

Plan: carpet waving workhouse complex

Introduction to the product:

The main goal of this plan is to establish carpet weaving workhouse complex in Lorestan Province. The main goal of establishing carpet waving workhouse at first is to produce original Persian carpet and, second, to gain income and financial independence. Another goal is to employ the human forces and labor and training them who can be employed in this unit after the training eras and also they can be future educators for the new comers to trains others the carpet weaving art and gaining desirable income. Further, the other goal is to improve the Persian carpet industry. One of the important purposes of this unit is to improve the production conditions qualitatively and quantitatively. The Persian hand-woven carpet dating back to several thousand years ago has long been considered by people worldwide and nowadays, it is in strong link with Iran. This carpet is a multidimensional product with different social, technical, artistic and economic aspects.

Custom fees

Carpet and similar products made from textile materials refer to the floor covering products whose surface is made of the textile materials when being observed as well as the objects with floor covering characteristics made of the textile materials and features such as rigidity and strength for other applications such as decorative carpet, desk carpet and other furniture applications. These carpets classified in this group are the carpets and rugs in certain size with embroidered margins, lined up, marginalized, aligned etc. or in form of carpets for rooms or stairs, corridors, staircase, by the bed or in front of heater in form of roll with uncertain length in order to simply cutting in certain sized and supplying. They may be stained by latex or woven fabric or unwoven one or underlined the leather or sponge polymers.

The carpets are classified as:

1. Knotted
2. Woven
3. Tufted
4. Non-tufted
5. Etc.

Tariff 570110 is for carpets made of the animal wool or hairs and tariff 570190 is related to the carpets made from other textile materials. Products under this tariff code used as floor covering can be used as decorative, desk carpets or other applications such as furniture. Tariff 5702 is for carpet and other floor coverings made of textile materials, non-tufted one and rug and shumak. Tariff 570210 is related to the rug and Shumak and so on. The code 570220 is related to the coconut fibers-made carpets. Tariffs 570231-570229 are related to other non-fabricated or wool, yarn made carpets or fabricated of the synthetic and artificial materials. Tariff 5703 is related to the carpet and other textile materials made floor coverings, tufted or even ready-to-use whose type and the wool, nylon and other artificial materials made carpets are characterized with tariffs 570320, 570330 and 570390, respectively. Tufted products are woven with tufting machine. These machines insert the weaving yarn into the background previously prepared using a system

including needles and hooks or if there were needles and hooks with the cutting tool, they would prepare tufts.

Tariff 5704 is related to the carpet and other types such as non-tufted types which are classified under tariff 570410 if they are tile-shaped with area less than 0.3m² and other types are under tariff 570490. Felt is made usually by putting several textile fibers layers on each other and batting or blowing or sucking and later, these layers are put on each other and would be wetted usually with steam or warm soapy water and simultaneously, it is pressed by beating under high pressure and the yarns are combined with each other and the felt is made. Tariff 5705 is related to other textile materials made floor coverings as ready-to-use products. Unwoven carpets are also under this tariff which is consisted of batted textile yarns layers.

Raw, auxiliary materials and consumables

Raw materials for this unit are as follow which are supplied locally.

#	Raw, auxiliary materials and packing	Measurement Unit	Amount/year	Unit Price	Annual Cost mRial
1	pile	1000kg	12	400,000,000	4,600
2	wrap	1000kg	3	170,000,000	425
3	silk wrap yarn	1000kg	1	3,000,000,000	1,500
4	Under weft	1000kg	1.5	150,000,000	225
5	Thin weft	1000kg	1.5	120,000,000	180
6	Silk tissue	1000kg	0.5	2,700,000,000	1,350
7	Map	set	1	140,000,000	140
Total					8,420

Sales plan and target market

The products sales price is as follow.

#	Description	practical capacity (m ²)	nominal capacity (m ²)	unit price(rial)	Annual Sale(mRial)
1	Handmade Carpet	2,500	2,250	15,000,000	37,500
2	Carpets made of silk	500	450	30,000,000	15,000
Total		3,000	2,700		52,500

Annual nominal and practical capacity

The nominal capacity considered for this unit is weaving 3000 m³ hand-woven carpet of which 500 m² is allocated to silk carpet weaving.

Since the nominal capacity is the production capacity in ideal conditions, considering 90% efficiency of the nominal, the practical capacity is 2700m² annually.

