



INVESTMENT OPPORTUNITY

Wires Factories

UR State Company for Engineering Industries

"Thi-Qar Governorate"

– Invitation

The Ministry of Industry and Minerals (MIM) / Investment Department invites interested Investors and international companies to invest in rehabilitation of the Cables & Wire factories of "UR" State Company for Engineering Industries, the plant is located at Thi-Qar Governorate ,about 380 Km south of Baghdad.

These factories are as follows:

1. Telephone Cable Factory.
2. Power Cable Factory.
3. Control Cable Factory.
4. Wooden Drum Factory.
5. Enameling Wire Factory.
6. Domestic Wire Factory.
7. Field Wires Factory.
8. Jelly Filled Telephone Cable Factory



– History of the Plant

The factories were constructed by different contractors and operated in different periods to produce several kinds of electric cables and wires as follows:

- a. Telephone Cable Factory: The factory was established in 1982 (to produce different types of cables) according to a contract signed with HOSECH Company of Austria.
- b. Power Cable Factory: The existing factory was established in 1976 and started operation in 1977, the machinery was supplied by NIEHOFF Company / Germany.
- c. Control Cable Factory: Established in 1995 by UR state Co. own efforts.
- d. Wooden Drum Factory: Established in 1981 in cooperation with WATIKIN Company /England to produce wooden reels which are required by Cable factories
- e. Enameling Wire Factory: Established in 1979 in cooperation with NIEHOFF Company/ Germany.
- f. Domestic Wire Factory: Established in 1995 by the State Company's own efforts.
- g. Field Wire Factory: Established in 1982 by HOESCH Company/ Austria.
- h. Jelly filled telephone Cable Factory: Established in 2001, by Contec Company/Austria, but not yet operated due to incomplete delivery of equipment and unavailable supervising technical team.

– 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**

Factory		Ton/year
Telephone cable		2500
Power cable	High voltage transmission over head wire	7500
	Low voltage power cable	8500
Control cable		300
Wooden drum	Wooden stay(different sizes)	7000
	Drum (different sizes)	15000
Enameling wire		5914
Domestic wire		220
Field wire		812
Jelly filled telephone Cable		1.2 million/Km equal 10000 t/y

▪ **Target Capacity**

The minimum target capacity is 80% of the design capacity of all factories except the jelly filled telephone cable factory which should be equal to its design capacity

– **Economic Data:**

▪ **Strong Points of the Opportunity:**

❖ **Local Market Demand**

Local demand is growing widely and quickly, while current production does not satisfy the market needs. The gap is covered by importation. The Telephone wires produced in the telephone wires factory does not have an encouraging prospect, due to the reason that Iraq has recently entered the mobile communication system which is growing up very quickly, the investor may consider two possibilities, either orient the production to export or implement any necessary modifications on the production line to produce other similar nature product making use, as much as possible, from the existing equipment and facilities



❖ Availability of Labor Force

Iraq possesses an accumulated technical experience in engineering industries. The experience is represented in number of engineers, technicians, skilled and semi-skilled labors working in operation and maintenance activities, however, the investor may employ expert and specialists from outside Iraq for supervising rehabilitation works and training Iraqi staff on new technologies if required.

❖ Availability of Raw Material

Most of raw materials needed for the production are imported.

▪ Estimated Cost of Rehabilitation

Factory	Million US. \$
Telephone cable	6
Power cable	10
Control cable	7
Wooden drum	4
Enameling wire	12
Domestic wire	7
Field wire	5
Jelly filled telephone Cable	7
Central workshop	2
Generator unit	15
Total	75



– 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

Contact Details

Tel: 00964 1 8162006 Ext. 3127, 3122

E-mail: invest@industry.gov.iq

Mobile: 00964 7901 371 867

Address: Ministry of Industry and Minerals / Investment Department.

Nidhal Street

Baghdad – Iraq