

PROJECT PROFILE – SUMMARY SHEET

Project Introduction

Project Title: Different types of edible essence

2. Sector: industry Sub sector: Food

3. Products/Services: edible essence

4. Location: Sanandaj-Kurdistan Free zone ☐ Economic special zone ☐ Industrial Estate ☒ Main Land ☐

5. Project description:

Essential oils are one of the effective substances of the herbs. The essential oils are not homogeneous in terms of their chemical composition, they are seen in various compositions, but they generally originate from the chemical group called terpenes. These compounds usually have a bitter smell and taste, and their specific gravity is often less than water. These materials are also known as volatile oils or special oils. In general, essential oils are of three types by use Water-soluble essential oils, Oil-soluble essential oils, Alcohol-soluble essential oils which among these, water soluble essential oils are the most consumed in the food industry.

A variety of essential oils is used to flavor and aromatize food products. For example, in the production of various types of beverages, ice cream, chocolate, sweets, oils, breads and dumplings, jelly and pasta, and many other products, essential oils are used. One of the benefits of this project is the availability and cheapness of raw materials needed within Kurdistan province, which reduces the cost of transporting raw materials. According to the feasibility study of this project, it has a very low Payback Period and also has a high Internal Rate of Return, which is a good investment alternative. Most of Iran's exports go to the neighboring countries and the Persian Gulf because of the short distance, so the main consumer countries of Iran's market are mostly the neighboring countries and the Gulf. Due to the wide applications of essential oil in various industries, despite the increase in domestic production, the import of essential oil has also increased, but this import has made major changes depending on the conditions of different years and has not followed a regular trend (but it has increased overall). The volume of consumption of traditional essential oils such as rose water has not changed significantly, but the use of various essential oils in medicines and fragrances has also increased their consumption, and this trend is expected to continue. The amount of essential oil exports is divided under the general title of "Rose and other perfumes", which of course has been added to it since 2005. This confirms the special attention paid to the profitability and importance of essential oil as one of the valuable products for export. Therefore, the export development of this product is expected to be very favorable. According to the government's determination to remove the obstacles to the development of non-oil exports based on the fourth development plan, the production and export of essential oil will also be in this category due to the many potentials that exist in the country and will receive the support of the government. The production plan of all kinds of edible essential oils, considering the domestic target market, is used in the food industry and for the consumption of the general public. Sanandaj city, the capital of Kurdistan province, is the place of implementation of this project. The main raw materials for the production of this product are fruits and plants, which are supplied locally. The break-even point in this plan is 53.38% and the investment return period is 3.44 years.

Also, there are many investment incentives for investors. For example, "Preparation of land for the implementation of industrial plans and completed plans following technical and engineering principles and modern settlement methods", "Availability of infrastructure facilities in industrial areas", "Allotment of industrial land with suitable conditions", "Remission of 40 to 45 percent of the land price in industrial towns, especially for units that are put into operation faster than the schedule and have continuous production".

6. Annual capacity: 210,000 Liters

Project Status

7. Local / internal raw material access 100%

8. Sale:

- Anticipated export market 0.14 %

9. Construction Period: 1 years, 6 months

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 Euro	Total Euro
	Million Rials	Rate Rial	Equivalent in Euro		
Fix Capital	232,387	380,000	611,545	93,026	704,571
Working Capital	42,923		112,955	0	112,955
Total Investment	278,310		732,395	93,026	825,421

- Value of foreign equipment/machinery 93,026 euro
- Value of local equipment/machinery 0 euro
- Value of foreign technical know-how 0 euro
- Value of local technical know-how 0 euro
- Net Present Value (NPV): 3,031,545 euro for 5 Year
- Return on Investment (ROI) 24%
- Payback Period (PP) 3.44 Year

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) ☐

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