

Table C-4-(2) BOMA STORK

*** BABIBO DEVELOPMENT PROJECT ***
 --- BALANCE SHEET ---
 < EXISTING PLANT WITH DEVELOPMENT >

(UNIT:MM\$) BOMA

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Current Asset										
Cash on Hand & in Bank	3975	4903	5335	6772	7734	8706	9894	11078	12260	13439
Trade Account & Note Receivable	1343	1343	1343	1343	1345	1345	1345	1345	1345	1345
Prepaid Cost & Expense	0	0	0	0	0	0	0	0	0	0
Products Inventory	96	95	94	94	93	92	92	92	91	91
Raw Material & Cons. Inventory	1667	1667	1667	1667	1669	1669	1669	1669	1669	1669
Work in Process	1038	1038	1038	1038	1038	1038	1038	1038	1038	1038
Inventory Total	2801	2800	2799	2799	2800	2800	2799	2799	2799	2799
Total Current Assets	8118	9045	9977	10913	11879	12850	14038	15223	16404	17583
Fixed Asset										
Land	1	1	1	1	1	1	1	1	1	1
Building	381	381	381	381	381	381	381	381	381	381
Machinery & Equipment	2439	2439	2439	2439	2439	2439	2439	2439	2439	2439
Vehicle	27	27	27	27	27	27	27	27	27	27
Office Supply	48	48	48	48	48	48	48	48	48	48
Investment for Maintenance	414	439	464	489	514	539	564	589	614	639
Accumulated Depreciation	1797	1943	2078	2203	2318	2425	2523	2615	2701	2781
Book Value	1514	1393	1283	1183	1093	1011	938	871	810	755
Intangible Assets										
Value	480	480	480	480	480	480	480	480	480	480
Accumulated Amortization	416	432	444	453	459	464	468	471	473	475
Book Value	64	48	36	27	20	15	11	9	6	5
Other Assets	219	219	219	219	219	219	219	219	219	219
Total Fixed Assets	1798	1560	1538	1429	1332	1246	1168	1098	1035	979
TOTAL ASSETS	9915	10705	11515	12343	13211	14096	15206	16321	17440	18562
Current Liabilities										
Trade Account & Notes Payable	507	507	507	507	508	508	508	508	508	508
S/T Bank Loan	0	0	0	0	0	0	0	0	0	0
Current Portion of L/T Loan	209	209	209	209	209	0	0	0	0	0
Other Current Liabilities	1251	1251	1251	1251	1251	1251	1251	1251	1251	1251
Total Current Liabilities	1966	1966	1966	1966	1967	1758	1758	1758	1758	1758
Long-Term Liabilities										
Long-Term Debt	835	626	417	209	0	0	0	0	0	0
Stockholders Equity										
Capital	1090	1000	1000	1009	1000	1000	1009	1000	1000	1000
Retained Earning	6114	7112	8131	9167	10244	11338	12448	13562	14681	15803
Total	7114	8113	9131	10198	11244	12338	13448	14563	15682	16804
TOTAL LIABILITY & EQUITY	9915	10705	11515	12343	13211	14096	15206	16321	17440	18562

Table C-5-(1) BOMA STORK

*** BABIBO DEVELOPMENT PROJECT ***
 --- PRODUCTION COST ACCOUNTING ---
 < EXISTING PLANT WITHOUT DEVELOP. >

(UNIT:MMY) BOMA

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Variable Cost										
Raw Material Cost										
Initial Raw Material Inventory	295	295	295	295	295	295	295	295	295	295
Raw Material Purchased	354	354	354	354	354	354	354	354	354	354
Final Raw Material Inventory	295	295	295	295	295	295	295	295	295	295
Raw Material Consumed	354	354	354	354	354	354	354	354	354	354
Consumable Cost										
Initial Consumable Inventory	2	2	2	2	2	2	2	2	2	2
Consumable Purchased	18	18	18	18	18	18	18	18	18	18
Final Consumable Inventory	2	2	2	2	2	2	2	2	2	2
Consumable Consumed	18	18	18	18	18	18	18	18	18	18
Utilities	17	17	17	17	17	17	17	17	17	17
Others	496	496	496	496	496	496	496	496	496	496
Sub-Total	885	885	885	885	885	885	885	885	885	885
Fixed Cost										
Direct Labor	79	79	79	79	79	79	79	79	79	79
Factory Overhead Cost	79	79	79	79	79	79	79	79	79	79
Maintenance & Repair	25	25	25	25	25	25	25	25	25	25
Insurance	1	2	2	2	2	2	2	2	2	2
Others	0	0	0	0	0	0	0	0	0	0
Sub-Total	184	185	185	185	185	185	185	185	185	185
Depreciation	15	15	16	17	19	20	22	23	24	25
Amortization	0	0	0	0	0	0	0	0	0	0
Work in Process										
Initial Work in Process	1038	1038	1038	1038	1038	1038	1038	1038	1038	1038
Final Work in Process	1038	1038	1038	1038	1038	1038	1038	1038	1038	1038
Production Cost	1084	1085	1086	1087	1089	1090	1092	1093	1094	1096

Table C-5-(2) BOMA STORK

*** BABIHO DEVELOPMENT PROJECT ***
 --- PRODUCTION COST ACCOUNTING ---
 < EXISTING PLANT WITHOUT DEVELOP. >

(UNIT:MMX) BOMA

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Variable Cost										
Raw Material Cost										
Initial Raw Material Inventory	295	295	295	295	295	295	295	295	295	295
Raw Material Purchased	354	354	354	354	354	354	354	354	354	354
Final Raw Material Inventory	295	295	295	295	295	295	295	295	295	295
Raw Material Consumed	354	354	354	354	354	354	354	354	354	354
Consumable Cost										
Initial Consumable Inventory	2	2	2	2	2	2	2	2	2	2
Consumable Purchased	18	18	18	18	18	18	18	18	18	18
Final Consumable Inventory	2	2	2	2	2	2	2	2	2	2
Consumable Consumed	18	18	18	18	18	18	18	18	18	18
Utilities	17	17	17	17	17	17	17	17	17	17
Others	496	496	496	496	496	496	496	496	496	496
Sub-Total	885	885	885	885	885	885	885	885	885	885
Fixed Cost										
Direct Labor	79	79	79	79	79	79	79	79	79	79
Factory Overhead Cost	79	79	79	79	79	79	79	79	79	79
Maintenance & Repair	25	25	25	25	25	25	25	25	25	25
Insurance	2	2	3	3	3	3	3	3	3	3
Others	0	0	0	0	0	0	0	0	0	0
Sub-Total	185	185	185	186	186	186	186	186	186	186
Depreciation	27	28	29	30	31	32	33	34	35	36
Amortization	0	0	0	0	0	0	0	0	0	0
Work in Process										
Initial Work in Process	1038	1038	1038	1038	1038	1038	1038	1038	1038	1038
Final Work in Process	1038	1038	1038	1038	1038	1038	1038	1038	1038	1038
Production Cost	1097	1098	1099	1100	1102	1103	1104	1105	1106	1107

