material to be imported;
- Marketing operation.

10. **RESEARCH AVAILABLE**:

A cost-benefit analysis is not yet carried out. A project document and other relevant papers are available. A feasibility study and a marketing analysis are to be undertaken by foreign expertise requested under external co-operation component of the project.

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NOTE: A detailed project budgeting will be made available on the basis of the feasibility study findings.

PROJECT NO. 17

1. **TITLE OF PROJECT:**

   Leather Gloves Factory

2. **SPONSOR:**

   National Leather and Shoe Corp. - NLSC

3. **LOCATION:**

   Within the vicinity of Addis Ababa near a tanning factory

4. **OBJECTIVE:**

   To establish a Gloves Factory to process the production of glove leather in the existing tanneries on the basis of co-operation with a foreign company. The project will be export-oriented.

5. **CAPACITY:**

   Given the present considerable capacities of the tanneries, the project is to be executed with a production capacity to be selected on the basis of the feasibility study and market analysis to be undertaken by the foreign expertise. The production is to be exported entirely.

6. **ESTIMATED COST:**

   To be determined by the feasibility study to be undertaken by foreign expertise requested under the external co-operation component of the project. The budgeting will be submitted on the basis of the findings of the study. Necessary land, connection facilities and utilities would be made available.

7. **JUSTIFICATION:**

   Ethiopian hair sheep skins have won world wide reputation for their suitability to make high quality of pure leather. As leather is the major local material input and since cheap labour is also available, the project viability seems guaranteed. The main purpose of the project is to produce more intensive value added leather items for export by highly processing the locally available raw mateials.

8. **BENEFIT:**

   The project presents the following benefits:
   - Production of more intensive value added products;
   - Complete use of locally available of raw materials;
   - Foreign exchange earning through export production strategy;
   - Employment opportunities for a substantial number of people;
   - Income to the Government;
   - Strengthening of local technological capabilitiess;
   - Development of the trade sector.

9. **CO-OPERATION NEEDED**:

For the execution of the project the sponsor is looking for financial support to cover the foreign exchange component (machinery and equipment, expert services and training of local personnel), under the form of loan.

A joint-venture arrangement is also possible.

The foreign co-operation is required for:

- Investment financing in foreign currency;
- Detail engineering of project;
- Supply of machinery and equipment;
- Supervision of civil engineering work, erection and commissioning;
- Training;
- Technical assistance after start-up;
- Supply of input components and material to be imported;
- Marketing operation.

10. **RESEARCH AVAILABLE**:

A project document and other relevant papers are available. A feasibility study and a marketing analysis are to be undertaken by the foreign expertise requested under external co-operation component.

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NOTE: A detailed project budgeting will be made available on the basis of the feasibility study findings.

PROJECT NO. 18

1. **TITLE OF PROJECT:**

   V-Belt Manufacturing Plant

2. **SPONSOR:**

   Addis Tyre Co. S.C. (Share Company)

3. **LOCATION:**

   Addis Ababa, Debrezeit Road

4. **OBJECTIVE:**

   Addis Tyre Co.S.C. is the sole Tyre Manufacturing Company in Ethiopia, which started operation in 1972, with a capacity of about 100,000 units for passenger cars, light truck, truck and bus tyres. The company intends to enter into the business of V-Belt manufacturing, for which the demand in the Ethiopian market is believed to warrant going into the business, but market study has to be carried out.
   Addis Tyre is also preparing to employ a consulting house for a techno-economic feasibility study of this project.

5. **CAPACITY:**

   The plant shall produce V-Belt for automative and industry. The capacity of the plant shall be determined by the finding of the feasibility study. According to a first investigation carried out by Addis Tyre, and considering the tyre plants excess capacity in compounding and rubberizing, the approximate annual V-Belt manufacutring capacity would be about 1 million meters. But, for increased economic viability of the project and complete meeting of the substantial demand of the Ethiopian market, a much higher production capacity per year is to be selected. Besides producing V-Belt for the Ethiopian market, Addis Tyre also believes that exporting V-Belts to PTA (Preferential Trade Arrangement) member countries is a possibility, provided the quality of the product is to an acceptable standard.

6. **ESTIMATED COST:**

   Birr 20 million or US$9.42 million. The Company has excess compounding and rubberizing capacity for a production of about 1 million meters V-Belt per year. Anciliary facilities are also available. The remaining equipment and machinery would cost about 12 million Birr (excluding Civil Engineering Works). If the annual production of V-Belt should exceed 1 million meters a year, it is likely that the total investment cost would be around 20 million Birr or US$9.42 million out of which US$7.7 million in foreign currency.

7. **JUSTIFICATION:**

   The implementation of the project will play a significant role in the development of the share company sector and provide for foreign currency savings and employment opportunities. The establishment of the V-Belt Manufacturing Plant is considered as a second venture to be consequently confirmed by the feasibility study.
   It is expected that, taking into account the rapidly increasing demand on the local market, the financial profitability and economic viability of the project will be continued by the market study.

8. **BENEFIT**:

- Would gurantee the availability of V-Belts, hence ease any foreseeable shortage (at least for the sizes to be manufacured);
- Would substitute import;
- Would give job opportunity to a certain number of people;
- Would generate additional income to the Company, hence additional revenue to the Government in taxes;
- Would contribute to development in the trade sector;
- Would provide new technology to the Company, hence to the country; therefore, development in the skill of nationals.

9. **CO-OPERATION NEEDED**:

Foreign financing is sought to cover the bard currency component for:
- Set up the plant on joint venture basis;
- Technology transfer required.

10. **RESEARCH AVAILABLE**:

A market study is to be carried out. A techno-economic feasibility study is currently being prepared.
Detail Project Document and other relevant papers are available.

Annex to Project No. 18

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction			
4.	Connections:			
	Electricity	1,500	-	1,500
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment			
6.	Non-productive equipment			
	Vehicles			
	Offices			
	Storage and miscellaneous	-	16,000	16,000
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	1,500	16,000	17,500
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total	1,500	16,000	17,500
13.	Total capital assets in $US ($US 1 = Birr 2.07)	725	7,729	
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials	2,000	-	2,000
	4. Consumer goods			
	5. General expenditure			
	TOTAL			2,000
	(or in $US rounded to)			966
	REVOLVING FUND IN $US			966
	FINANCING NEEDED (in $US)		7,729	9,420

PROJECT NO. 19

1. **TITLE OF PROJECT:**

The Development of Rubber Plantation

2. **SPONSOR:**

Addis Tyre Co. Share Company

3. **LOCATION:**

South-Western regions of Ethiopia: primarily Illubabor and Keffa

4. **OBJECTIVE:**

The ultimate objective of the project is the production of local raw material: natural rubber obtained from the rubber tree plantation. At present, all internal needs of rubber are met by imports. The local demand for rubber products is considerable and permanently increasing. The availability of rubber in the country would call for establishment of big tyre factories not only for the local market but also for export.

5. **CAPACITY:**

The consumption of raw natural rubber is estimated to be 10,000 tons/year, half of which could be supplied from the plantation project by the year 2000. The farm capacity is based on the yield of rubber tree per hectare. An average of 3 tons/hectare/year could be obtained, making the total farm area to be 1,700 hectares by the year. A total of 1.2 thousand seedlings are now under care at two nursery sites, adaptability being promising in the South-Western regions of Illubabor and Keffa.

Time table

Year	Number of seedlings to be raised
First	80,000
Second	150,000
Third	150,000
Fourth	150,000
Fifth	150,000
Total:	680,000

Year	Number of tappable trees
Sixth	80,000
Seventh	230,000
Eighth	380,000
Nineth	530,000
Tenth	680,000

Output of natural rubber

Year	Tons	Estimated price (US$)
Sixth	600	660,000
Seventh	1,725	1,887,500
Eighth	2,850	3,135,000
Nineth	3,975	4,372,500
Tenth	5,100	5,610,000

6. **ESTIMATED COST:**

Birr 9.6 million, cumulated for the first nine years of the project operation, out of which Birr 2,968,300 in foreign currency or US$1,433,961.

7. **JUSTIFICATION:**

Two nursery sites are established at Metu (Illubabor) and Amman (Keffa) for the purpose of raising seedlings from rubber seeds with the objective of testing different clones of rubber tree at the site identified.
The survey has already located 12 plantation sites in the South-Western regions of Ethiopia, for the research and large scale plantation.
The project is justified, the survey undertaken recommending its implementation, the project being financially sound and economically viable. Ultimately, the project shall be made to produce seedlings for private farmers (small holders) who could sell latex collected from their farms for processing. Addis Tyre Co. S.C. in collaboration with C.W. Mackie and Co., Ltd. of Sri Lanka have made successive studies and survey in Illubabor and Keffa.
With the successful completion of the rubber tree plantation, natural rubber, the major raw material used in the tyre, shoes and other rubber industries, could be obtained from local source.

8. **BENEFIT:**

The project implementation will provide the following benefits to the economy:

- Replacement of imports by producing local raw material necessary for rubber products to be manufactured in the country;
- Import substitution, hence, foreign exchange savings;
- At a later stage, export promotion and, consequently, foreign exchange earning;
- Employment opportunity for 7,000 people by the year 2000;
- Inter-linkage effects with other industrial sub-sectors;
- Strengthening of local technological capabilities;
- Generation of income for the Government and private farmers;
- Creation of additional jobs in the nearby area.

9. **CO-OPERATION NEEDED:**

The sponsor is looking for a foreign partner to cover the foreign currency cost of the project consisting of imported seeds for plantation, laboratory equipment, machinery and equipment for the latex processing plant, expert services, training of personnel, study tour and necessary technology licensing.
The requested financial assistance could be under the form of loan. A joint venture arrangement could also be considered.

10. **RESEARCH AVAILABLE:**

A comprehensive survey, a detailed project document and other relevant papers are available

Annex to Project No. 19

(in 000 Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	3,135	-	3,135
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment			
6.	Non-productive equipment			
	Vehicles			
	Offices	107	2,093	2,200
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training	126	482	608
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	3,368	2,575	5,943
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total or in $US rounded to	3,368	2,575	5,943
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL	3,264	394	3,658
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in $US)	6,632	2,969	9,601

PROJECT NO. 20

1. **TITLE OF PROJECT:**

Metallic and Wall Stucco (putty) Producing Plant.

2. **SPONSOR:**

W/o Abrehet Tesfa Mariam.

3. **LOCATION:**

Addis Ababa

4. **OBJECTIVE:**

To provide the domestic market with different types of putty (customerly known as "stucco") thus substituting important present imports and saving foreign exchange.

5. **CAPACITY:**

81,000 kg of metallic (car) stucco and 9,000 kg of wall stucco per annum.

6. **ESTIMATED COST:**

Birr 299,830 out of which Birr 180,569 in foreign currency.