Investment costs

The fixed investment costs for this plan is 22.47 billion Rials and the working capital is equivalent to 5.79 billion Rials estimated.

Description	Total Cost(m.Rial)	%
Land purchase	5,000	18%
Site preparation and development	958	3%
Civil works, structures and buildings	12,196	43%
Machinery and equipment	640	2%
Branches And Installation	849	3%
Vehicles	1,150	4%
Service equipment	0.00	0%
official equipment	301	1%
Other and unpredicted costs	1,055	4%
Total FIXED ASSETS	22,148.48	78%
pre-production expenditures	324.50	1%
TOTAL FIXED INVESTMENT COSTS	22,472.98	80%
Working capital in 100% of capacity	5,793.54	20%
Other assets	0	0%
TOTAL INVESTMENT COSTS	28,266.52	100%

Plan production costs

The annual cost of this plan is 39.46 billion Rials estimated.

#	Description	Total Cost(m.Rial)
1	Raw and packing material	8,420
2	Personnel's salary	26,912
3	Energy	263
4	Building and livestock insurance	31
5	Repair, maintenance and spare parts	634
6	Marketing and Advertising	1,050
7	Unpredicted	746

Summary of the pre-feasibility studies of carpet waving workhouse complex

8	Depreciation	1,403
Total operational and non-operational production costs		39,459

Economic indices

<i>Description</i>	<i>Amount-measurement scale</i>
<i>NPV</i>	<i>14809 m Rial</i>
<i>IRR</i>	<i>31.85%</i>
<i>PBP</i>	<i>2.65 years</i>

Plan and Budget Organization of Lorestan province

PROJECT PROFILE – SUMMARY SHEET

Project Introduction

1. Project title: carpet waving workhouse complex

2. Sector: industry

Sub sector: carpet weaving

3. Products/Services: carpet weaving

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

5. Project description:

The main goal of this plan is to establish carpet weaving workhouse complex in Lorestan Province. The main goal of establishing carpet waving workhouse at first is to produce original Persian carpet and, second, t gains income and financial independence. Another goal is to employ the human forces and labor and training them who can be employed in this unit after the training eras and also they can be future educators for the new comers to trains others the carpet weaving art and gaining desirable income. Further, the other goal is to improve the Persian carpet industry. One of the important purposes of this unit is to improve the production conditions qualitatively and quantitatively. The Persian hand-woven carpet dating back to several thousand years ago has long been considered by people worldwide and nowadays, it is in strong link with Iran. This carpet is a multidimensional product with different social, technical, artistic and economic aspects.

6. Annual capacity: 3000 m³/year

Project Status

7. Local / internal raw material access 100 %

8. Sale: 100% locally

- Anticipated export market 0 %

9. Construction Period 24 month

Beginning of activity

In-site beginning of activity:

End of project:

Commercial activity beginning:

Project Status

10. Project Status:

- Feasibility study available? Yes No
- Required land provided? Yes No
- Legal permissions (establishment license, foreign currency quota, 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, equipments and know- how concluded? Yes No

Financial Structure

11. Financial Table

Description	Local Currency Required			Foreign Currency Required Million Dollar	Total Million Dollar
	Million Rials	Rate	Equivalent in Million Dollar		
Fix Capital	22472.98	31000	0.72	0	0.72
Working Capital	5793.54	R for each Dollar	0.19	0	0.19
Total Investment	28266.52		0.91	0	0.91

- Value of foreign equipment/machinery million dollar
- Value of local equipment/machinery 0.02 million dollar
- Value of foreign technical know- how million dollar
- Value of local technical knows- how million dollar
- Net Present Value (NPV): 14809 Million Rial for 10 Year, discount rate: 20%
- Internal Rate of Return (IRR) 31.58%
- Payback Period (PP) 37.73%

General Information

12. Project Type : Establishment Expansion and completion

13. Company Profile:

-Name (legal /natural persons):

-Company Name:

-Address:

-Tel:

Fax:

-E-mail:

Web site:

-Local entrepreneur : 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)

Ministry of Economic Affairs and Finance
Organization for Investment Economic and Technical Assistance of Iran (OIETAI)
Foreign Investment Center of Lorestan Province
Tel (Tehran): (021) 33967749-33967766-33967762-39902485-39902488-39902486
Tel (Khoramabad): (066) 33229577
Fax: 33967774
Website: www.investiniran.ir
eco_isc@yahoo.com