Table C-6 BOMA STORK

*** BABIDO DEVELOPMENT PROJECT ***
 INCOME STATEMENT
 < EXISTING PLANT WITHOUT DEVELOP. >

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
(UNIT:MM\$) BOMA										
Revenues										
Net Sales	1337	1337	1337	1337	1337	1337	1337	1337	1337	1337
Other Net	0	0	0	0	0	0	0	0	0	0
Sub-Total	1337	1337	1337	1337	1337	1337	1337	1337	1337	1337
Costs & Expenses										
Cost of Goods Sold	1084	1085	1085	1087	1089	1090	1092	1093	1094	1096
Initial Product Inventory	33	33	33	33	33	33	33	33	33	33
Production Cost	1084	1085	1086	1087	1089	1090	1092	1093	1094	1096
Final Product Inventory	33	33	33	33	33	33	33	33	33	33
Selling Expenses	11	11	11	11	11	11	11	11	11	11
General Administ. Expense	68	68	68	68	68	68	68	68	68	68
Interest on Long Term Loan	8	7	5	4	3	1	0	0	0	0
Interest on Short Term Loan	86	82	77	72	66	60	54	42	28	13
Sub-Total	1257	1252	1248	1242	1237	1231	1224	1213	1201	1188
Income Before Income Tax	80	85	89	95	100	106	113	124	136	149
Income Tax	27	28	30	32	34	36	38	42	46	51
Income After income Tax	53	56	59	63	67	70	75	82	90	98

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues										
Net Sales	1337	1337	1337	1337	1337	1337	1337	1337	1337	1337
Other Net	0	0	0	0	0	0	0	0	0	0
Sub-Total	1337	1337	1337	1337	1337	1337	1337	1337	1337	1337
Costs & Expenses										
Cost of Goods Sold	1097	1098	1099	1100	1102	1103	1104	1105	1106	1107
Initial Product Inventory	33	33	33	33	33	33	33	33	33	33
Production Cost	1097	1098	1099	1100	1102	1103	1104	1105	1106	1107
Final Product Inventory	33	33	33	33	33	33	33	33	33	33
Selling Expenses	11	11	11	11	11	11	11	11	11	11
General Administ. Expense	68	68	68	68	68	68	68	68	68	68
Interest on Long Term Loan	0	0	0	0	0	0	0	0	0	0
Interest on Short Term Loan	0	0	0	0	0	0	0	0	0	0
Sub-Total	1176	1177	1178	1179	1181	1182	1183	1184	1185	1186
Income Before Income Tax	161	160	159	158	156	155	154	153	152	151
Income Tax	55	55	54	54	53	52	52	52	52	52
Income After income Tax	106	105	105	104	103	102	101	101	100	100

Table C-7-(1) BOMA STORK

*** BABIBO DEVELOPMENT PROJECT ***
 ----- FUNDS FLOW STATEMENT -----
 < EXISTING PLANT WITHOUT DEVELOP. >

(UNIT:MM¥) BOMA

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Sources of Funds										
Profit Before Tax	80	85	89	95	100	106	113	124	136	149
Depreciation	15	15	16	17	19	20	22	23	24	25
Amortization	0	0	0	0	0	0	0	0	0	0
Share Capital	0	0	0	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0	0	0	0
Short Term Debt	454	430	401	369	336	298	231	157	73	0
Increase in Account Payable	1	0	0	0	0	0	0	0	0	0
Sub-total	550	530	507	481	455	424	366	303	233	175
Uses of Funds										
Land & Site Investment	0	0	0	0	0	0	0	0	0	0
Constructed Facilities	25	25	25	25	30	30	30	30	30	35
Pre-Operation Expenses	0	0	0	0	0	0	0	0	0	0
Interest during Construction	0	0	0	0	0	0	0	0	0	0
Increase in Account Receivable	0	0	0	0	0	0	0	0	0	0
Raw Material & Cons. Inventory	0	0	0	0	0	0	0	0	0	0
Half Finished Product Inventory	0	0	0	0	0	0	0	0	0	0
Product Inventory	-0	0	0	0	0	0	0	0	0	0
Repayment on Long Term Loan	22	22	22	22	22	22	22	22	22	22
Repayment on Short Term Loan	476	454	430	401	369	336	298	231	157	73
Income Tax Payment	27	28	30	32	34	36	38	42	46	51
Dividends Payment	0	0	0	0	0	0	0	0	0	0
Sub-total	550	530	507	481	455	424	366	303	233	159
Cash Generation	0	0	0	0	0	0	0	0	0	15
Cum. Cash	0	0	0	0	0	0	0	0	0	15

Table C-7-(2) BOMA STORK

*** BABIBO DEVELOPMENT PROJECT ***
 ----- FUNDS FLOW STATEMENT -----
 < EXISTING PLANT WITHOUT DEVELOP. >

(UNIT:MMY) BOMA

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Sources of Funds										
Profit Before Tax	161	160	159	158	156	155	154	153	152	151
Depreciation	27	28	29	30	31	32	33	34	35	36
Amortization	0	0	0	0	0	0	0	0	0	0
Share Capital	0	0	0	0	0	0	0	0	0	0
Long Term Debt	0	0	0	0	0	0	0	0	0	0
Short term Debt	0	0	0	0	0	0	0	0	0	0
Increase in Account Payable	0	0	0	0	0	0	0	0	0	0
Sub-total	188	188	187	187	187	187	187	187	187	187
Uses of Funds										
Land & Site Investment	0	0	0	0	0	0	0	0	0	0
Constructed Facilities	35	35	35	35	40	40	40	40	40	40
Pre-Operation Expenses	0	0	0	0	0	0	0	0	0	0
Interest during Construction	0	0	0	0	0	0	0	0	0	0
Increase in Account Receivable	0	0	0	0	0	0	0	0	0	0
Raw Material & Cons. Inventory	0	0	0	0	0	0	0	0	0	0
Half Finished Product Inventory	0	0	0	0	0	0	0	0	0	0
Product Inventory	0	0	0	0	0	0	0	0	0	0
Repayment on Long Term Loan	0	0	0	0	0	0	0	0	0	0
Repayment on Short Term Loan	55	55	54	54	53	53	53	52	52	52
Income Tax Payment	21	21	21	21	21	20	20	20	20	20
Dividends Payment	111	111	110	110	114	113	113	112	112	112
Sub-total	176	177	177	178	173	174	174	175	175	175
Cash Generation	92	169	246	324	397	471	545	620	695	770
Cum. Cash										