7. **JUSTIFICATION:**

To cover the internal market requirements and replace imports of such items in the country which are now quite considerable.

The project is viable and profitable and will use important raw materials available locally.

8. **BENEFIT:**

- attractive commercial profitability;
- generate revenue to the government and owner;
- increase value added;
- saving in foreign currency through the reduction of imports;
- strengthening technology of the sector;
- providing jobs for local employment.

9. **CO-OPERATION NEEDED:**

Financing of the project by second party is sought.

10. **RESEARCH AVAILABLE:**

A concise prefeasibility study is presented by HASIDA recommending project implementation.

Annex to Project No. 20

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
		(available)		
1.	Land			
2.	Land development			
3.	Construction	100,000	-	100,000
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	-	78,750	78,750
6.	Non-productive equipment			
	Vehicles	-	40,000	40.000
	Offices	5,000	-	5,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance	6,000	-	6,000
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total (in Birr) or in $US rounded to	111,000	118,750	229,750
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries	2,910	-	2,910
	2. Raw materials & consummer goods	3,750	61,819	65,569
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure	1,601	-	1,601
	TOTAL			
	REVOLVING FUND (in Birr)	8,261	61,819	70,080
	FINANCING NEEDED (in Birr)	119,261	180,569	299,830

PROJECT NO. 21

1. **TITLE OF PROJECT:**

   Photo Laboratory

2. **SPONSOR:**

   Mrs. Hajara Aboubakar, Owner

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   To produce quality pictures at minimum cost and least time.

5. **CAPACITY:**

   72,000 prints/annum

6. **ESTIMATED COST:**

   Birr 945,880 out of which Birr 709,151 in foreign currency.

7. **JUSTIFICATION:**

   The project is justified financially and economically. It provides for import substitution and important savings in foreign exchange, supplying products at lower prices on local market.

8. **BENEFIT:**

   - Create revenue for the Government and owners;
   - Creation of 16 jobs;
   - Providing linkage effect in the sector and contributing to silver recovery activities;
   - Strengthen local technological capabilities.

9. **CO-OPERATION NEEDED:**

   Foreign financial assistance is needed to cover the hard currency component of the project (equipment, materials, expertise and training).

10. **RESEARCH AVAILABLE:**

    A preliminary study of the project is available in HASIDA along with the project document.

Annex to Project No. 21

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	160,000	-	160,000
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	-	242,220	242,220
6.	Non-productive equipment			
	Vehicles	-	38,000	38,000
	Offices	12,000	-	12,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training	24,000	-	24,000
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %) 10%	19,600	28,022	47,622
	Total or in $US rounded to			
13.	Total capital assets (in Birr)	215,600	308,242	523,842
	REVOLVING FUND			
	1. Wages and salaries	1,023	-	1,023
	2. Basic raw materials			
	3. Secondary raw materials	18,000	400,909	418,909
	4. Consumer goods			
	5. General expenditure	3,015	-	3,015
	TOTAL			
	REVOLVING FUND (in Birr)	22,038	400,909	422,038
	FINANCING NEEDED (in Birr)	237,638	709.151	945,880

PROJECT NO. 22

1. **TITLE OF PROJECT:**

   Razor Blade Manufacturing Plant

2. **SPONSOR:**

   Ato Alemayoh Bekele

3. **LOCATION:**

   Addis Ababa, where there is the basic pre-requisites for industrial operation.

4. **OBJECTIVE:**

   a) To substitute imported razor blades by producing locally and thereby reduce and/or avoid the involvement of hard currency in the purchase of these products from abroad;
   b) To meet the increasing demand generated by supplying the product at a reasonable and reduced price.

5. **CAPACITY:**

   36 million pieces of razor blade per annum

6. **ESTIMATED COST:**

   Birr 3,951,504.

7. **JUSTIFICATION:**

   There is no razor blade manufacturing enterprise in Ethiopia. All the material needed for shaving purposes is now imported involving considerable foreign currency spending which could be used for other more important purposes. The project is financially viable and sound.

8. **BENEFIT:**

   a) Creates employment opportunity for about 14 employees;
   b) Saves foreign exchange;
   c) Generates revenue to the Government and owner;
   d) Utilizes a substantial amount of local skill, know-how and capital;
   e) Strengthens local technological capacity in the sector.

9. **CO-OPERATION NEEDED:**

   The promoter is able to supply all the revolving fund necessary as well as the local currency component of fixed investment and is looking for a financing body to cover the foreign currency cost of machinery and equipment needed, and some technical assistance at the scheduling and/or commissioning stage(s).

10. **RESEARCH AVAILABLE:**

    A feasibility study report is carried out by HASIDA highly recommending project implementation.

Annex to Project No. 22

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	600,000	-	600,000
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	235,092	2,350,919	2,586,011
6.	Non-productive equipment			
	Vehicles	150,000	-	150,000
	Offices	25,000	-	25,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training)			
10.	Studies, engineering and assistance)	90,000	-	90,000
11.	Primary establishment costs)			
	Sub-total	1,312,592	2,350,919	3,663,511
12.	Miscellaneous and unforeseen expenditure			
	Total	1,312,592	2,350,919	3,663,511
	or in $US rounded to			$US 1,769,812
13.	Total capital assets in $US ($US 1 - Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL	52,398	235,595	287,993
	or in $US rounded to			$US 139,127
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in $US)			$US 1,908,939

PROJECT NO. 23

1. **TITLE OF PROJECT:**

   Shoe Heels and Insoles Manufacturing Unit

2. **SPONSOR:**

   Mrs. Meselech Bekele, Owner

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   To make locally available for existing shoes producers the necessary shoe heels and insoles in demand on the market.

5. **CAPACITY:**

   100,000 pairs of heels and 1.2 million pairs of insoles per year.

6. **ESTIMATED COST:**

   The project calls for a total investment of Birr 361,787 out of which Birr 225,788 in foreign currency.

7. **JUSTIFICATION:**

   Production of heels and insoles at prices lower than the imported ones and to supply for existing numerous shoes producers. The project is considered viable being justified through its import substitution effect conducive to important saving in foreign exchange.

8. **BENEFIT:**

   - Creation of 14 jobs;
   - Import substitution and hence foreign currency saving;
   - Strengthening of local technological capabilities;
   - Contribute to the development of the leather and shoe factory;
   - In a later stage of the project, an increased production of a highest quality could be used for making shoes for export purposes applying an export production strategy.

9. **CO-OPERATION NEEDED:**

   The owner is looking for a financial support to cover the foreign currency component (machineries and equipment, expert services and training of local personnel).
   A loan is sought, but a joint venture arrangements could be also considered.

10. **RESEARCH AVAILABLE:**

    A project document as well as other relevant papers are available.

Annex to Project No.23

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land investment	-	-	-
3.	Construction			
4.	Connections:	100,000	-	100,000
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	-	182,109	182,109
6.	Non-productive equipment			
	Vehicles			
	Offices	2,500	-	2,500
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Electrical installation	1,821	-	1,821
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)	-	-	-
	Total or in $US rounded to			
13.	Total capital assets (in Birr)	104,321	182,109	286,430
	REVOLVING FUND			
	1. Wages and salaries	3,885	-	3,885
	2. Raw materials and consumer goods	18,593	43,679	62,272
	3. Stocks of finished products	-	-	-
	4. Consumer goods	-	-	-
	5. General expenditure	9,200	-	9,200
	TOTAL			
	REVOLVING FUND (in Birr)	31,678	43,679	75,357
	FINANCING NEEDED (in Birr)	135,999	225,788	361,787

PROJECT NO. 24

1. **TITLE OF PROJECT**: Tannery Unit

2. **SPONSOR**: Ahmed Abdu Mohammed

3. **LOCATION**:

   Addis Ababa where there are adequate infrasturctural facilities for the smooth and efficient run of operation.

4. **OBJECTIVE**:

   a) Utilize the locally available skins and hides and thereby increase the number and volume of exportable commodities through export promotion.

   b) Create important backward and forward linkage effects in the national economy.

5. **CAPACITY**: 143,000 pieces of wet blue

6. **ESTIMATED COST**: Birr 2,993,951

7. **JUSTIFICATION**:

   The already established leather tanneries are few in number relative to the abundant availability of hides and skins in the national economy. The development of leather industry can facilitate effective utilization of local hides and skins and the establishment of the unit besides fulfilling this objective, can contribute significantly in the outward market potential of the national economy.
   Financially the project is justified, being viable and sound.

8. **BENEFIT**:

   a) It would be a source of revenue to the Government and owner;
   b) Create job opportunity for about 41 employees;
   c) Create linkage with agriculture and leather industry;
   d) Contribute to the strengthening of technology;
   e) Earn a substantial amount of foreign exchange;
   f) Increase value added production;
   g) Besides letting the effective utilization of local capital, raw material and know-how, the units coming into this environment can have a valuable effect in developing and creating indirect employment and other beneficial externalities.

9. **CO-OPERATION NEEDED**:

   Since there is an acute foreign exchange shortage in the country, the entrepreneurs propose to get a financing body at least for the cost of machinery and equipment and some technical assistance at the implementation stage.

10. **RESEARCH AVAILABLE**:

    A feasibility study report is carried out by HASIDA recommending the execution of this project.

Annex to Project No. 24

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	780,000	-	780,000
4.	Connections:			
	Electricity			
	Compressed air	8,000	7,500	15,500
	Telephone (3 & 4)			
5.	Productive equipment	239,675	1,198,377	1,438,052
6.	Non-productive equipment			
	Vehicles	8,000	250,000	258,000
	Offices			
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training	7,000	7,500	14,500
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total or in $US rounded to			
13.	Total capital assets (in Birr)	1,042,675	1,463,377	2,506,052
	REVOLVING FUND			
1.	Wages and salaries	12,780	-	12,780
2.	Basic raw materials			
3.	Secondary raw materials	150,030	259,056	409,086
4.	Consumer goods	-	-	-
5.	General expenditure	66,033	-	66,033
	TOTAL	228,843	259,056	487,899
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in $US)	1,271,518	1,722,433	2,993,951

PROJECT NO. 25

1. **TITLE OF PROJECT:**

   Plastic and Canvas Shoe Producing Unit

2. **SPONSOR:**

   Ato Said Salih

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   To satisfy the local demand for canvas shoes which is highly required by the rural population and, generally, the lower income group of the population.

5. **CAPACITY:**

   100,800 pairs of plastic and canvas shoes per year.

6. **ESTIMATED COST:**

   Birr 485,396 out of which Birr 333,985 in foreign currency.

7. **JUSTIFICATION:**

   The project is viable and sound. It will save foreign exchange through import substitution.

8. **BENEFIT:**

   - Creation of jobs;
   - Funnel a substantial amount of tax to the Government;
   - Creation of a measure of value added to the economy and profit to the promoter;
   - Enhance technological capabilities of the sector;
   - Contribute to the improving of general living standard.

