BRIEF PROFILE
MARBLE AND GRANITE PROCESSING PROJECT

1. BACKGROUND

The project entails the setting up of a modern integrated marble and granite cutting and polishing plant at the town of Omaruru. The plant will be involved in producing and supplying finished marble and granite stone products (slabs and tiles) for the local and international markets through a local value-addition process. The raw materials to feed the factory will be sourced from owned mining quarries and other existing quarries in the country.

2. LOCATION

Omaruru, Erongo Region, Namibia

3. HIGHLIGHTS OF THE PLANNED PLANT

3.1 Market Opportunities

In the short-term, the main aim of the company is to produce quality dimension stone products for mainly the local and regional markets. In terms of its preferential public procurement policy, the Government of Namibia has indicated that it will give preference to this local value adding project for all its requirements for dimension stone building materials, provided that the quality and price are competitive. This provides an important window of opportunity for the project to establish itself solidly in the local dimension stone industry and market, and thereafter to spring into the wider regional market.

The medium term strategy of the project is to export at least 70% of production output mainly to Europe, the US, China, the Far East and to the other 12 countries of the Southern African Development Community (SADC).

3.2 Production

On average, the company will produce a quantity of 766,584 square meters of granite and marble tiles as well as slabs per annum. This requires approximately 21,345 cubic meters of marble and granite annually.

3.3 Estimated Cost (in US$)

The proposed project is estimated to cost some $7.6 million. The promoters have raised $6.0 million of this total financing requirement in the form of equity and loan funding.
The $6.0 million has been utilized as follows:
- $3.3 million for civil construction, and
- $2.7 million towards the procurement and installation of plant and machinery

3.4 Projection of Financial Performance according to the project proposal of 2002

Profit before tax (as % of turnover) is expected to reach 3% in the second year, 6% in the third year and it will be hovering between 9% and 12% in the subsequent years.

4. STATUS

The feasibility study and business plan have been prepared in conjunction with the Deloitte and Touche auditing firm and are available. The construction of the factory building and the installation of the plant and equipment are at a 90% completion level.

5. PROJECT REQUIREMENT

The project has a financing shortfall of $1.6 million. An amount of $0.6 million of this will go towards the completion of the erection of a water recycling system, which is crucial for the cooling and lubrications of the equipment used in cutting the marble and granite tiles and slab stones. The rest will go towards meeting the working capital requirement of the project.

6. CONCLUSION

This private sector initiative will greatly contribute towards the achievement of national objectives of local value addition to natural resources, employment creation and enhanced export potential and generation of foreign exchange earnings. The promoters have made a significant investment in the project to-date. The Government of the Republic of Namibia is fully behind of this industrial initiative and would like to enlist the support of financiers and other investors to commit their resources into this plant to enable it to reach its desired performance potential.

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