Table C-8-(1) BOMA STORK

*** BABIBO DEVELOPMENT PROJECT ***
 BALANCE SHEET
 < EXISTING PLANT WITHOUT DEVELOP. >

(UNIT:MM\$) BOMA

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Current Asset										
Cash on Hand & in Bank	3	3	3	3	3	3	3	3	3	18
Trade Account & Note Receivable	334	334	334	334	334	334	334	334	334	334
Prepaid Cost & Expense	0	0	0	0	0	0	0	0	0	0
Products Inventory	33	33	33	33	33	33	33	33	33	33
Raw Material & Cons. Inventory	297	297	297	297	297	297	297	297	297	297
Work in Process	1038	1038	1038	1038	1038	1038	1038	1038	1038	1038
Inventory Total	1367	1367	1367	1367	1368	1368	1368	1368	1368	1368
Total Current Assets	1705	1705	1705	1705	1705	1705	1705	1705	1705	1720
Fixed Asset										
Land	1	1	1	1	1	1	1	1	1	1
Building	89	89	89	89	89	89	89	89	89	89
Machinery & Equipment	184	184	184	184	184	184	184	184	184	184
Vehicle	27	27	27	27	27	27	27	27	27	27
Office Supply	48	48	48	48	48	48	48	48	48	48
Investment for Maintenance	50	75	100	125	155	185	215	245	275	310
Accumulated Depreciation	271	287	303	320	339	359	381	404	428	453
Book Value:	126	137	146	154	165	174	183	190	196	206
Intangible Assets										
Value	0	0	0	0	0	0	0	0	0	0
Accumulated Amortization	0	0	0	0	0	0	0	0	0	0
Book Value	0	0	0	0	0	0	0	0	0	0
Other Assets	219	219	219	219	219	219	219	219	219	219
Total Fixed Assets	347	356	365	373	384	394	402	409	415	425
TOTAL ASSETS	2052	2061	2070	2078	2089	2098	2107	2114	2120	2145
Current Liabilities										
Trade Account & Notes Payable	93	93	93	93	93	93	93	93	93	93
S/T Bank Loan	454	430	401	369	336	298	231	157	73	0
Current Portion of L/T Loan	22	22	22	22	22	0	0	0	0	0
Other Current Liabilities	1251	1251	1251	1251	1251	1251	1251	1251	1251	1251
Total Current Liabilities	1820	1796	1767	1735	1702	1641	1575	1500	1417	1344
Long-Term Liabilities										
Long-Term Debt	90	87	45	22	0	0	0	0	0	0
Stockholders Equity										
Capital	60	60	60	60	60	60	60	60	60	60
Retained Earning	81	138	197	260	327	397	472	554	643	742
Total	142	198	258	321	387	457	532	614	703	802
TOTAL LIABILITY & EQUITY	2052	2061	2070	2078	2089	2098	2107	2114	2120	2145

Table C-8-(2) BOMA STORK

*** BAB180 DEVELOPMENT PROJECT ***
 --- BALANCE SHEET ---
 < EXISTING PLANT WITHOUT DEVELOP. >

(UNIT:MM¥) BOMA

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Current Asset										
Cash on Hand & in Bank	95	172	249	327	400	474	548	623	698	773
Trade Account & Note Receivable	334	334	334	334	334	334	334	334	334	334
Prepaid Cost & Expense	0	0	0	0	0	0	0	0	0	0
Products Inventory	33	33	33	33	33	33	33	33	33	33
Raw Material & Cons. Inventory	297	297	297	297	297	297	297	297	297	297
Work in Process	1038	1038	1038	1038	1038	1038	1038	1038	1038	1038
Inventory Total	1368	1368	1368	1368	1368	1368	1368	1368	1368	1368
Total Current Assets	1797	1874	1951	2029	2102	2176	2250	2325	2400	2476
Fixed Asset										
Land	1	1	1	1	1	1	1	1	1	1
Building	89	89	89	89	89	89	89	89	89	89
Machinery & Equipment	184	184	184	184	184	184	184	184	184	184
Vehicle	27	27	27	27	27	27	27	27	27	27
Office Supply	48	48	48	48	48	48	48	48	48	48
Investment for Maintenance	345	380	415	450	490	530	570	610	650	690
Accumulated Depreciation	479	507	535	565	596	628	662	696	731	766
Book Value	214	222	228	233	243	250	257	263	268	273
Intangible Assets	0	0	0	0	0	0	0	0	0	0
Value	0	0	0	0	0	0	0	0	0	0
Accumulated Amortization	0	0	0	0	0	0	0	0	0	0
Book Value	0	0	0	0	0	0	0	0	0	0
Other Assets	219	219	219	219	219	219	219	219	219	219
Total Fixed Assets	434	441	447	453	462	470	476	482	487	492
TOTAL ASSETS	2230	2314	2398	2481	2564	2646	2727	2807	2888	2968
Current Liabilities										
Trade Account & Notes Payable	93	93	93	93	93	93	93	93	93	93
S/T Bank Loan	0	0	0	0	0	0	0	0	0	0
Current Portion of L/T Loan	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities	1251	1251	1251	1251	1251	1251	1251	1251	1251	1251
Total Current Liabilities	1344	1344	1344	1344	1344	1344	1344	1344	1344	1344
Long-Term Liabilities										
Long-Term Debt	0	0	0	0	0	0	0	0	0	0
Stockholders Equity										
Capital	60	60	60	60	60	60	60	60	60	60
Retained Earning	827	911	994	1078	1160	1242	1323	1404	1484	1564
Total	887	971	1055	1138	1220	1302	1383	1464	1544	1624
TOTAL LIABILITY & EQUITY	2230	2314	2398	2481	2564	2646	2727	2807	2888	2968

Chapter 7

ECONOMIC ANALYSIS

Chapter 7. Economic Analysis

Now that financial analysis has been done to evaluate the project viability, this chapter evaluates the project in terms of benefits and costs to the nation. The more important items studied here are economic costs and benefits, economic internal rate of return (EIRR), effects on balance of foreign exchange earning and value added.