9. **CO-OPERATION NEEDED:**

   Foreign currency for the purchase of machinery and raw materials.

10. **RESEARCH AVAILABLE:**

    A brief prefeasibility study is available in HASIDA recommending this project.

Annex to Project No. 25

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	80,000	-	80,000
4.	Connections:			
	Electricity			
	Compressed air	1,500	-	1,500
	Telephone (3 & 4)			
5.	Productive equipment	44,115	249,985	294,100
6.	Non-productive equipment			
	Vehicles			
	Offices	2,900	-	2,900
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling	1,500	-	1,500
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total			
	or in $US rounded to			
13.	Total capital assets in Birr	130,015	249,985	380,000

	Item	Local Currency	Foreign Currency	Total
	REVOLVING FUND			
1.	Wages and salaries	3,540	-	3,540
2.	Basic raw materials			
3.	Secondary raw materials	13,548	84,000	97,548
4.	Consumer goods	-	-	-
5.	General expenditure	4,308	-	4,308
	TOTAL	21,396	84,000	105,396
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in Birr)		333,985	485,396

PROJECT NO. 26

1. **TITLE OF PROJECT:**

   Computer Paper Producing Factory

2. **SPONSORS:**

   Ato Yitagesu Balcha and Ato Tibebu Sirak

3. **LOCATION:**

   Addis Ababa, where the necessary facilities and local makret are available.

4. **OBJECTIVE:**

   To produce computer paper for various computer using organizations, which is now imported from abroad in large quantities. Hence, the project objective is import substitution and foreign exchange savings.

5. **CAPACITY:**

   12 million sheets per annum at full capacity.

6. **ESTIMATED COST:**

   Birr 352,368 out of which Birr 190,658 in foreign exchange or US$92,105.

7. **JUSTIFICATION:**

   There is only one supplier of computer paper in Addis Ababa with limited capacity. The supply of the plant is short of meeting the increasing local demand of the computer user organizations. Hence, it is imported in large quantities. The project is fully justified by providing import substitutions and foreign exchange savings.

8. **BENEFIT:**

   - Utilizes the locally available raw material paper;
   - Intends for local computer user organizations;
   - Saves foreign exchange;
   - Creates employment opportunity for 8 persons;
   - Contributes to strengthening of technology in the sector;
   - Contributes through linkage effect to the modernizing of the administration and management.

9. **CO-OPERATION NEEDED:**

   The project promoters are seeking for foreign exchange financers to import the necessary machinery and quipment and provide the technical assistance needed.

10. **RESEARCH AVAILABLE:**

    The feasibility study, project document and other relevant papers are available in HASIDA.

Annex to Project No.26

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)		
2.	Land development			
3.	Construction	60,000	-	60,000
4.	Connections:			
	Electricity			
	Compressed air	3,000	-	3,000
	Telephone (3 & 4)			
5.	Productive equipment	73,577	190,658	264,235
6.	Non-productive equipment			
	Vehicles			
	Offices	1,500	-	1,500
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total			
	or in $US rounded to			
13.	Total capital assets in Birr	138,077	190,658	328,735
	REVOLVING FUND			
	1. Wages and salaries	1,840	-	1,840
	2. Basic raw materials			
	3. Secondary raw materials	19,913		19,913
	4. Consumer goods	-	-	-
	5. General expenditure	1,880	-	1,880
	TOTAL			
	REVOLVING FUND	23,633	-	23,633
	FINANCING NEEDED (in Birr)	161,710	190,658	352,368

PROJECT NO. 27

1. **TITLE OF PROJECT:**

   Pen Manufacturing Factory

2. **SPONSOR:**

   Asrat Bekele

3. **LOCATION:**

   Addis Ababa, where there are enough infrastructure and market facilities.

4. **OBJECTIVE:**

   To produce pens locally the demand of which is now partially satisfied through imports. Hence, import substitution and foreign exchange savings.

5. **CAPACITY:**

   13,600,000 pens per year at full capacity.

6. **ESTIMATED COST:**

   Birr 3,106,852 out of which Birr 1,679,613 in foreign currency or US$811,407.

7. **JUSTIFICATION:**

   At present, there is only one Government owned pen factory in production with limited capacity to meet the national increasing demand for pens caused by wide literacy campaign in process, increase educational activity and intensive commercial needs.

8. **BENEFIT:**

   The project is intended for local market. It will strengthen local technological capabilities. It generates government revenue in terms of taxes, and owner income; saves foreign exchange and creates employment opportunity for 34 persons. It contributes, through linkage effects, to the educational process, raising the level of education and culture of the population, improving living standards.

9. **CO-OPERATION NEEDED:**

   The sponsor is seeking for foreign exchange to cover the importatin of machinery and equipment, raw materials as well as the provision of the necessary technical assistance.

10. **RESEARCH AVAILABLE:**

    The feasibility study, project document and other relevant papers are available in HASIDA, recommending highly the implementation of this project.

Annex to Project No.27

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development		-	
3.	Construction			
4.	Connections:	900,000	-	900,000
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	285,316	1,141,263	1,426,579
6.	Non-productive equipment			
	Vehicles	-	60,000	60,000
	Offices	25,000	-	25,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Electrical installation	25,000	-	25,000
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance	40,000	-	40,000
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total or in $US rounded to			
13.	Total capital assets (in Birr)	1,275 316	1,201,263	2,476,579

		Local Currency	Foreign Currency	Total
	REVOLVING FUND			
1.	Wages and salaries	8,840	-	8,840
2.	Raw material and consumer goods	125,733	478,350	604,083
3.	Stocks and finished products			
4.	Consumer goods			
5.	General expenditure	17,350	-	17,350
	TOTAL			
	REVOLVING FUND (in Birr)	151,923	478.350	630,273
	FINANCING NEEDED (in Birr)	1,427,239	1 [illegible]79 [illegible]	3,106,852

PROJECT NO. 28

1. TITLE OF PROJECT:

Shoe and Roof Nail Manufacturing Factory

2. SPONSOR:

Ato Wuhib Mohammed Turi

3. LOCATION:

Addis Ababa, because of the availability of basic infrastructural facilities and utilities.

4. OBJECTIVE:

- supply the necessary roof nails to the construction sector and shoe nails to the shoe manufacturing enterprises of the national economy;
- save foreign exchange by acting as an import substitution.

5. CAPACITY:

On the aver- › 890 tons of shoe and roof nails per annum.

6. ESTIMATED COST:

Birr 2,253,641 out of which Birr 1,583,964 in foreign currency or US$ 765,200.

7. JUSTIFICATION:

There is no nail manufacturing enterprise owned by private enterprises. Few are run by the government of Ethiopia and hence, the production capacity is minimal. A huge amount of nails are imported every year.

8. BENEFIT:

- utilization of the local market;
- job creation for about 40 persons ;
- revenue generation for the government and owner;
- save certain foreign exchange;
- develop local skills and technologies;
- value added increased.

9. CO-OPERATION:

Since there is a severe foreign exchange scarcity, the sponsor proposes a foreign exchange assistance for the purchase of the machinery and equipment and technical assistance in the early periods of project implementation.

10. RESEARCH AVAILABLE:

A detailed feasibility study report is presented by HASIDA, recommending the implementation of the project.

Annex to Project No. 28

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	250,000	-	250,000
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	348,240	657,040	1,005,280
6.	Non-productive equipment			
	Vehicles	-	220,000	220,000
	Offices	8,000	-	8,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Electrical installation	10,000	-	10,000
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance	10,000	-	10,000
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total or in $US rounded to			
13.	Total capital assets (in Birr) ($US 1 = Birr 2.07)	626,240	877,040	1,503,280
	REVOLVING FUND			
	1. Wages and salaries	10,820	-	10,820
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods and raw material	7,617	706,924	714,541
	5. General expenditure	25,000	-	25,000
	TOTAL			
	REVOLVING FUND (in Birr)	43,437	706,924	750,361
	FINANCING NEEDED (in Birr)	669,677	1,583,964	2,253,641

PROJECT NO. 29

1. **TITLE OF PROJECT:**

Polyethylene Rope Manufacturing Plant

2. **SPONSORS:**

Hukeem Seid and Gidey Abdella

3. **LOCATION:**

Addis Ababa

4. **OBJECTIVE:**

Production of polyethylene rope to be used for various purposes such as packing, making chairs and other household uses as well as for making nets commonly used for fishing and various sport and leisure activities.

5. **CAPACITY:**

2.8 million meters per annum.

6. **ESTIMATED COST:**

Birr 947,920 out of which Birr 458,935 in foreign currency or US$ 221,708.

7. **JUSTIFICATION:**

The factory will supply polyethylene rope to the domestic market where the demand for such high resistance and durable rope is increasing. Also it will allow foreign exchange to be saved by substituting imports.

8. **BENEFITS:**

- generate profit for the Government;
- create jobs for 17 persons;
- supply consumers with improved quality rope;
- contribute to the increase in technological know how in this field.

9. **CO-OPERATION NEEDED:**

Financial assistance is required to cover the foreign currency component (the cost of imported machinery and raw materials).

10. **RESEARCH AVAILABLE:**

A feasibility study which recommends highly the implementation of this project is available in HASIDA.

Annex to Project No. 29

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)		
2.	Land development			
3.	Construction	150,000	-	150,000
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	15,000	438,935	453,935
6.	Non-productive equipment			
	Vehicles	-	20,000	20,000
	Offices	5,000	-	5,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies. engineering and assistance	10,000	-	10,000
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total	180,000	458,935	638,935
	or in $US rounded to			
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries	3,875	-	3,875
	2. Basic raw materials			
	3. Secondary raw materials)			
	4. Consumer goods)	23,182	231,819	301,610
	5. General expenditure	3,500	-	3,500
	TOTAL			
	REVOLVING FUND (in Birr)	30,557	231,819	308,985
	FINANCING NEEDED (in Birr)	210,557	690,754	947,920

PROJECT NO. 30

1. **TITLE OF PROJECT:**

   Toilet Soap Producing Factory

2. **SPONSORS:**

   Nasir Amin and Sonia Sultan

3. **LOCATION:**

   Addis Ababa, where infrastructural services and sufficient demand exist.

4. **OBJECTIVE:**

   To fulfill the local demand for toilet soap which is currently in short supply as well as save foreign exchange by substituting imports of this product.

5. **CAPACITY:**

   600 tonnes of toilet soap annually.

6. **ESTIMATED COST:**

   Birr 1,155,462 out of which Birr 624,216 in foreign currency, or US$301,554.

7. **JUSTIFICATION:**

   There is no toilet soap producing factory in Addis Ababa. The toilet soap consumed had been supplied from the factory in Asmara, and to a larger extent imported. Therefore, it is believed that establishing such a factory in Addis Ababa is strictly necessary.

