

PROJECT PROFILE – SUMMARY SHEET

Project Introduction

1. Project title: **Manufacturing of iron profile**

2. Sector :Construction of basic metals(27)
Production of pig iron and steel (2710)

3. Products/Services: **Manufacturing of iron profile**

4. Location: Free zone Economic special zone Industrial Estate Main Land

5. Project description:

The main goal of carrying out this plan is establishment of a production unit of iron profile for its application in construction industry, in Lorestan province.

6. Annual capacity: 28,000 tons.

Project Status

7. Local / internal raw material access: 100% of materials are supplied in the country .

8. Sale:

Anticipated internal market: 50%

Anticipated export market: 50%

9. Construction Period (from beginning of activity to commercial activity): 24 months

Schedule

Beginning of activity:

In-site beginning of activity:

End of project:

Commercial activity beginning:

10. Project Status:

- Feasibility study available? Yes No
- Required land provided? Yes No
- Legal permissions (establishment license, environment, etc) taken? Yes No
- Partnership agreement concluded with local/foreign investor? Yes No
- Financing agreement concluded? Yes No
- Agreement with local / foreign contractor(s) concluded? Yes No
- Infrastructural utilities (electricity, water supply, telecommunication, fuel, road, etc) procured? Yes No
- List of know-how, machinery, equipment, as well as seller / builder companies defined? Yes No
- Purchase agreement for machinery, equipment and technology concluded? Yes No

1



Financial Structure

11. Finance

Description	Required Local Currency			Required Foreign Currency (Thousand Dollar)	Total in Thousand Dollar
	Million Rials	Rate	Equivalent in Thousand Dollar		
Fix Capital	88,928	87000 Rials for each Dollar	1,022	0	1,022
Working Capital	49,625		570	0	570
Total Investment	138,553		1,592	0	1,592

- Value of local equipment/machinery: 330 thousand dollar
- Value of foreign equipment/machinery: thousand dollars
- Value of foreign technology: thousand dollar
- Value of local technology: Million dollar
- Net Present Value (NPV): 39,470 Million Rials for 10 Years, discount rate: 20%
- Internal Rate of Return (IRR): 27,16%
- Payback Period (PP): 33,33%

General Information

12. Project Type: Establishment Expansion and completion

13. Company Profile:

- Name (legal /natural persons):
- Current activity of company:
- Address:

2

-Tel: Fax:
-E-mail: Web site:
-Legal structure of company: private sector public sector other

Please attach follow documents if available

- Pre-feasibility study
- Feasibility study
- Legal permissions (establishment license, foreign currency quota, environment, etc)

Plan name: Manufacturing of iron profile

Product introduction

The aim of carrying out this plan is establishment of production factory of iron profile to use in construction industry in Lorestan province.

Product ISIC Code 2710412450 (and 8-digit code 27101262) from construction group of basic metals (27) and subgroups of manufacturing pig iron and steel (2710), a variety of steel pipes, profile and connections (2710312428).

Iron profile under subchapters of tariff 7216, Iran's customs titled “ the profile with U,I or H cross section, just hot rolled , hot extended or hot extruded with length less than 80mm” is imported and exported with sub tariffs 72163200, 72163100, 72162100, 72161000, 72165000, 72166900, 72169910.

Entry requirements of all above-mentioned sub tariffs except for sub tariff 72169910, are having permission of Ministry of commerce and Ministry of Industry, Mine and Trade, paying 26percent of entrance fees (tariff) in 2018 (customs 4% and business profit 21%).

Entry requirements of sub tariff 72169910 are having permission of Ministry of commerce and Ministry of Industry, Mine and Trade, paying 10percent of entrance fees (tariff) in 2018 (customs 4% and business profit 6%).

Introduction of product applications

A variety of iron profiles are applied in different parts of industry. The most important application of iron profiles is in automotive section and construction of industrial machinery and also the main application of produced profiles of this unit is in building sector to construct doors and windows.

Proposed places for plan

According to benefits of establishment in industrial estates and areas, industrial estates of Lorestan province are suggested for conducting the project.