7.1 Economic Price for Calculation of EIRR

Calculation of EIRR is to be made using economic prices instead of the market prices which are used for the financial analysis to measure economic value of the project.

The economic prices are calculated as follows:

7.1.1 Sales Price of Products

The prices of non-tradable goods such as electric power and water are usually considered that the prevailing market prices have reflected their real economic value.

On the other hand, the economic prices of goods are defined as the price at the boundaries of a country (CIF or FOB) on the basis of the international price if they are tradable goods. In general, the industrial products are deemed as the tradable goods. Since the products to be produced by this project are all for the domestic consumption, international prices of CIF Indonesia shall be economic prices.

The products planned to be manufactured consist of machine, plate and structure. Most of them have been internationally dealt with, but some of them has not. However the market prices of product not internationally dealt with such as a part of structure are regarded as equivalent to the economic prices.

The market prices of machine, plate and structure are shown in Chapter 6. Those prices are settled at the level of or lower than the international prices. Accordingly, there are not big differences between the CIF prices and the market prices.

Based on the premises mentioned above, the financial prices of products are regarded as equivalent to the economic prices.

7.1.2 Raw and Bought-out Materials

The raw and bought-out materials consumed for the production of machine, plate and structure are internationally tradable goods. The market prices are varied due to the quantity and quality of purchase. However, it is observed that the market price has been determined as comparatively higher than import price. Therefore, the economic prices of raw and bought-out materials are projected as 85% of the market prices.

7.1.3 Consumables

The economic prices of consumables are estimated at 85% of the market prices.

7.1.4 Utilities

Since the utilities are non internationally tradable goods, the economic prices are measured as equivalent to the market prices.

7.1.5 Other Cost

Other cost consists of sub-contract, outside orders for installation, transportation, jigs, etc. Those are non internationally tradable goods, therefore the economic prices are equivalent to the market prices.

7.1.6 Salaries and Wages

As it is supposed that the salaries and wages of the skilled labors among all employees are reflected by the real values, their salaries and wages can be regarded as the economic values. On the other hand, the unskilled labors in the countries which have many unemployed labors can be easily replaced either by the current unemployed labors or the semi-unemployed labors who are obliged to engage in the work of agriculture. Hence, the real values of the unskilled labors can be estimated as lower than the salaries and wages which they have received. However, the unskilled labors employed by the plant equipment manufacturing industries are not easily replaced by the unemployed labor due

to the fact that even the unskilled labors employed by the industries are required profession to some extent. Therefore the economic value of salaries and wages of unskilled labor is equivalent to the total paid salaries and wage.

7.1.7 Factory Overhead

Factory overhead mostly consists of salary and wages of indirect workers such as managers, engineers, section heads, secretaries and guards. Therefore the economic value of overhead is regarded as equivalent to the market value.

7.1.8 Maintenance and Repair

The economic value of maintenance and repair is regarded as 90% of the market value.

7.1.9 Taxes and Duties

Since all taxes and duties imposed on the purchase of equipment and materials as well as on the project contract is deemed as a transfer items, the taxes and duties included in the project cost is to be deducted for economic evaluation.

The income tax will be excluded from the expense in the same reason.

7.1.10 Exchange Rate

In the event that the official exchange rate has not properly reflected the real values of the local and foreign currency, the shadow exchange rate will be used with reference to the real exchange rate calculated from the effects on import duties taxes or available at the black market.

In Indonesia, the exchange rate has been so floating as to reflect the real values of the currency. From such point of view the official rate of exchange can be considered as a real exchange rate.

7.2 Economic Evaluation

7.2.1 Economic Internal Rate of Return (EIRR)

The following table shows EIRR which is calculated on the basis of the economic price. Either one is calculated by the incremental comparison for the case of without as same as in the case of the financial analysis.

Table 7-1 EIRR

<u>BARATA</u>	<u>BBI</u>	<u>BOMA STORK</u>	<u>CONSOLIDATED</u>
21.8	22.4	45.8	23.8

(Unit: %)

The consolidated EIRR shows 23.8% which is higher than cut-off rate (8 - 10%) of project which is normally adopted to promote projects.