8. **BENEFIT:**

- Financial benefits: the project document shows that the factory will make an average net profit of about 152,308 Birr annually.
- Other benefits: the project will generate Government revenue in the form of taxes, it will save foreign exchange, create employment opportunity for about 17 persons, and is expected to aid the improvement of hygienic standards.

9. **CO-OPERATION NEEDED:**

   The sponsors seek financial assistance to cover the foreign exchange component of the fixed investment. Further, technical assistance is sought also.

10. **RESEARCH AVAILABLE:**

    A detailed project document is available at the Agency responsible for Handicrafts and Small-Scale Industry Development (HASIDA).

Annex to Project No. 30

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	100,000	-	100,000
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	194,051	624,216	818,267
6.	Non-productive equipment			
	Vehicles			
	Offices	2,000	-	2,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Electrical installation	3,000	-	3,000
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total or in $US rounded to			
13.	Total capital (in Birr)	299,051	624,216	923,267
	REVOLVING FUND			
	1. Wages and salaries	4,190	-	4,190
	2. Raw materials and consumer goods	135,445	88,270	223,715
	3. Stocks of finished products	-	-	-
	4. Consumer goods	-	-	-
	5. General expenditure	4,290	-	4,290
	TOTAL			
	REVOLVING FUND IN BIRR	143,925	88,270	232,195
	FINANCING NEEDED (in Birr)	442,976	712,486	1,155,462

PROJECT NO. 31

1. **TITLE OF PROJECT:**

   Roof Nail Manufacturing Factory

2. **SPONSORS:**

   Ato Abdulkadir & Ato Buzyoh Bekele

3. **LOCATION:**

   Kaliti, where there is enough infrastructure available at the nearby Government owned Metal Work Enterprises for galvanizing the roofing nails.

4. **OBJECTIVE:**

   To produce locally umbrella head roofing nails which are presently imported in considerable quantities. Hence an import substitution and important foreign exchange savings.

5. **CAPACITY:**

   74,880,000 pcs of roofing nails per year at full capacity.

6. **ESTIMATED COST:**

   Birr 636,495 out of which Birr 443,406 in foreign currency or US$214,206.

7. **JUSTIFICATION:**

   There is no plant producing umbrella head roofing nails in Ethiopia. Therefore, all the material needed for national consumption in this respect is imported from abroad.

8. **BENEFIT:**

   The project creates employment opportunity for 16 persons. It generates Government revenue in terms of taxes, as well as income for owners, and saves a considerable amount of foreign exchange. The project production is intended to cover increasing internal market demand. It will also contribute to the enhancing of technology in the sector.

9. **CO-OPERATION NEEDED:**

   The sponsors are seeking foreign exchange to cover importing of machinery and equipment as well as raw materials. The sponsors are also seeking technical assistance necessary under the form of expert services.

10. **RESEARCH AVAILABLE:**

    The feasibility study, project document and other relevant papers are available in HASIDA, strongly recommending project implementation.

Annex to Project No. 31

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	138,875	-	138,975
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	36,558	365,576	402,134
6.	Non-productive equipment			
	Vehicles			
	Offices	1,500	-	1,500
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Electrical installations	7,312	-	7,312
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)	-	-	-
	Total			
	or in $US rounded to			
13.	Total capital assets (in Birr)	184,245	365,576	549,821
	REVOLVING FUND			
	1. Wages and salaries	2,925	-	2,925
	2. Raw material and consumer goods	3,319	73,830	81,149
	3. Stocks of finished products	-	-	-
	4. Consumer goods	-	-	-
	5. General expenditure	2,600	-	2,600
	TOTAL			
	REVOLVING FUND (in Birr)	8,844	77,830	86,674
	FINANCING NEEDED (in Birr)	193,089	443,406	636,495

PROJECT NO. 32

1. **TITLE OF PROJECT**: Foundry and Machine Shop Manufacturing Plant

2. **SPONSORS**: Ato Birhanu Taddesse and his three partners

3. **LOCATION**:

   Addis Ababa, where the infrastructure facilities and local market are available.

4. **OBJECTIVE**:

   a) To produce various kind of castings which will be used as spare parts in industrial, agricultural and transport sectors of the national economy.
   b) To produce spare parts locally which are now being imported from abroad; hence, import substitution and foreign exchange savings.

5. **CAPACITY**:

   The capacity of the plant will be selected according to the following quantities by products:
   a) 90 tons of different kind of castings/year
   b) 64,800 pcs of bushings/year;
   c) 30,000 pcs of cover wheel/year;
   d) 164.4 tons of melted cast iron, bronze and aluminium for spare parts;
   e) 10,800 of reconditioned pieces.

6. **ESTIMATED COST**:

   Birr 3,987,531 out of which Birr 3,070,780 in foreign currency or US$1,483,468.

7. **JUSTIFICATION**:

   The existing metal processing and manufacturing firms are very few in Addis Ababa considering the increasing demand of spare parts in factories, agriculture and transport sectors. Thus, the development of this industry will contribute to the supplying of spare parts which are presently imported by spending considerable amount of foreign exchange.

8. **BENEFIT**:

   1. The project utilizes locally available raw materials;
   2. The plant's output is totally intended for internal market requirements;
   3. It saves foreign exchange;
   4. It creates employment opportunity for about 100 persons;
   5. It contributes to strengthening of technology in the sector.

9. **CO-OPERATION NEEDED**:

   The sponsors are looking for foreign exchange to cover the import of the machinery and equipment needed as well as the required technical assistance in the initial stage of the implementation of the project.

10. **RESEARCH AVAILABLE**:

    The feasibility study, project document and other relevant papers are available in HASIDA, showing the viability of the project.

Annex to Project No. 32

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	350,000	-	350,000
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	-	2,990,000	2,990,000
6.	Non-productive equipment			
	Vehicles	150,000	-	150,000
	Offices	15,000	-	15,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Electrical installations	50,000	-	50,000
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance	50,000	-	50,000
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)	-	-	-
	Total or in $US rounded to			
13.	Total capital assets (in Birr)	615,000	2,990,000	3,605,000
	REVOLVING FUND			
	1. Wages and salaries	29,320	-	29,320
	2. Raw material and consumer goods	252,432	80,780	333,212
	3. Stocks of finished products	-	-	-
	4. Consumer goods	-	-	-
	5. General expenditure	20,000	-	20,000
	TOTAL			
	REVOLVING FUND (in Birr)	301,752	80,780	382,532
	FINANCING NEEDED (in Birr)	916,752	3,070,780	3,987,532

PROJECT NO. 33

1. **TITLE OF PROJECT:**

Flour Mill

2. **SPONSOR:**

Ato Kedir Shukrelah

3. **LOCATION:**

Addis Ababa, where are necessary infrastructure facilities and a serious shortage of wheat flour on the local market.

4. **OBJECTIVE:**

To fulfill the basic nutritional needs of the population.

5. **CAPACITY:**

1500 tons of wheat flour per year

6. **ESTIMATED COST:**

Birr 1,061,503 out of which Birr 506,655 in foreign currency or US$244,761.

7. **JUSTIFICATION:**

The capacity of the existing flour milling plants is so small that cannot meet the increasing demand of the local market. This situation resulted in a serious shortage of bread, pastry and flour based products in properly feeding of the urgan population of the area.

8. **BENEFIT:**

- The project fully utilizes the locally available raw materials;
- Its output is fully intended for local market requirements;
- It fulfills the basic nutritional needs of the society and through its linkage effects contributes to the raising of living standard;
- It contributes to the strengthening of technology in the sector;
- It creates employment opportunity for 22 persons;
- It substitutes food imports and saves foreign exchange.

9. **CO-OPERATION NEEDED:**

The foreign currency cost of machinery and equipment is sought to be financed from the AID Bank loan or any other foreign financers. Technical assistance is also requested.

10. **RESEARCH AVAILABLE:**

The feasibility study and the necessary docuements are available in HASIDA recommending the execution of the project.

Annex to Project No.33

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	250,000	-	250,000
4.	Connections:			
	Electricity			
	Compressed air	10,000	-	10,000
	Telephone (3 & 4)			
5.	Productive equipment	75,998	506,655	582,653
6.	Non-productive equipment			
	Vehicles	140,000	-	140,000
	Offices	3,000	-	3,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total			
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total or in $US rounded to			
13.	Total capital assets (in Birr)	479,498	506,655	986,153
	REVOLVING FUND			
1.	Wages and salaries	5,850	-	5,850
2.	Basic raw materials			
3.	Secondary raw materials	65,000	-	65,000
4.	Consumer goods	-	-	-
5.	General expenditure	4,500	-	4,500
	TOTAL			
	REVOLVING FUND	75,350	-	75,350
	FINANCING NEEDED (in Birr)	554,848	506,655	1,061,503

PROJECT NO. 34

1. **TITLE OF PROJECT:**

   Flash light (torches) Manufacturing Plant

2. **SPONSORS:**

   W/o Abebech W/Giorgies on a partnership basis.

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   To partially satisfy the local need which is not yet saturated due to import restriction and limited internal production.

5. **CAPACITY:**

   343,200 pcs of flash lights per annum.

6. **ESTIMATED COST:**

   Birr 1,030,109 out of which Birr 609,360 in foreign currency or US$294,377.

7. **JUSTIFICATION:**

   The volume of imported flash lights is quite substantial. The project is consequently considered justifiable through its import substitution effect and hence foreign exchange saving. Its implementation is necessary to cover the internal demand.

8. **BENEFIT:**

   It will save a considerable amount of foreign currency used for importation of this product.

   - contribute to the development of the sector;
   - creation of 25 jobs;
   - transfering the technology and know-how, and satisfying the domestic market at a reduced price.

9. **CO-OPERATION NEEDED:**

   Financing in foreign currency as a loan and technical assistance in grant were sought.

10. **RESEARCH AVAILABLE:**

    A feasibility study is presented by the promoters themselves. A project doucment as well as other relevant papers are also available.

Annex to Project No. 34

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	266,220	-	266,220
4.	Connections:			
	Electricity			
	Compressed air	4,078	-	4,078
	Telephone (3 & 4)			
5.	Productive equipment	76,717	451,276	527,993
6.	Non-productive equipment			
	Vehicles	20,000	20,000	40,000
	Offices	5,000	-	5,000
	Storage and miscellaneous	1,359	-	1,359
	Maintenance and tooling			
7.	Transport and insurance	1,359	-	1,359
8.	Assembling	31,310	-	31,310
9.	Training	-	-	-
10.	Studies, engineering and assistance	-	-	-
11.	Primary establishment costs	-	13,662	13,662
	Sub-total	406,043	484,938	890,981
12.	Miscellaneous and unforeseen expenditure (in %)	2,266	-	2,266
	Total	408,309	484,938	893,247
13.	Total capital assets			893,247
	REVOLVING FUND			
	1. Wages and salaries	8,150	-	8,150
	2. Basic raw materials	4,290	124,422	128,712
	3. Secondary raw materials			
	4. Consumer goods	-	-	-
	5. General expenditure	-	-	-
	TOTAL	12,440	124,422	136,862
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in Birr)		609,360	1,030,109

PROJECT NO. 35

1. **TITLE OF PROJECT:**

   Adhesives, Varnishes and Polishes

2. **SPONSOR:**

   Mrs. Tiebe Abdulkadir, owner

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   To supply consumers with minimum cost and competitive quality products in a local sector with increasing demand.

