



INVESTMENT OPPORTUNITY

Rehabilitation of

"Aluminum Factory"

"Ur"

State Company for Engineering Industries

– Invitation

The Ministry of Industry and Minerals (MIM) / Investment Department) invites Investors and International Competent Companies to invest in rehabilitation of the Aluminum- semis factories of Ur State Company for Engineering Industries located at Thi-Qar Governorate about 380KM . South of Baghdad. The plant includes several factories as follows:-

1. Rolling Factory.
2. Extrusion Factory No.1 and No.2.
3. Anodizing Factory No.1.
4. Anodizing and Coloring Factory No.2.
5. Foil Factory.
6. Foundry Factory.



– History of the Plant

a. Rolling Factory

Established in 1978 in cooperation with CLECM Company of France to produce Aluminum strips plates and discs for various uses.

The design capacity is 16500 tons per year. The actual production capacity varied from 3000 tons in 1993 to 500 tons in 2006.

b. Extrusion Factory:

There are two production lines namely No. (1) and No. (2) Specialized in producing various Aluminum sections used for making doors, windows and furniture as well as making pipes and shafts in deferent dimensions. No. (1) Was established in 1979 in cooperation with French Companies with a design capacity of 3700 ton per year, but currently the line is standstill due to technical difficulties. No.(2) was established in 1993 with a design capacity of 4500 tons per year, but since 1995 the production capacity settled at low rate of 600 tons per year.

c. Anodizing Factory No.1:

Established in 1979 in cooperation with SCECIM Company of France to anodize Aluminum profile with Al₂O₃ layer to provide protection from variable weather conditions, as well as coloring according to customer's desire. The design capacity is 3600 tons per year. The plant is out of operation now due to corrosion and damages of most of its components.

d. Anodizing and Coloring Factory No.2.

Established in 1990 in cooperation with "Confirmex" Company of Italy to supplement the production of the Extrusion factory. The factory produces anodized and electro-colored profiles (six bronze colors graduated from silver to black) as well as spray coated colored profiles .Due to Gulf war all works stopped and the line of power- coating had been totally damaged. Internal efforts managed to operate the factory manually ever since 1994. Never the less some machineries and production lines are still out of operation.

e. Foil Factory:

Established in 1978 in cooperation with CLECM Company of France with a design capacity of 2800 tons per year. The factory produces aluminum foils in different thickness (plane, laminated metallic and medical bottles caps).

f. Foundry Factory:

It was established in 1978 to provide raw materials for the Rolling and Extrusion factories Slabs, Billets and Wires Rods for Cables Factories are produced by re-melting of scrap and re-melting of ingots. The design capacity is 10000 tons of slabs and billets as well as 10000 tons of wires. However the actual production capacity was 1500 tons only since 1995 till now.



– Investment Concept

The concept is that the investor shall implement the activities to rehabilitate the plant in accordance with modern technology, manage and operate the plant against share of accomplished production, for a certain period.

– Plant Data:

▪ Design Capacity

No.	Factory	Product	Design capacity
1	Rolling factory	<ul style="list-style-type: none">- Plates:5.5-12mm- Plates:0.5-0.7-0,8-1-1.5-2.0 mm- Corrugated plates 0.7-1-1.25-1.5 mm- Strips : 0.5 – 2.5 mm- Discs : 0.8 – 1.5 mm	16500 ton/y
2	Extrusion factory No.1 No.2	Aluminum sections (doors and windows) 6m length profile section according to mould	3700 ton/y 4500 ton/y
3	Anodizing factory No.1	Anodizing profiles	3600 ton/y
4	Anodizing and coloring factory pawed coating line	Colored profile (6) colors from silver to black	1000 ton/y including 6000 ton normal oxidized profile and 4000 colored
5	Foil factory	<ul style="list-style-type: none">- plane foil :20 – 80 micron thick 25 – 1000 mm width- printed foil :30-40 mm thick (coated)- medicine bottles caps Size 28 x 18 mm 20 x 8 mm 31.5 x 18 mm 28 x 22 mm	2845 ton/y
6	Foundry factory	Re-melt slabs 280X160 billets 178mm diameter and wire rode 9.5, 12,15mm dia.	10000 ton/y

▪ Target Capacity

The investor shall indicate in his proposal the target production capacity after rehabilitation for each factory. These capacities shall not be less than 80% of the design capacity. Upgrading of capacity to the design capacity or higher is appreciated



– Economic Data:

▪ Strong Points of the Opportunity:

The plant is the only Aluminum semis producer in Iraq. The extruders of the extrusion factory are the only extruders in Iraq. A large number of down stream private sector factories depend on the profiles produced at the plant for further processing to produce window and door sections according to customer request.