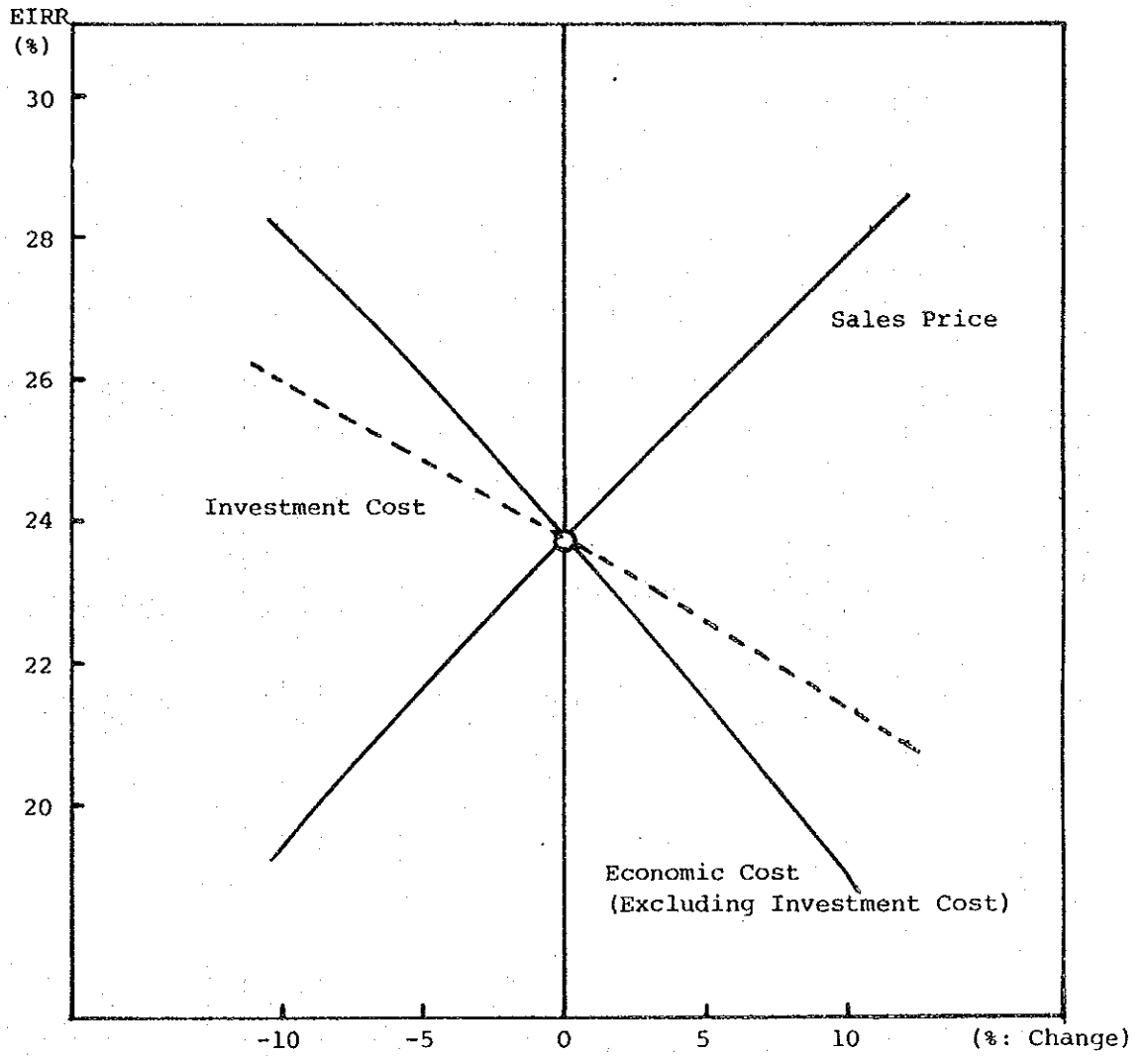
7.2.2 Sensitivity Analysis

The sensitivity analysis on EIRR is made using following premises.

Economic investment cost : +10%
Benefit from sales : +10%
Economic cost excluding investment cost : +10%

The result of sensitivity analysis on consolidated EIRR is summarized in the Fig. 7-1.

Fig. 7-1 Sensitivity Analysis



*** BABIBO DEVELOPMENT PROJECT ***
 ---< ECONOMIC ANALYSIS TABLE >---
 ---<<< INCREMENTAL >>---

Table 7-2

CONSOLIDATED EIRR (%) = 23.8

(UNIT:MM\$)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Economic Benefit	0	0	0	0	22697	26249	28218	30175	32123	32145
Economic Cost	928	5614	23125	12954	15269	14527	15040	16028	17000	16841
Balance	-928	-5614	-23125	-12954	7428	11722	13178	14147	15123	15304
Discounted Flow	-928	-4534	-15084	-6824	3160	4028	3657	3170	2737	2237
Break Down of Economic Cost	928	5614	23125	12954	0	0	0	0	0	0
Investment	0	0	0	0	10827	10062	10685	11407	12120	11960
Raw & Boughtout Material	0	0	0	0	407	406	427	456	483	477
Consumable	0	0	0	0	226	226	226	226	226	226
Utility	0	0	0	0	1161	1363	1461	1560	1659	1659
Other Variable Cost	0	0	0	0	186	189	192	195	195	195
Labor Cost	0	0	0	0	186	189	192	195	195	195
Factory Overhead	0	0	0	0	301	324	348	372	394	415
Maintenance & Repair	0	0	0	0	323	376	406	434	464	485
Sales Expence	0	0	0	0	895	1039	1118	1199	1279	1279
Administrative Expence	0	0	0	0	758	353	-15	-15	-15	-30
Re-Investment	0	0	0	0	15269	14527	15040	16028	17000	16841
Total	928	5614	23125	12954	0	0	0	0	0	0
Economic Benefit	32145	32145	32145	32145	33243	33258	33258	33258	33258	33258
Economic Cost	16852	16863	16874	16884	17454	17364	17364	17364	17364	17364
Balance	15293	15282	15272	15261	15789	15894	15894	15894	15894	15894
Discounted Flow	1805	1457	1176	949	793	645	521	421	340	274
Break Down of Economic Cost	0	0	0	0	0	0	0	0	0	0
Investment	11960	11960	11960	11960	12467	12378	12378	12378	12378	12378
Raw & Boughtout Material	477	477	477	477	482	481	481	481	481	481
Consumable	226	226	226	226	226	226	226	226	226	226
Utility	1659	1659	1659	1659	1631	1631	1631	1631	1631	1631
Other Variable Cost	195	195	195	195	199	199	199	199	199	199
Labor Cost	195	195	195	195	199	199	199	199	199	199
Factory Overhead	426	437	447	458	478	478	478	478	478	478
Maintenance & Repair	465	465	465	465	484	484	484	484	484	484
Sales Expence	1279	1279	1279	1279	1333	1333	1333	1333	1333	1333
Administrative Expence	-30	-30	-30	-30	-45	-45	-45	-45	-45	-45
Re-Investment	16852	16863	16874	16884	17454	17364	17364	17364	17364	17364
Total	11960	11960	11960	11960	12467	12378	12378	12378	12378	12378

Table 7-3

BARATA EIRR (%) = 21.8

*** BABIHO DEVELOPMENT PROJECT ***
 ---< ECONOMIC ANALYSIS TABLE >---
 -----<<< INCREMENTAL >>>-----

(UNIT:MM\$)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Economic Benefit	0	0	0	0	13169	15371	16628	17874	19110	19127
Economic Cost	630	3962	14919	6868	9006	8916	9258	9909	10543	10457
Balance	-630	-3962	-14919	-6868	4163	6455	7370	7965	8567	8670
Discounted Flow	-630	-3253	-10059	-3802	1892	2409	2259	2005	1770	1471
Break Down of Economic Cost										
Investment	630	3962	14919	6868	0	0	0	0	0	0
Raw & Boughtout Material	0	0	0	0	6101	5964	6359	6820	7274	7179
Consumable	0	0	0	0	254	257	270	289	307	303
Utility	0	0	0	0	144	144	144	144	144	144
Other Variable Cost	0	0	0	0	593	712	773	835	896	896
Labor Cost	0	0	0	0	172	175	178	181	181	181
Factory Overhead	0	0	0	0	172	175	178	181	181	181
Maintenance & Repair	0	0	0	0	212	231	251	270	288	304
Sales Expense	0	0	0	0	233	272	294	316	338	339
Administrative Expense	0	0	0	0	647	755	816	878	939	939
Re-Investment	0	0	0	0	477	231	-5	-5	-5	-10
Total	630	3962	14919	6868	9006	8916	9258	9909	10543	10457
Economic Benefit	19127	19127	19127	19127	20216	20230	20230	20230	20230	20230
Economic Cost	10462	10468	10473	10478	11085	10998	10998	10998	10998	10998
Balance	8665	8659	8654	8649	9131	9233	9233	9233	9233	9233
Discounted Flow	1207	991	813	667	578	480	394	324	266	218
Break Down of Economic Cost										
Investment	0	0	0	0	0	0	0	0	0	0
Raw & Boughtout Material	7179	7179	7179	7179	7681	7594	7594	7594	7594	7594
Consumable	303	303	303	303	309	309	309	309	309	309
Utility	144	144	144	144	144	144	144	144	144	144
Other Variable Cost	896	896	896	896	893	893	893	893	893	893
Labor Cost	181	181	181	181	180	190	190	190	190	190
Factory Overhead	181	181	181	181	190	190	190	190	190	190
Maintenance & Repair	310	315	320	326	342	342	342	342	342	342
Sales Expense	339	339	339	339	358	358	358	358	358	358
Administrative Expense	939	939	939	939	992	992	992	992	992	992
Re-Investment	-10	-10	-10	-10	-15	-15	-15	-15	-15	-15
Total	10462	10468	10473	10478	11085	10998	10998	10998	10998	10998