5. **CAPACITY:**

   600,000 kg per annum

6. **ESTIMATED COST:**

   Br.1,051,051 out of which Birr 556,754 in foreign currency or US$268,963.

7. **JUSTIFICATION:**

   Meeting the needs of the Ethiopian market in regard to the chemical products (adhesive, varnishes and polishes), exploiting resources available in the country, substituting imports and making foreign exchange savings.

8. **BENEFIT:**

- creation of 30 jobs;
- import substitution and savings foreign currency;
- utilization of domestic resource;
- strengthen local technological capabilities.

9. **CO-OPERATION NEEDED:**

   Financial assistance to cover the foreign currency component and technical training, including a study tour.

10. **RESEARCH AVAILABLE:**

    A preliminary survey done and, as a result, an opportunity and/or feasibility studies are underway weighing all the factors bound up with execution of the project.

Annex to Project No. 35

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	250,000	-	250,000
4.	Connections:			
	Electricity			
	Compressed air	3,780	-	3,780
	Telephone (3 & 4)			
5.	Productive equipment	55,654	185,514	241,168
6.	Non-productive equipment			
	Vehicles	150,000	35,000	185,000
	Offices	6,000	-	6,000
	Storage and miscellaneous	1,260	-	1,260
	Maintenance and tooling			
7.	Transport and insurance	1,260	-	1,260
8.	Assembling	-	-	-
9.	Training	-	-	-
10.	Studies, engineering and assistance	-	-	-
11.	Primary establishment costs	-	-	-
	Sub-total	332,954	220,514	688,468
12.	Miscellaneous and unforeseen expenditure	2,100	-	2,100
	Total	335,054	220,514	690,568
13.	Total capital assets	-	-	690,568
	REVOLVING FUND			
	1. Wages and salaries	8,035	-	8,035
	2. Basic raw materials			
	3. Secondary raw materials	16,208	336,240	352,448
	4. Consumer goods	-	-	-
	5. General expenditure	-	-	-
	TOTAL	24,243	336,240	360,483
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in Birr)			1,051,051

PROJECT NO. 36

1. **TITLE OF PROJECT:**

   Electro-plastic Manufacturing Plant

2. **SPONSOR:**

   Ato Daniel Teferra

3. **LOCATION:**

   Akaki (25 km South from Addis Ababa). Good road access is provided.

4. **OBJECTIVE:**

   To relieve the shortage of electrical appliance components in increasing demand on local makret.

5. **CAPACITY:**

Annual Production Plan

No.	Products	Unit of Measure	Quantity	Total Value in Birr
1.	Switch	Pcs	316,800	316,800
2.	Socket	"	316,800	316,800
3.	Wire Connector	"	316,400	158,200
4.	Switch box	"	316,400	158,200
5.	Conduits	"	200,000	1,600,000
6.	Electrical Wires	"	4,000,000	1,200,000
7.	Polyethylene Products	"	200,000	1,600,000
	T O T A L:			5,350,000

6. **ESTIMATED COST:**

   Birr 2,416,849 out of which Birr 1,989,250 in foreign currency or US$960,990.

7. **JUSTIFICATION:**

   The development of housing construction in the country is seriously increasing, being considerably stimulated by recent new regulations providing financial facilities for construction, encouraging open access to urban houses and increasing in allo ment of land for housing and building activity. Thus, very important quantities of electrical appliance components (such as switches, plug conduits etc.) now imported, are to be gradually diminished and substituted by internal production for local market requirements.

8. **BENEFIT**:

- Save foreign exchange through import substitution;
- Creation of 25 jobs;
- Transfer of technology which is not yet developed in the country;
- Use partly local available raw materials and resources.

9. **CO-OPERATION NEEDED**:

The sponsor is able to invest 47% of the total investment and is looking for the rest from potential financial organization wanting to co-operate. A joint venture arrangement could be considered.

10. **RESEARCH AVAILABLE**:

A concise pre-feasibility study is presented by the sponsor himself, recommending the implementation of the project.

Annex to Project No. 36

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	220,000	-	220,000
4.	Connections:			
	Electricity			
	Compressed air	4,118	-	4,118
	Telephone (3 & 4)			
5.	Productive equipment	168,750	956,250	1,125,000
6.	Non-productive equipment			
	Vehicles	-	75,000	75,000
	Offices	25,000	-	25,000
	Storage and miscellaneous	1,375	-	1,375
	Maintenance and tooling			
7.	Transport and insurance	1,373	-	1,373
8.	Assembling	-	-	-
9.	Training	-	-	-
10.	Studies, engineering and assistance	-	-	-
11.	Primary establishment costs	-	-	-
	Sub-total	420,614	1,031,250	1,451,864
12.	Miscellaneous and unforeseen expenditure	2,288	-	2,288
	Total or in $US rounded to	422,902	1,031,250	1,454,152
13.	Total capital assets			1,454,152
	REVOLVING FUND			
	1. Wages and salaries	4,697	-	4,697
	2. Basic raw materials	-	958,000	958,000
	3. Secondary raw materials	-	-	-
	4. Consumer goods	-	-	-
	5. General expenditure	-	-	-
	TOTAL	4,697	958,000	962,697
	REVOLVING FUND IN $US			
	FINANCING NEEDED (Birr)		1,989,250	2,416,849

PROJECT NO. 37

1. **TITLE OF PROJECT:**

Electric Motors and Welding Transformers Manufacturing Plant

2. **SPONSOR:**

Mr. Taye Gebrehiwot, Owner

3. **LOCATION:**

Addis Ababa

4. **OBJECTIVE:**

a) To substitute imports and save foreign exchange;
b) To provide sufficient supply for local market and in a later stage, partly for foreign outlets;
c) In a later stage could increase spare parts production also.

5. **CAPACITY:**

624 motors of different horse power and 60 welding transformers per annum.

6. **ESTIMATED COST:**

Birr 665,878 out of which Birr 466,563 in foreign currency or US$225,393.

7. **JUSTIFICATION:**

The project is justified because of the growing demand on local market which is presently satisfied only partly by imports. In the near future could have export prospects. The project is viable and the products will be used by various domestic industrial units in need for such electric equipment, thus, saving foreign currency and reducing imports. Employment of local people would be provided.

8. **BENEFIT:**

- To utilize local available resources;
- Creation of 22 jobs;
- Saving foreign currency;
- Strengthening of local technological capabilities.

9. **CO-OPERATION NEEDED:**

- Finanical assistance to cover the foreign currency component;
- Technical assistance under the form of expert services.

10. **RESEARCH AVAILABLE:**

A preliminary study is available and a feasibility study is under preparation.

Annex to Project No. 37

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	170,065	-	170,065
4.	Connections:			
	Electricity			
	Compressed air	4,500		4,500
	Telephone (3 & 4)			
5.	Productive equipment	5,000	378,702	383,702
6.	Non-productive equipment			
	Vehicles	-	-	-
	Offices	5,000	-	5,000
	Storage and miscellaneous	1,500	-	1,500
	Maintenance and tooling			
7.	Transport and insurance	1,500	-	1,500
8.	Assembling	-	-	-
9.	Training	-	-	-
10.	Studies, engineering and assistance	-	-	-
11.	Primary establishment costs	-	-	-
	Sub-total	187,565	378,702	566,267
12.	Miscellaneous and unforeseen expenditure	2,500	-	2,500
	Total or in $US rounded to	190,065	378,702	568,767
13.	Total capital assets			568,767
	REVOLVING FUND			
	1. Wages and salaries	4,750	-	4,750
	2. Basic raw materials	4,500	87,861	92,361
	3. Secondary raw materials			
	4. Consumer goods	-	-	-
	5. General expenditure	-	-	-
	TOTAL	9,250	87,861	97,111
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in Birr)		466,563	665,878

PROJECT NO. 38

1. **TITLE OF PROJECT:**

   Blue Print Paper Processing Unit

2. **SPONSOR:**

   Ato Ghenanaw Berihun

3. **LOCATION:**

   Addis Ababa, because of the centre for consumption of the product and availability of pre-requisities for industrialization.

4. **OBJECTIVE:**

   a) To secure supply of the product locally, at a reasonable value using local available raw materials;
   b) To avoid the involvement of hard currency in the purchase of the product.

5. **CAPACITY:**

   95,550 kg of blue print paper per year.

6. **ESTIMATED COST:**

   Birr 1,620,401 out of which Birr 1,112,630 in foreign currency or US$537,502.

7. **JUSTIFICATION:**

   There is no blue print paper processing enterprise in Ethiopia. All print paper products are imported from abroad. The project is viable and responding to domestic market demand. Financially the project is sound and justified economically.

8. **BENEFIT:**

   a) Generate revenue to the Government owner and private sector;
   b) Create linkages effects with other sectors;
   c) Create job opportunity for about 17 employees;
   d) Save and earn certain foreign exchange;
   e) Create sufficient value added;
   f) Minimize artificial market price rise of the value of the product;
   g) Strengthening of local technological capabilities.

9. **CO-OPERATION NEEDED:**

   Because of the scarcity of foreign exchange, the promoter is in need of a financier for the entire cost of machinery and equipment as well as some technical assistance.

10. **RESEARCH AVAILABLE:**

    A brief and concise assessment report is available in HASIDA to justify the project implementation.

Annex to Project No. 38

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	234,330	-	234,330
4.	Connections:			
	Electricity			
	Compressed air	5,086	-	5,086
	Telephone (3 & 4)			
5.	Productive equipment	161,878	905,975	1,067,853
6.	Non-productive equipment			
	Vehicles	-	123,792	123,792
	Offices	6,000	-	6,000
	Storage and miscellaneous	1,695	-	1,695
	Maintenance and tooling			
7.	Transport and insurance	1,695	-	1,695
8.	Assembling	2,000	-	2,000
9.	Training	-	-	-
10.	Studies, engineering and assistance	51,750	-	51,750
11.	Primary establishment costs	-	-	-
	Sub-total	464,434	1,029,772	1,494,201
12.	Miscellaneous and unforeseen expenditure	2,826	-	2,826
	Total	467,260	1,029,772	1,497,027
13.	Total capital assets	-		1,497,027
	REVOLVING FUND			
1.	Wages and salaries	7.535	-	7,535
2.	Basic raw materials	32,981	82,858	115,839
3.	Secondary raw materials			
4.	Consumer goods	-	-	-
5.	General expenditure	-	-	-
	TOTAL	40,516	82,858	123,374
	REVOLVING FUND IN $US			
	FINANCING NEEDED (In Birr)		1,112,630	1,620,401

PROJECT NO. 39

1. **TITLE OF PROJECT:**

   Plastic Button Manufacturing Unit

2. **SPONSOR:**

   Mrs. Elisabeth Mahteme Sellassie, owner.