Raw ,auxiliary,Consuming materials

Required raw materials of this unit are as follows:

Raw materials price

No	Raw , auxiliary and packing materials	Unit	Consumption rate per year	Spoilage	Sum of raw and consuming materials	Unit price (Rial)	Annual cost (m/r)
1	steel couple st37	ton	28,000	800,0	28,800	22,500,000	648,000
2	auxiliary materials (including water, soap (dissoluble oil), grease, hydraulic grease, ...)	ton	-	-	-	380,000,000	380
Total							648,380

Sales plan

Sales price just outside of the factory is as follows. Regarding local needs and little share of production of factory from total production of the country, it is supposed that manufactured goods are marketable in the country

Sales plan

Description	First year	Second year	Third year	Forth year	Fifth year
Production percent	70%	80%	90%	90%	90%
steel profile (capacity, ton)	19,600	22,400	25,200	25,200	25,200
spoilage(capacity, ton)	560	640	720	720	720
steel profile(sales, mr)	509,600	582,400	655,200	655,200	655,200

spoilage (sales, mr)	5,320	6,080	6,840	6,840	6,840
Total(capacity)	20,160	23,040	25920	25920	25920
Total (sales)	514,920	588,480	662,040	662,040	662,040

Annual nominal and practical capacities

Annual production capacity of this unit, based on 300 working days, is planned 28000tons in year. In terms of number of working shifts, it is necessary to explain that in regard to production unit of iron profile, 2 shifts are required for machinery. Practical capacity of this plan, regarding the unpredicted factors of stop working and also repair and maintenance, is considered 25200 tons with 90% efficiency of nominal capacity.

Production method and desired technology

Working steps in this method are:

1. Coil loading in to cutting machine
2. Cutting coils in different widths and creating a hank
3. Initial forming and turning the hanks in to pipe
4. Welding seam of pipes
5. Pleating the welded seam
6. Final forming the pipes by profile mold
7. Cutting the produced profiles in desired dimensions and transferring produced profiles to production store.

The plan investment costs

The fixed plan investment costs is estimated to be 88,928 million Rials and the working capital is estimated to be 49,625 million Rials.

The plan investment costs

Description	Required				Total (million rials)	%
	currency (dollar)	rial equivalent	rial (m.r)	required total		
Land	0	0	3,150	3,150	3,150	2%
Landscaping	0	0	1,102	1,102	1,102	1%
Building	0	0	31,664	31,664	31,664	23%
Machinery and equipment	0	0	28,740	28,740	28,740	21%
Installations	0	0	10,526	10,526	10,526	8%
Laboratory equipment and supplies	0	0	39	39	39	0%

Description	Required				Total (million rials)	%
	currency (dollar)	rial equivalent	rial (m.r)	required total		
Vehicles	0	0	2,325	2,325	2,325	2%
Workshop equipment	0	0	91	91	91	0%
Service and administrative equipment	0	0	785	785	785	1%
Unexpected and miscellaneous	0	0	3,921	3,921	3,921	3%
Total fixed assets	0	0	82,3422,38	82,3422,38	82,3422,38	59%
Pre-exploitation costs	0	0	6,585,84	6,585,84	6,585,84	5%
Total fixed investment costs	0	0	88,928,22	88,928,22	88,928,22	64%
Working capital	0	0	49,624,88	49,624,88	49,624,88	36%
Other assets	0	0	0	0	0	0%
Total plan investment costs	0	0	138,553,11	138,553,11	138,553,11	100 %

The plan production costs

The annual production costs are estimated to be 689779 million Rials.

No	Description	Cost (million rials)	cost in practical capacity (million rials)
1	Raw, auxiliary and packing materials	648,380	583,542
2	Production salary and wage	6,134	5,950
3	Water, electricity, fuel and communication	3,820	3,515
4	Insurance	151	151
5	Repair and maintenance	3,414	3,141
6	Marketing and ads	7,356	6,768
7	Production unpredicted and miscellaneous	13,238	12,179
8	Depreciation	7,286	7,286
Total		689779,05	622530,79

Economic indices

Economic indices

Description	Value-measurement scale
NPV (net present value)	39470 million rials
IRR(internal rate of return)	27,16%
PBP (period of return of capital)	3 years

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2

Management and Planning Organization of Lorestan Province