Table 7-4

BBI EIRR (%) = 22.4

*** BABIBO DEVELOPMENT PROJECT ***
 ---< ECONOMIC ANALYSIS TABLE >---
 ---<< INCREMENTAL >>---

(UNIT:MM¥)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Economic Benefit	0	0	0	0	6285	7365	7905	8444	8984	8984
Economic Cost	258	1618	6296	5607	3627	3941	4079	4361	4642	4622
Balance	-258	-1618	-6296	-5607	2658	3424	3827	4083	4342	4362
Discounted Flow	-258	-1321	-4199	-3054	1183	1244	1135	990	859	705
Break Down of Economic Cost										
Investment	258	1618	6296	5607	0	0	0	0	0	0
Raw & Boughtout Material	0	0	0	0	2578	2815	3000	3201	3402	3385
Consumable	0	0	0	0	140	138	145	156	162	162
Utility	0	0	0	0	57	57	57	57	57	57
Other Variable Cost	0	0	0	0	341	432	477	522	568	568
Labor Cost	0	0	0	0	12	12	12	12	12	12
Factory Overhead	0	0	0	0	12	12	12	12	12	12
Maintenance & Repair	0	0	0	0	68	72	77	81	86	90
Sales Expense	0	0	0	0	76	89	96	102	109	109
Administrative Expense	0	0	0	0	165	194	208	223	237	237
Re-investment	0	0	0	0	178	120	-5	-5	-5	-10
Total	258	1618	6296	5607	3627	3941	4079	4361	4642	4622
Economic Benefit	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	8984	8984	8984	8984	8984	8984	8984	8984	8984	8984
Economic Cost	4627	4633	4638	4644	4644	4644	4644	4644	4644	4644
Balance	4357	4351	4346	4340	4340	4340	4340	4340	4340	4340
Discounted Flow	575	469	383	312	255	208	170	139	113	93
Break Down of Economic Cost										
Investment	0	0	0	0	0	0	0	0	0	0
Raw & Boughtout Material	3385	3385	3385	3385	3385	3385	3385	3385	3385	3385
Consumable	162	162	162	162	162	162	162	162	162	162
Utility	57	57	57	57	57	57	57	57	57	57
Other Variable Cost	568	568	568	568	568	568	568	568	568	568
Labor Cost	12	12	12	12	12	12	12	12	12	12
Factory Overhead	12	12	12	12	12	12	12	12	12	12
Maintenance & Repair	95	101	106	112	117	117	117	117	117	117
Sales Expense	109	109	109	109	109	109	109	109	109	109
Administrative Expense	237	237	237	237	237	237	237	237	237	237
Re-investment	-10	-10	-10	-10	-15	-15	-15	-15	-15	-15
Total	4627	4633	4638	4644	4644	4644	4644	4644	4644	4644

Table 7-5

BOMA EIRR (%) = 45.8

*** BABIBO DEVELOPMENT PROJECT *****
 ---< ECONOMIC ANALYSIS TABLE >---
 ---<<< INCREMENTAL >>>---

(UNIT:MMY)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Economic Benefit	0	0	0	0	3243	3513	3685	3857	4029	4634
Economic Cost	40	35	1910	479	2637	1669	1704	1759	1815	1762
Balance	-40	-35	-1910	-479	606	1844	1981	2098	2214	2272
Discounted Flow	-40	-24	-898	-154	134	279	206	149	108	76
Break Down of Economic Cost										
Investment	40	35	1910	479	0	0	0	0	0	0
Raw & Boughtout Material	0	0	0	0	2147	1282	1327	1386	1444	1397
Consumable	0	0	0	0	13	12	11	11	11	11
Utility	0	0	0	0	25	25	25	25	25	25
Other Variable Cost	0	0	0	0	227	219	211	203	195	195
Labor Cost	0	0	0	0	2	2	2	2	2	2
Factory Overhead	0	0	0	0	2	2	2	2	2	2
Maintenance & Repair	0	0	0	0	21	21	21	21	21	21
Sales Expense	0	0	0	0	14	15	16	16	17	17
Administrative Expense	0	0	0	0	83	90	94	98	103	103
Re-Investment	0	0	0	0	103	2	-5	-5	-5	-10
Total	40	35	1910	479	2637	1669	1704	1759	1815	1762
Economic Benefit	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	4034	4034	4034	4034	4043	4044	4044	4044	4044	4044
Economic Cost	1762	1762	1762	1762	1725	1722	1722	1722	1722	1722
Balance	2272	2272	2272	2272	2318	2322	2322	2322	2322	2322
Discounted Flow	52	36	25	17	12	8	6	4	3	2
Break Down of Economic Cost										
Investment	0	0	0	0	0	0	0	0	0	0
Raw & Boughtout Material	1397	1397	1397	1397	1402	1399	1399	1399	1399	1399
Consumable	11	11	11	11	10	10	10	10	10	10
Utility	25	25	25	25	25	25	25	25	25	25
Other Variable Cost	195	195	195	195	170	170	170	170	170	170
Labor Cost	2	2	2	2	-3	-3	-3	-3	-3	-3
Factory Overhead	2	2	2	2	-3	-3	-3	-3	-3	-3
Maintenance & Repair	21	21	21	21	19	19	19	19	19	19
Sales Expense	17	17	17	17	17	17	17	17	17	17
Administrative Expense	103	103	103	103	103	103	103	103	103	103
Re-Investment	-10	-10	-10	-10	-15	-15	-15	-15	-15	-15
Total	1762	1762	1762	1762	1725	1722	1722	1722	1722	1722

7.2.3 Foreign Exchange Earnings of the Project

The contribution to improve the foreign exchange balance in Indonesia owing to the implementation of this project is calculated in the following manner.