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   To cope with plastic technology and to create sufficient supply demanded on local market.

5. **CAPACITY:**

   347,222 gross per annum

6. **ESTIMATED COST:**

   Birr 495,745 out of which Birr 397,046 in foreign currency or US$191,810.

7. **JUSTIFICATION:**

   The implementation of the project is considered justified being financially sound and economically viable.

8. **BENEFIT:**

- Creation of 14 jobs;
- Import substitution and hence, foreign currency saving;
- Strengthen local technological capabilities.

9. **CO-OPERATION NEEDED:**

- Financial assistance to cover the foreign currency;
- Technical assistance under the form of expert services;
- Training.

10. **RESEARCH AVAILABLE:**

    Preliminary study completed and feasibility study under preparation.

Annex to Project No.39

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	50,000	-	50,000
4.	Connections:			
	Electricity			
	Compressed air	1,350	-	1,350
	Telephone (3 & 4)			
5.	Productive equipment	15,310	282,690	298,000
6.	Non-productive equipment			
	Vehicles	-	24,000	24,000
	Offices	1,500	-	1,500
	Storage and miscellaneous			
	Maintenance and tooling	450	-	450
7.	Transport and insurance	450	-	450
8.	Assembling	10,000		10,000
9.	Training	-	-	-
10.	Studies, engineering and assistance	-	-	-
11.	Primary establishment costs	-	-	-
	Sub-total	79,060	306,690	385,750
12.	Miscellaneous and unforeseen expenditure (in %)	750	-	750
	Total or in $US rounded to			
13.	Total capital assets	79,810	306,690	386,500
	REVOLVING FUND			
	1. Wages and salaries	3,050	-	3,050
	2. Basic raw materials			
	3. Secondary raw materials	15,839	90,356	106,195
	4. Consumer goods	-	-	-
	5. General expenditure	-	-	-
	TOTAL	18,889	90,350	109,245
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in Birr)			495,745

PROJECT NO. 40

1. **TITLE OF PROJECT:**

Artificial Leather Manufacturing Plant

2. **SPONSORS:**

Ato Nega Belihu and Fikrte Belihu

3. **LOCATION:**

Addis Ababa, where threre are the most important pre-requisities for small scale industrial development in the sector.

4. **OBJECTIVE:**

a) To substitute imported artificial leather by domestic production thereby avoid and/or minimize the involvement of hard currency in the purchase of the products presently imported;
b) To ensure adequate supply of artificial leather for the increasing demand emanated from automobile upholsters, attaché cases, brief cases, all kinds of bags and all household and office furniture manufacturing firms present on the local market.

5. **CAPACITY:**

1,612,800 sq. meters of artificial leather per annum

6. **ESTIMATED COST:**

Birr 1,760,476 out of which Birr 1,222,863 in foreign currency or US$590,755.

7. **JUSTIFICATION:**

There is no artificial leather manufacturing enterprise in Ethiopia. All artificial leathers are imported from abroad involving considerable hard currency expenditure.
The unit would be financially viable and economically profitable.

8. **BENEFIT:**

a) Employment for about 17 workers;
b) Save foreign exchange;
c) Revenue generation to the Government and owners;
d) Develop local skill;
e) Imply transfer of technology to the sector.

9. **CO-OPERATION NEEDED:**

Since there is acute shortage of foreign exchange at the national level, the sponsors are looking for a financing institution to cover th cost of machinery and equipment and some technical assistance at the implementation and early operation stages. A joint venture arrangement is also possible.

10. **RESEARCH AVAILABLE:**

A detailed feasibility study report is carried out by and available in HASIDA, recommending the implementation of the project.

Annex to Project No. 40

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	150,000	-	150,000
4.	Connections:			
	Electricity			
	Compressed air	1,692	-	1,692
	Telephone (3 & 4)			
5.	Productive equipment	176,103	880,513	1,056,616
6.	Non-productive equipment			
	Vehicles	60,000	-	60,000
	Offices	3,000		3,000
	Storage and miscellaneous Maintenance and tooling	564	-	564
7.	Transport and insurance	564	-	564
8.	Assembling	10,000		10,000
9.	Training	-	-	-
10.	Studies, engineering and assistance	-	-	-
11.	Primary establishment costs	-	-	-
	Sub-total	401,923	880,513	1,282,436
12.	Miscellaneous and unforeseen expenditure	940	-	940
	Total	402,863	880,513	1,283,376
13.	Total capital assets			1,283,376
	REVOLVING FUND			
	1. Wages and salaries	5,800	-	5,80C
	2. Basic raw materials	128,950	342,350	471,300
	3. Secondary raw materials			
	4. Consumer goods	-	-	-
	5. General expenditure	-	-	-
	TOTAL	134,750	342,350	477,100
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in Birr)			1,760,476

PROJECT NO. 41

1. **TITLE OF PROJECT:**

Brake Lining and Clutch Facing Manufacturing Plant

2. **SPONSOR:**

Nile International Trading Enterprise

3. **LOCATION:**

Addis Ababa, where the necessary infrastructure facilities and market are available.

4. **OBJECTIVE:**

To establish the plant to cover the current local requirement for automotive vehicle friction materials of brake lining and clutch facing which now is met from import. Hence, the main objective is to produce locally so as to substitute imports and make foreign exchange savings.

5. **CAPACITY:**

750,000 kg of friction materials per year at full capacity.

6. **ESTIMATED COSTS:**

Birr 3,224,689 out of which Birr 2,541,680 in foreign currency or US$1,227,865.

7. **JUSTIFICATION:**

The present local requirement for automotive friction materials of brake lining and clutch facing are met through import, involving foriegn exchange spending. The project is justified and considered financially sound and economically viable. It will promote import substitution and save foreign exchange. Thus, producing locally will have a greater importance for the ever increasing number of automotive vehicles and the need for th safety of these vehicles.

8. **BENEFIT:**

- It creates employment opportunity for 30 persons;
- It generates revenue to the Government in terms of taxes, and income to the owner;
- Increase industrial output and value added;
- Spending foreign exchange earning for raw materials and producing locally will be very much less than importing the product itself;
- Contributes to improved traffic safety;
- Strengthen local technological capabilities.

9. **CO-OPERATION NEEDED:**

The cost of machinery and equipments is sought to be financed from the AID Bank loan or other possible foreign financers.

10. **RESEARCH AVAILABLE:**

The feasibility study of the project is carried out by and is available in HASIDA.

Annex to Project No. 41

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	-	-	-
2.	Land development	-	-	-
3.	Construction	250,000	-	250,000
4.	Connections:	10,000		10,000
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	332,745	2,218,300	2,551,045
6.	Non-productive equipment			
	Vehicles	35,000	15,000	50,000
	Offices	5,000	-	5,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance	5,000	-	5,000
11.	Primary establishment costs			
	Sub-total	637,745	2,233,300	2,871,045
12.	Miscellaneous and unforeseen expenditure 10%			
	Total			
	or in $US rounded to			
13.	Total capital assets			
	REVOLVING FUND			
1.	Wages and salaries	6,000	-	6,000
2.	Basic raw materials	34,264	308,380	342,644
3.	Secondary raw materials			
4.	Consumer goods	-	-	-
5.	General expenditure	5,000	-	5,000
	TOTAL	45,264	308,380	353,644
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in Birr)			3,224,689

PROJECT NO. 42

1. **TITLE OF PROJECT:**

Gypsum Powder Manufacturing Plant

2. **SPONSOR:**

Col. Tesfamicheal Ghebremedhin

3. **LOCATION:**

Ginchi (Showa) approx. 175 km south of Addis Ababa

4. **OBJECTIVE:**

To supply material input to construction activities and to create a substitute for cement and cement products presently imported or available in limited quantities on the local market.

5. **CAPACITY:**

780 tons of Gypsum power could be manufactured per year.

6. **ESTIMATED COST:**

Birr 2,426,338 out of which Birr 1,822,753 in foreign currency, or US$880,557.

7. **JUSTIFICATION:**

To overcome the scarcity of quality gypsum power:
- the demand is fairly brisk;
- diversity of usages.

8. **BENEFIT:**

- Creation of jobs;
- Increase local value added;
- Supplying input mainly to construction industry;
- Import substitution and savings of foreign exchange;
- Use of locally available raw materials;
- Enhance local technological capabilities.

9. **CO-OPERATION NEEDED:**

Technical assistance and financial support are sought.

10. **RESEARCH AVAILABLE:**

A concise prefeasibility study is presented by HASIDA recommending project execution.

<u>Annex to Project No. 42</u>

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	300,000	-	300,000
4.	Connections:	75,000	-	75,000
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	139,585	1,469,300	1,608,885
6.	Non-productive equipment			
	Vehicles	4,100	353,453	357,553
	Offices	29,206	-	29,206
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	547,891	1,822,753	2,370,644
12.	Miscellaneous and unforeseen expenditure : 10%			
	Total or in $US rounded to	547,981	1,822,753	2,370,644
13.	Total capital assets			
	REVOLVING FUND			
	1. Wages and salaries	7,935	-	7,935
	2. Basic raw materials	40,270	-	40,270
	3. Secondary raw materials	-	-	-
	4. Consumer goods	-	-	-
	5. General expenditure	7,489	-	7,489
	TOTAL	55,694	-	55,694
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in Birr)			2,426,338

PROJECT NO. 43

1. **TITLE OF PROJECT:**

   Oxygen Filling Plant

2. **SPONSOR:**

   Ato Zewdu Bekele

3. **LOCATION:**

   Addis Ababa, where there are adequate infrastructural facilities.

4. **OBJECTIVE:**

   a) To render adequate service for the day-to-day needs of oxygen users in increasing number on the domestic market;
   b) Create important linkage effect with the external environment;
   c) Effective utilization of the freely available oxygen resource;
   d) Minimize the inconveniencies and expenses of clynder oxygen.

5. **CAPACITY:**

   132,000 M3 of oxygen per annum

6. **ESTIMATED COST:**

   Birr 902,350 out of which Birr 641,700 in foreign currency or US$310,000.

7. **JUSTIFICATION:**

   The capacity of the already established units is limited only for home consumption. The sett up of this new unit can increase supply to the local consumers at reasonable value and quantities.
   The unit is financially viable and sound.