❖ Local Market Demand

There is a large scale demand on colored profile, while current production does not meet the demand.

Sheets, strips, foil have a very encouraging local market.

❖ Availability of Labor Force

Trained active labor force is available

▪ Estimated Cost of Rehabilitation

Rolling factory	40 Million US. \$
Extrusion factory No.1	5 Million US. \$
Extrusion factory No.2	2 Million US. \$
Anodizing factory	2 Million US. \$
Anodizing and coloring factory	3 Million US. \$
Foil factory	20 Million US. \$
Foundry and wire rod	10 Million US. \$
Services and utilities	14 Million US. \$
Laboratories and quality	2 Million US. \$
20 MW power generation	15 Million US. \$
Total	113 Million US. \$



– Special care

The investor is requested to pay special attention to the following points when preparing and submitting his proposal:-

1. The aim is to rehabilitate and upgrade the plant by modern technology, to reach targeted production capacity, all at the "investor" expenses, against share of the product for certain period of time to be agreed upon with Ministry of Industry & Minerals.
2. The rehabilitation works shall be comprehensive for all production lines of the plant and facilities to ensure that the plant shall work at the targeted capacity.
3. The "investor" in cooperation with his supporters, specialized in concerned industry, shall depute technical experts to visit the plant site to evaluate the technical requirements of rehabilitation & conclude detail investigation at the same time. The plant management shall provide all needed assistance to help the expert's team to perform the technical investigation of the plant including providing technical data and drawings.
4. The investor shall present his investment proposal containing the details of the rehabilitation work that he shall perform, procedure for implementing the work, the final and stages production capacity targeted, the period of the investment agreement, the share of the Ministry of the production that he offers and the procedure to operate and manage the plant after completing the rehabilitation work (see General Condition for detailed terms of the eventual agreement).
5. The proposal shall contain the undertaking to supply, install, and operate power generation unit (s) sufficient to meet the plant needs.
6. It is preferable for the interested investors to arrange seminar for the project team and the related staff, to show his qualification and experience and points of view for the rehabilitation approach.
7. The proposal shall contain the undertaking to keep the plant personnel, pay their salaries and allowances throughout the agreement period.



– Evaluation criteria

A specialized team from the Iraqi side shall study all the proposals submitted by the investors and select the best proposal, negotiate the investor of the best proposal to finalize the agreement to be signed with the Ministry.

The evaluation criteria for selecting the winner investor shall be:-

1. The share of MIM as a percentage of the production.
2. The scope and level of rehabilitation works and technological modification offered by the investor.
3. Readiness of the investor to install power generation unit/(s) of a certain capacity to cover the need of all activities in the plant as the national grid is no more sufficient.
4. Readiness of the investor to keep the existing workforce of the plant paying their salaries & incentive according to the production increments.
5. The period planned to implement the rehabilitation activities to achieve the targeted production capacity of the plant.
6. Minimum period of the investment contract agreement.
7. Maximum production capacity undertaken to be fulfilled by the investor.
8. The investor financial capability to fulfill his undertaking to rehabilitate the plant supported by :-
 - Financial statements for the last three years.
 - Supporting letter from banks and financial houses showing the investor financial capabilities.
 - Documents on the financial capabilities of the investor partners or the supporting parties.
 - Documents on financial facilities that banks may grant to the investor.
9. The technical and managerial capacity of the investor and his supporting partners (Engineering Companies, Vendors, Site Work Contractors), to achieve the rehabilitation works, operate and manage the plant after completion the rehabilitation and organizational structure of the investor/group of investors (to be provided).
10. The similar experience of the investor and his supporting companies in similar works with documental references.
11. The readiness of the investor to accept and fulfill the conditions and obligations mentioned in the rehabilitation file.
12. The Applicable standards (Weights) for the evaluation of each accepted offers will be according to the following marks:-



The Standards of the Criteria		Marks Assigned %
	Financial Capability:	20
	- Providing a certificate from the banks or financial body/institution with other documents that support the financial capabilities of the investor and his partners.....	10
1	-The documented financial facilities presented by the banks to the investor.....	5
	-Evaluating the financial position of the investing company and the partners, through studying financial data's of the last three years.....	5
	Technical capability:	20
	-Similar project works of the investing company and his partners (Implementation and operation).....	10
2	-Presenting documented information on the engineering companies cooperating with the investing company.....	5
	-Authentic documents related to the original suppliers of materials, equipments foreseen dependable by the investing company.....	5
	...	5
3	The production share given by the investing company to the Ministry of Industry and Minerals	25
4	The targeted production capacity offered by the investing company.....	10
5	The period required by the investing company for the rehabilitation works.....	10
6	The scope of works specified by the investing company in the investment plan.....	10
7	The specific period of the investment agreement offered by the investing company.....	5

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