- (1) All prices and costs are based on the 1984 constant price. This means that the answer is conservative in comparison with the answer based on the current price base.
- (2) Some of incremental sales revenues are regarded as the saving amount of outflow of foreign exchange (import substitution). Following shows the percentage to be regarded as the saving amount of outflow of foreign exchange used in the study.

BARATA	67% of incremental sales revenue
BBI	70% of incremental sales revenue
BOMA STORK	71% of incremental sales revenue

- (3) Some of incremental costs for raw and bought-out materials in the production costs are regarded as outflow of foreign exchange. Following shows the percentage to be regarded as outflow of foreign exchange.

BARATA	51% of incremental raw and bought-out materials cost
BBI	54% of incremental raw and bought-out materials cost
BOMA STORK	62% of incremental raw and bought-out materials cost

70% of incremental consumable costs are regarded as outflow of foreign exchange.

50% of the incremental maintenance and repair cost are regarded as outflow of foreign exchange.

50% of incremental reinvestment cost during commercial operation is assumed as outflow of foreign exchange.

- (4) The foreign loans are inflow of the foreign exchange, which will be set off in the same amount by outflow of the payment for the construction cost. The reimbursement for the loan is outflow of the foreign exchange.

- (5) The interest on the foreign loans is outflow of the foreign exchange. Two cases for interest rate for the calculation are done. The rates are 10% per year for case 1 and 5% per year for case 2.

As this renovation project can be considered as the import substitution project in the substance, the outcome of calculation for the foreign exchange earnings is as shown in Table 7-6 through 7-13.

Case 1: Interest Rate 10%/y

*** BABIHO DEVELOPMENT PROJECT ****
 < FOREIGN CURRENCY ANALYSIS TABLE >
 -----<<< INCREMENTAL >>>-----

Table 7-6

CONSOLIDATED : TOTAL SAVE OF FOREIGN CURRENCY * 155383

(UNIT:MMY)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Inflow on Foreign (Saving)	0	0	0	0	15525	17948	19291	20625	21953	21968
Outflow on Foreign										
Repayment	0	0	0	0	0	0	3284	3284	3284	3284
Interest	0	0	0	0	3284	3284	3284	2956	2627	2299
Raw & Boughtout Material	0	0	0	0	6865	6302	6589	7137	7579	7476
Consumable	0	0	0	0	335	335	351	375	398	393
Re-Investment	0	0	0	0	379	177	-8	-8	-8	-15
Maintenance & Repair	0	0	0	0	167	180	194	207	219	231
Total	0	0	0	0	11030	10278	13795	13951	14100	13668
Balance	0	0	0	0	4495	7671	5496	6674	7853	8300

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Inflow on Foreign (Saving)	21968	21968	21968	21968	22704	22714	22714	22714	22714	22714
Outflow on Foreign										
Repayment	3284	3284	3284	3284	3284	3284	0	0	0	0
Interest	1971	1642	1314	985	657	328	-0	-0	-0	-0
Raw & Boughtout Material	7476	7476	7476	7476	7781	7727	7727	7727	7727	7727
Consumable	393	393	393	393	397	396	396	396	396	396
Re-Investment	-15	-15	-15	-15	-23	-23	-23	-23	-23	-23
Maintenance & Repair	237	243	249	255	266	266	266	266	266	266
Total	13345	13023	12701	12378	12362	11979	8366	8366	8366	8366
Balance	8623	8945	9267	9590	10342	10735	14348	14348	14348	14348

1984 Constant Price Base

Case 1 Interest Rate 10%/y

*** BABIBO DEVELOPMENT PROJECT ****
 < FOREIGN CURRENCY ANALYSIS TABLE >
 -----<<< INCREMENTAL >>>-----

Table 7-7

BARATA: TOTAL SAVE OF FOREIGN CURRENCY = 88685

(UNIT:MMY)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Inflow on Foreign (Saving)	0	0	0	0	8823	10299	11141	11976	12804	12815
Outflow on Foreign										
Repayment	0	0	0	0	0	0	2081	2081	2081	2081
Interest	0	0	0	0	2081	2081	2081	1873	1665	1457
Raw & Boughtout Material	0	0	0	0	3061	3579	3815	4092	4365	4307
Consumable	0	0	0	0	209	211	223	238	253	250
Re-investment	0	0	0	0	239	116	-3	-3	-3	-5
Maintenance & Repair	0	0	0	0	118	129	140	150	160	169
Total	0	0	0	0	6307	6115	8336	8431	8520	8259
Balance	0	0	0	0	2516	4184	2804	3545	4284	4556

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Inflow on Foreign (Saving)	12815	12815	12815	12815	13545	13554	13554	13554	13554	13554
Outflow on Foreign										
Repayment	2081	2081	2081	2081	2081	2081	0	0	0	0
Interest	1248	1040	832	624	416	208	0	0	0	0
Raw & Boughtout Material	4307	4307	4307	4307	4608	4556	4556	4556	4556	4556
Consumable	250	250	250	250	255	254	254	254	254	254
Re-investment	-5	-5	-5	-5	-8	-8	-8	-8	-8	-8
Maintenance & Repair	172	175	178	181	190	190	190	190	190	190
Total	8054	7848	7643	7438	7543	7282	4993	4993	4993	4993
Balance	4762	4967	5172	5377	6002	6272	8561	8561	8561	8561

1984 Constant Price Base

Case 1 Interest Rate 10%/y

*** BABIDO DEVELOPMENT PROJECT ***
 < FOREIGN CURRENCY ANALYSIS TABLE >
 -----<<< INCREMENTAL >>>-----

Table 7-8

BBI : TOTAL SAVE OF FOREIGN CURRENCY = 43306

(UNIT:MM¥)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Inflow on Foreign (Saving)	0	0	0	0	4400	5156	5534	5911	6289	6289
Outflow on Foreign										
Repayment	0	0	0	0	0	0	968	968	968	968
Interest	0	0	0	0	968	968	968	871	775	678
Raw & Boughtout Material	0	0	0	0	1638	1788	1906	2034	2161	2150
Consumable	0	0	0	0	116	113	120	128	136	134
Re-Investment	0	0	0	0	89	60	-3	-3	-3	-5
Maintenance & Repair	0	0	0	0	38	40	43	45	48	50
Total	0	0	0	0	2848	2970	4002	4044	4085	3975
Balance	0	0	0	0	1552	2185	1532	1867	2204	2314