8. **BENEFIT:**

   a) It would generate revenue to the Government and owner;
   b) Provides employment for about 10 employees;
   c) It creates linkage effect with other sectors;
   d) It raises value added;
   e) It utilizes the freely available oxygen resource;
   f) It saves foreign exchange;
   g) It strengthens the technological capacity of the sector.

9. **CO-OPERATION NEEDED:**

   As there is acute shortage of foreign exchange at the national level, the promoter is in need of a financing support to cover at least the cost of machinery and some technical assistance at the early stages of scheduling and/or commissioning. A possible joint venture arrangement could be considered.

10. **RESEARCH AVAILABLE:**

    A feasibility study report carried out by HASIDA is fully recommending the project as viable and profitable.

Annex to Project No.43

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	100,000	-	100,000
4.	Connections:	20,000	-	20,000
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	64,170	641,700	705,870
6.	Non-productive equipment			
	Vehicles	60,000	-	60,000
	Offices	5,000	-	5,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance	6,000	-	6,000
11.	Primary establishment costs			
	Sub-total	255,170	641,700	896,870
12.	Miscellaneous and unforeseen expenditure :10%			
	Total	255,170	641,700	896,870
13.	Total capital assets			
	REVOLVING FUND			
1.	Wages and salaries	2,880	-	2,880
2.	Basic raw materials	-	-	-
3.	Secondary raw materials	-	-	-
4.	Consumer goods	-	-	-
5.	General expenditure	2,600	-	2,600
	TOTAL	5,480	-	5,480
	REVOLVING FUND			5,480
	FINANCING NEEDED (in Birr)			902,350

PROJECT NO. 44

1. **NAME OF PROJECT:**

Walking Shoes Manufacturing Factory

2. **SPONSOR:**

W/o Roman Abraha

3. **LOCATION:**

Addis Ababa

4. **OJBECTIVE:**

To meet the local needs of the society by diverting them into inward looking consumption.

5. **CAPACITY:**

192,000 pairs per annum

6. **ESTIMATED COST:**

Birr 772,586 out of which Birr 536,118 in foreign currency or US$ 258,994.

7. **JUSTIFICATION:**

The development of sport activities, the rise of living standard and with it increasing demand for confort in shoes incorporating quality. The so-called "jogging or walking shoes" are ranking the top. The demand, thus, is quite considerable on the domestic market at present.

8. **BENEFIT:**

The implementation of the project will:

- create 40 jobs;
- improve the quality of the product;
- save foreign currency by substituting locally the imported product;
- enhance the consumer surplus;
- strengthen technology inputs for the sector;
- generate value added;
- contribute to the improvement of living standard by linkage effect.

9. **CO-OPERATION NEEDED:**

The promoter is able to invest 35% of the estimated cost and is looking for finance to cover the remaining and technical assistance from other organization partner.

10. **RESEARCH AVAILABLE:**

A concise feasibility study is presented by the promoter, showing project viability.

Annex to Project No.44

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	132,000	-	132,000
4.	Connections:	10,000	-	10,000
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	-	373,604	373,604
6.	Non-productive equipment			
	Vehicles			
	Offices	40,000	-	40,000
	Storage and miscellaneous	-	5,000	5,000
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance	10,000	-	10,000
11.	Primary establishment costs			
	Sub-total	197,000	373,604	570,604
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total or in $US rounded to	197,000	373,604	570,604
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries	11,400	-	11,400
	2. Basic raw materials	24,078	162,514	186,592
	3. Secondary raw materials	-	-	-
	4. Consumer goods	-	-	-
	5. General expenditure	3,990	-	-
	TOTAL	39,468	162,514	201,982
	REVOLVING FUND IN $US			
	FINANCING NEEDED			772,586

PROJECT NO. 45

1. **NAME OF PROJECT:**

Bleaching Agent Manufacturing Factory

2. **SPONSOR:**

W/t Konjit Taye

3. **LOCATION:**

Addis Ababa

4. **OBJECTIVE:**

To utilize the local materials available for the manufacturing of the bleaching agent which is commonly used for household and industrial use in increasing quantities, thus replacing imports and saving foreign exchange.

5. **CAPACITY:**

75 tons of hypochlorite per year.

6. **ESTIMATED COST:**

Birr 343,329 out of which Birr 280,000 in foreign currency or US$ 135,266.

7. **JUSTIFICATION:**

Reduces substantially the importantion of the product by providing local substitutes. The demand is fairly brisk especially in the cities.

8. **BENEFIT:**

- supply the needy population at a reduced price;
- creation of jobs;
- increasing the value added and saving of foreign currency;
- imply technology transfer to the sector.

9. **CO-OPERATION NEEDED:**

Financial support is sought to cover the foreign currency component of the project budget.

10. **RESEARCH AVAILABLE:**

Feasibility study is presented by HASIDA recommending the implementation of the project.

Annex to Project No. 45

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	50,000	-	50,000
4.	Connections:	3,000	-	3,000
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	-	280,000	280,000
6.	Non-productive equipment			
	Vehicles			
	Offices	5,000	-	5,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	58,000	280,000	338,000
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total or in $US rounded to	58,000	280,000	338,000
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries	2,280	-	2,280
	2. Basic raw materials	1,849	-	1,849
	3. Secondary raw materials	-	-	-
	4. Consumer goods	-	-	-
	5. General expenditure	1,200		1,200
	TOTAL	5,329	-	5,329
	REVOLVING FUND IN $US			
	FINANCING NEEDED			343,329

PROJECT NO. 46

1. **TITLE OF PROJECT:**

   Assorted Animal Feed Manufacturing Factory

2. **SPONSOR:**

   Ato Belachew Getahun

3. **LOCATION:**

   Nazareth (98 km., South-East from Addis Ababa).

4. **OBJECTIVE:**

   To improve the low level nutritional content in animal feed preparation for fatting enterprises (baby beef farms).

5. **CAPACITY:**

   9,000 tons of animal feed per annum.

6. **ESTIMATED COST:**

   Birr 630,282 out of which Birr 418,596 in foreign currency or US$ 202,220.

7. **JUSTIFICATION:**

   The project will provide inputs to agricultural sector. It will utilize local wasted materials and will improve animal feeding increasing in demand on local markets.

8. **BENEFIT:**

   The implementation of the project will:

- develop the country's technological capacity in the field of animal feed production;
- create 20 jobs;
- generate revenue to the government and owner;
- increase the industrial output, value added;
- stimulate future export of animal production by linkage effect.

9. **CO-OPERATION NEEDED:**

   Financing in foreign currency component and technical assistance are sought.

10. **RESEARCH AVAILABLE:**

    A pre-feasibility study is presented by HASIDA revealing the viability and profitability of the project.

Annex to Project No. 46

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	80,000	-	80,000
4.	Connections:	7,500	-	7,500
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	86765.46	418596.54	505362
6.	Non-productive equipment			
	Vehicles			
	Offices	5000	-	5000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training	2500	-	2500
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	181765.46	418596.54	600362
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total or in $US rounded to	181765.46	418596.54	600362
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
1.	Wages and salaries	3820	-	3820
2.	Basic raw materials	23100	-	23100
3.	Secondary raw materials	-	-	-
4.	Consumer goods	-	-	-
5.	General expenditure	3000	-	3000
	TOTAL	29920	-	29920
	REVOLVING FUND IN $US			
	FINANCING NEEDED			630282

PROJECT NO. 47

1. **TITLE OF PROJECT:**

   Shoe Sole and Women Top Heel Soles Unit

2. **SPONSOR:**

   Tewolde Kidane

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   To manufacture various types of soles and heels for local market. This will play a major role in increasing foreign currency savings while satisfying internal demands.

5. **CAPACITY:**

   240,000 pairs of soles and heels per year.

6. **ESTIMATED COST:**

   Birr 618,482 out of which Birr 369,200 in foreign currency, or US$ 178,357.

7. **JUSTIFICATION:**

   Since it is an indispensable input to leather shop manufacturing its demand is very high. The project is considered viable and will generate foeign currency saving through import substitution strategy.

8. **BENEFIT:**

   The implementation of the project will provide:

- job opportunity to sixteen persons;
- value added to the existing economy;
- development of the sub sector;
- linkage effect to the existing leather shoes enterprise;
- strengthen local technological capabilities;
- contribute to improved living standard.

9. **CO-OPERATION NEEDED:**

   Financial and technical assistance is sought from a foreign partner to cover the foreign currency component of the project (machinery and equipment, expert services and training of local personnel). The project is looking for foreign loan. A joint venture arrangement could also be considered.

10. **RESEARCH AVAILABLE:**

    A feasibility study is available in HASIDA along with project document and other relevant papers.

Annex to Project No.47

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	60,000	-	60,000
4.	Connections:	13,610	-	13,610
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	57,859	148.362	206,221
6.	Non-productive equipment			
	Vehicles	50,000		50,000
	Offices	125,000	-	125,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	193,969	148,362	342,331
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total	193,969	148,362	342,331
	or in $US rounded to			$US165,377
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL	55,313	220,838	276,151
	or in $US rounded to			$US133,406
	REVOLVING FUND IN $US			$US133,406
	FINANCING NEEDED (in $US)			$US298,783

PROJECT NO. 48

1. **NAME OF PROJECT:**

Electrical Motors Fitting Plant

2. **SPONSOR:**

Ato Taddesse Gebr--Eysus

3. **LOCATION:**

Addis Ababa, where the necessary infrastructural factilities and utilities for industrial development are available.

4. **CAPACITY:**

528 pcs of fitted electrical mottors per annum.

5. **OBJECTIVE:**

- to supply the necessary electrical motors to local users at a reasonable value;
- create adequate interdependence among different industries;
- avoid the involvement of hard currency in the purchase of imported electrical motors in demand on local market.

6. **ESTIMATED COSTS:**

Birr 322,087, out of which Birr 189,959 in foreign currency, or US$ 91,767.

7. **JUSTIFICATION:**

At the national level there is no similar project on production. The project is financially viable and sound.

8. **BENEFITS:**

- value added to the existing economy;
- creation of 29 jobs;
- government revenue and owner income generation;
- foreign exchange saving;
- linkage creation;
- strengthening local technological capabilities.

9. **CO-OPERATION NEEDED:**

Since there is a critical foreign exchange shortage in the national economy, the sponsor is looking for the purchase cost of machinery and some technical assistance under the form of expert services.

10. **RESEARCH AVAILABLE:**

A detailed feasibility study is available in HASIDA along with a project document and other relevant papers.

Annex to Project No. 48

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	100,000	-	100,000
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment			
6.	Non-productive equipment	-	89,990	89,990
	Vehicles	-	30,000	30,000
	Offices	10,000	10,000	10,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance	-	5,000	5,000
11.	Primary establishment costs			
	Sub-total	110,000	124,990	234,990
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total	110,000	124,990	234,990
	or in $US rounded to			$US 113,522
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL	22,128	64,969	87,097
	or in US$ rounded to			$US 42,076
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in $US)			$US 155598

PROJECT No. 49

1. **NAME OF PROJECT:**

   Pork and Beef Meat Processing and Preservation Factory

2. **SPONSOR:**

   Ato Wochefo Mamo, Owner

3. **LOCATION:**

   Addis Ababa

4. **OBJECTIVE:**

   Since the existing similar processing factory cannot satisfy the demand on the internal market, a new project is needed to process locally available raw materials.

