



INVESTMENT OPPORTUNITY

Najaf Cement Factory from Wet Process to the Dry Process

"Najaf Governorate"

– Invitation

The new approach for Ministry of Industry & Minerals / Iraq is to rehabilitate its factories in cooperation with international investors.

Najaf cement factory is one of the factories operated by the state company of southern cement.

– History of the Plant

The factory was constructed by (ACC) Indian company at 1973 to produce ordinary Portland cement using wet process method. It consists of one production line with design capacity of (700) ton clinker /day. The plant was out of operation since 1982, beginning of nineties the state company of southern cement started revamps activities including conversion the clinker cooler to rotating type then started production of refractory high alumina cement in 1994 for small scale.



The plant restated to produce ordinary Portland cement using the old operation system till the current time.

Currently the plant operating at low capacity due to lack of spare parts and poor maintenance in addition of shortage of electric power. It needs comprehensive rehabilitations to all factory production and utilities liens.

– 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

The factory design capacity (700) ton clinker/ day.

▪ Target Capacity

The targeted capacity after modification & rehabilitation is not less than (2000) ton clinker/day, dry process.

Hint: it is recommended for the investor to study capability and possibility to increase the targeted production capacity up to 3000 tons clinker /day, upon his detail investigation of the plant.

– Economic Data:

▪ Strong Points of the Opportunity:

❖ Local Market Demand

It is expected that the local market demand will reach 27000000 ton/ year cement, while the current actual production of the local operated plants about 2000000 ton/year.

❖ Availability of Labor Force

Iraq has an accumulated technical experience in cement industry in both dry and wet processes, including engineers, technicians, and very large number of well-trained working staff in both of production and maintenance activities, in addition to the management and accountancy staff. with possibility to get use from the foreigner specialists to develop and train the present staff about new technical methods in cement industry

❖ Availability of Raw Material

The plant located in an area of abundance raw material needed for cement industry near the factory site with good reserves of limestone & gypsum.



- **Estimated Cost of Modification & Rehabilitation**

About (140) million USD (include electric power generation).

– **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: - Providing a certificate from the banks or financial body/institution with other documents that support the financial capabilities of the investor and his partners.....	20
1	-The documented financial facilities presented by the banks to the investor.....	10
	-Evaluating the financial position of the investing company and the partners, through studying financial data's of the last three years.....	5
	Technical capability: -Similar project works of the investing company and his partners (Implementation and operation).....	20
2	-Presenting documented information on the engineering companies cooperating with the investing company.....	10
	-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.