5. **CAPACITY:**

   172,536 tons of preserved and processed pig and beef meat.

6. **ESTIMATED COST:**

   Birr 1,215,655, out of which Birr 750,554 in foreign currency or US$ 362,586.

7. **JUSTIFICATION:**

   The product is largely consumed by expatriates and there is no sufficient local supply at a reasonable price. The project is considered justified and viable both financially and economically.

8. **BENEFIT:**

- creation of 18 jobs;
- development of fund processing subsector;
- increase of value added;
- income for owner and government;
- complete use of local raw material;
- strengthening of local technological capabilities;
- satisfy local needs and increase standard of living.

9. **CO-OPERATION NEEDED:**

   Financial and technical assistance is sought to be covered by a foreign partner in hard currency under the form of loan. However, a joint venture arrangement could also be considered.

10. **RESEARCH AVAILABLE:**

    Feasibility study available in HASIDA along with project document and other relevant papers.

Annex to Project No. 49

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development			
3.	Construction	150,000		150,000
4.	Connections:	15,000		15,000
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	201,166	670,554	871,720
6.	Non-productive equipment			
	Vehicles		80,000	80,000
	Offices	15,000		15,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training	15,000		15,000
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	396,166	750,554	1,146,720
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total	396,166	750,554	1,146,720
	or in $US rounded to			$US553,971
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL	68,935	-	68,935
	or in $US rounded to			$US 33,302
	REVOLVING FUND IN $US			$US 33,302
	FINANCING NEEDED (in $US)			$US 587,273

PROJECT NO. 50

1. **TITLE OF PROJECT:**

Carbon Paper Manufacturing Plant

2. **SPONSOR:**

Ato Yassin Abdurahim Mohammed

3. **LOCATION:**

Addis Ababa

4. **OBJECTIVE;**

To establish a Carbon Paper Manufacturing Plant to meet the local demand for carbon paper needed by government offices, business enterprises, academic institutions etc.

5. **CAPACITY:**

120,000 kg of carbon paper at full capacity per annum.

6. **ESTIMATED COST:**

Birr 649,001, out of which Birr 468,975 in foreign currency or US$ 226,558.

7. **JUSTIFICATION:**

The demand for carbon paper is quite large. The cost in foreign exchange per unit of locally manufactured product is less than the cost of importation of the finished product. The project is considered justified being financially sound and economically viable.

8. **BENEFIT:**

- use local raw materials;
- create 14 jobs;
- increase industrial output and value added;
- generate income for owner and government;
- save foreign exchange and supply the consumer with better quality product;
- strengthen local technological capabilities.

9. **CO-OPERATION NEEDED:**

The promoter is able to finance the local cost of the project and is looking for technical assistance to be covered in foreign currency by partner. Either loan facility or joint venture arrangement could be considered.

10. **RESEARCH AVAILABLE:**

A concise study is presented by HASIDA along with project document and other relevant papers.

Annex to Project No. 50

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	-	-	-
3.	Construction	150,000	-	150,000
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment			
6.	Non-productive equipment	16,708	308,537	325,245
	Vehicles			
	Offices	2,000	-	2,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training	-	12,995	12,995
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	168,708	321,532	490,240
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total	168,708	321,532	490,240
	or in $US rounded to			
13.	Total capital assets in $US ($US 1 = Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries	3,960	-	3,960
	2. Basic raw materials		147,443	147,443
	3. Secondary raw materials	4,418	-	4,418
	4. Consumer goods			
	5. General expenditure	2,940	-	2,940
	TOTAL	11,318	147,443	158,761
	or in $US rounded to			
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in Birr)			649,001

PROJECT NO. 51

1. **TITLE OF PROJECT:**

Recycling and Manufacturing of Various Plastic Products Plant

2. **SPONSORS:**

Abeselom Yehadgo and Almaz Yakob

3. **LOCATION:**

Addis Ababa

4. **OBJECTIVE:**

Manufacturing of various paramount plastic products like conduits, garden hose, polyethylene bags and switch box.

5. **CAPACITY:**

No.	Products	Unit	Quantity	Value (Unit)	Total Value
1.	Conduits	Kg	180000	6.00	1080000
2.	Garden hose	"	216000	8.00	1728000
3.	Polyethylene bags	"	250000	5.000	1250000
4.	Switch box	"	108000	9.00	972000

6. **ESTIMATED COST:**

Birr 3,133,134 out of which Birr 2,421,417 in foreign currency or US$1,169,767.

7. **JUSTIFICATION:**

The project is considered viable and justified by utilizing of waste materials and making foreign exchange saving through import substitution strategy.

8. **BENEFIT:**

- Value added to the economy;
- Creation of jobs;
- Funnel a substantial amount of tax to the Government and profit to the promoter.
- Contribute to strengthening of technological capabilities in the sector.

9. **CO-OPERATION NEEDED:**

Financial and technical assistance is sought.
Joint venture arrangement possible.

10. **RESEARCH AVAILABLE:**

Feasibility study is available in HASIDA recommending the implementation of the project.

Annex to Project No. 51

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land	(available)	-	-
2.	Land development	200,000	-	200,000
3.	Construction			
4.	Connections:			
	Electricity	25,000	-	25,000
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	307,200	1,740,800	2,048,000
6.	Non-productive equipment	45,000	-	45,000
	Vehicles			
	Offices	20,000		20,000
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling			
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	597,200	1,740,800	2,338,000
12.	Miscellaneous and unforeseen expenditure			
	Total	597,200	1,740,800	2,338,000
	or in $US rounded to		$US	1,129,469
13.	Total capital assets in $US ($US 1 - Birr 2.07)			
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL in US$	114,517	680,617 $US	795,134 384,123
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in $US)			Birr 3,133,134 $1,513,592

PROJECT NO. 52

1. **TITLE OF PROJECT:**

Tannery Unit

2. **SPONSORS:**

Likelesh Tadesse and Meri Nalvadian

3. **LOCATION:**

Addis Ababa, because of the availability of sufficient utilities and facilities for the smooth run of operation.

4. **OBJECTIVE:**

- create important forward and backward linkages with agriculture and the leather industry;
- covering domestic market demand,
- providing product supply for experts.

5. **CAPACITY:**

143,000 pcs of wet blue.

6. **ESTIMATED COST:**

Birr 3,428,678 out of which Birr 2,243,492 in foreign currency, or US$ 1,132,122.

7. **JUSTIFICATION:**

The existing tannery enterprises are few in number as compared to the abundant availability of hides and skins in the country. The development of leather industry can contribute significantly to the export oriented market stretegy of the national economy. Financially, the project is viable, sound, hence fully justified.

8. **BENEFIT:**

- it will be a source of revenue to the government, the owners and the private sector as well;
- create job opportunity for 11 employees;
- create linkage effect in the national economy and enhance technological capabilities;
- earn a substantial amount of foreign exchange.

9. **CO-OPERATION NEEDED:**

Since the project's capital cost is a huge sum for a private entrepreneur and there is a severe foreign exchange shortage at the national level, the sponsors require foreign financing at least for the purchase of machinery and equipment and for technical assistance at the early stages of the project implementation.

10. **RESEARCH AVAILABLE:**

A feasibility study report is available in HASIDA, recommending the implementation of the project.

Annex to Project No. 52

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
	Fixed Capital	956,343	1,984,436	2,940,779
	Building	780,000	-	780,000
	Plant & machinery	150,343	1,503,436	1,653,779
	Office furniture	6,000	-	6,000
	Transport vehicle	-	471,000	471,000
	Erection and Installation	20,000	10,000	30,000
	Revolving Fund	228,843	259,056	487,899
	Local raw material (1 month)	150,030	-	150,030
	Imported raw material (4 months)	-	259,056	259,056
	Salaries and wages	12,780	-	12.780
	Sundry expenses	66,033	-	66,033
	Total capital cost (Birr)	1,185,186	2,243,492	3,428,678

PROJECT NO. 53

1. **TITLE OF PROJECT:**

Lamp Holders Manufacturing Plant.

2. **SPONSOR:**

Wondewosen Kassa

3. **LOCATION:**

Addis Ababa

4. **OBJECTIVE:**

To manufacture fluorescent and incandescent lamp holders currently imported.

5. **CAPACITY:**

At its full capacity, the plant can manufacture 200,000 pcs of flourescent lamp holders and 500,000 pcs of incandescent lamp holders per year.

6. **ESTIMATED COST:**

Birr 4.6 million out of which Birr 1.27 million in foreign currency, or US$ 0.6 million.

7. **JUSTIFICATION:**

Promising demand for the products. The project is considered justified, being financially sound and economically viable.

8. **BENEFIT:**

- foreign currency saving through import substitution;
- value added to the economy;
- creation of job to 30 employees;
- funnel a substantial amount of tax revenue to government and profit to the entrepreneur;
- strengthening local technological capabilities.

9. **CO-OPERATION NEEDED:**

Technical and financial assistance to be covered for the foreign currency component.

10. **RESEARCH AVAILABLE:**

A detailed feasibility is available in HASIDA along with the project document and other relevant papers.

Annex to Project No. 53

(In Birr)

No.	Item	Local Currency	Foreign Currency	Total
1.	Land			
2.	Land development			
3.	Construction	469,040	171,300	640,340
4.	Connections:			
	Electricity			
	Compressed air			
	Telephone (3 & 4)			
5.	Productive equipment	247,300	1,041,300	1,288,600
6.	Non-productive equipment	15,880	12,380	28,260
	Vehicles			
	Offices	7,675	5,125	12,800
	Storage and miscellaneous			
	Maintenance and tooling			
7.	Transport and insurance			
8.	Assembling	70,190	37,800	107,990
9.	Training			
10.	Studies, engineering and assistance			
11.	Primary establishment costs			
	Sub-total	810,085	1,267,905	2,077,990
12.	Miscellaneous and unforeseen expenditure (in %)			
	Total	810,085	1,267,905	2,077,990
	or in $US rounded to		612,514	1,003,860
13.	Total capital assets in $US ($US 1 = Birr 2.07)			1,003,860
	REVOLVING FUND			
	1. Wages and salaries			
	2. Basic raw materials			
	3. Secondary raw materials			
	4. Consumer goods			
	5. General expenditure			
	TOTAL			2,500,000
	or in $US rounded to:			$US 1,207,729
	REVOLVING FUND IN $US			
	FINANCING NEEDED (in $US)			$US 2,211,589