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Inflow on Foreign (Saving)	6289	6289	6289	6289	6289	6289	6289	6289	6289	6289
Outflow on Foreign										
Repayment	968	968	968	968	968	968	0	0	0	0
Interest	581	484	387	280	194	97	-0	-0	-0	-0
Raw & Boughtout Material	2150	2150	2150	2150	2150	2150	2150	2150	2150	2150
Consumable	134	134	134	134	134	134	134	134	134	134
Re-Investment	-5	-5	-5	-5	-8	-8	-8	-8	-8	-8
Maintenance & Repair	53	56	59	62	65	65	65	65	65	65
Total	3881	3787	3693	3600	3503	3406	2341	2341	2341	2341
Balance	2408	2502	2595	2689	2786	2882	3947	3947	3947	3947

1984 Constant Price Base

Case 1 Interest Rate 10%/y

*** BABIRO DEVELOPMENT PROJECT ***
 < FOREIGN CURRENCY ANALYSIS TABLE >
 -----<< INCREMENTAL >>-----

Table 7-9

BOMA : TOTAL SAVE OF FOREIGN CURRENCY = 23393

(UNIT:RMV)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Inflow on Foreign (Saving)	0	0	0	0	2303	2494	-2616	2738	2861	2864
Outflow on Foreign										
Repayment	0	0	0	0	0	0	235	235	235	235
Interest	0	0	0	0	235	235	235	212	188	165
Raw & Boughtout Material	0	0	0	0	1566	935	968	1011	1053	1019
Consumable	0	0	0	0	11	10	9	9	9	9
Re-Investment	0	0	0	0	52	1	-3	-3	-3	-5
Maintenance & Repair	0	0	0	0	12	12	12	12	12	12
Total	0	0	0	0	1675	1193	1457	1477	1495	1434
Balance	0	0	0	0	428	1302	1160	1262	1365	1430

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Inflow on Foreign (Saving)	2864	2864	2864	2864	2871	2871	2871	2871	2871	2871
Outflow on Foreign										
Repayment	235	235	235	235	235	235	0	0	0	0
Interest	141	118	94	71	47	24	0	0	0	0
Raw & Boughtout Material	1019	1019	1019	1019	1022	1021	1021	1021	1021	1021
Consumable	9	9	9	9	8	8	8	8	8	8
Re-Investment	-5	-5	-5	-5	-8	-8	-8	-8	-8	-8
Maintenance & Repair	12	12	12	12	11	11	11	11	11	11
Total	1411	1387	1364	1340	1316	1291	1032	1032	1032	1032
Balance	1453	1477	1500	1524	1554	1580	1839	1839	1839	1839

1984 Constant Price Base

Case 2 Interest Rate 5%/y

*** BAHIDO DEVELOPMENT PROJECT ***
 < FOREIGN CURRENCY ANALYSIS TABLE >
 -----<<< INCREMENTAL >>>-----

Table 7-10

CONSOLIDATED: TOTAL SAVE OF FOREIGN CURRENCY = 171272

(UNIT:MMY)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Inflow on Foreign (Saving)	0	0	0	0	15525	17948	19291	20625	21953	21968
Outflow on Foreign										
Repayment	0	0	0	0	0	0	3024	3024	3024	3024
Interest	0	0	0	0	1512	1512	1512	1361	1210	1059
Raw & Boughtout Material	0	0	0	0	9865	6302	6689	7137	7579	7476
Consumable	0	0	0	0	335	335	351	375	398	393
Re-Investment	0	0	0	0	379	177	-8	-8	-8	-15
Maintenance & Repair	0	0	0	0	167	180	194	207	219	231
Total	0	0	0	0	9258	8505	11763	12096	12422	12168
Balance	0	0	0	0	6267	9443	7528	8529	9531	9801

Inflow on Foreign (Saving)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Outflow on Foreign										
Repayment	3024	3024	3024	3024	3024	3024	0	0	0	0
Interest	907	756	605	454	302	151	0	0	0	0
Raw & Boughtout Material	7476	7476	7476	7476	7781	7727	7727	7727	7727	7727
Consumable	393	393	393	393	397	396	396	396	396	396
Re-Investment	-15	-15	-15	-15	-23	-23	-23	-23	-23	-23
Maintenance & Repair	237	243	249	255	266	266	266	266	266	266
Total	12022	11677	11732	11587	11748	11542	8366	8366	8366	8366
Balance	9946	10091	10236	10381	10956	11172	14348	14348	14348	14348

1984 Constant Price Base

Case 2 Interest Rate 5%/y

*** BABIRO DEVELOPMENT PROJECT ***
 < FOREIGN CURRENCY ANALYSIS TABLE >
 <<< INCREMENTAL >>>

Table 7-11

BARATA: TOTAL SAVE OF FOREIGN CURRENCY = 98826

(UNIT:MMY)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Inflow on Foreign (Saving)	0	0	0	0	8823	10299	11141	11976	12804	12815
Outflow on Foreign										
Repayment	0	0	0	0	0	0	1911	1911	1911	1911
Interest	0	0	0	0	955	955	955	860	764	689
Raw & Boughtout Material	0	0	0	0	3661	3579	3815	4092	4365	4307
Consumable	0	0	0	0	209	211	223	238	253	250
Re-Investment	0	0	0	0	239	116	-3	-3	-3	-5
Maintenance & Repair	0	0	0	0	118	129	140	150	160	169
Total	0	0	0	0	5182	4989	7041	7248	7450	7301
Balance	0	0	0	0	3641	5309	4100	4728	5354	5514

Inflow on Foreign (Saving)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	12815	12815	12815	12815	13545	13554	13554	13554	13554	13554
Outflow on Foreign										
Repayment	1911	1911	1911	1911	1911	1911	0	0	0	0
Interest	573	478	382	287	191	96	0	0	0	0
Raw & Boughtout Material	4307	4307	4307	4307	4608	4556	4556	4556	4556	4556
Consumable	250	250	250	250	255	254	254	254	254	254
Re-Investment	-5	-5	-5	-5	-8	-8	-8	-8	-8	-8
Maintenance & Repair	172	175	178	181	190	190	190	190	190	190
Total	7208	7116	7023	6931	7147	6999	4993	4993	4993	4993
Balance	5607	5699	5792	5884	6397	6555	8561	8561	8561	8561

1984 Constant Price Base

Case 2 Interest Rate 5%/y

*** BABINO DEVELOPMENT PROJECT ****
 < FOREIGN CURRENCY ANALYSIS TABLE >
 -----<<< INCREMENTAL >>-----

Table 7-12

BB1 : TOTAL SAVE OF FOREIGN CURRENCY = 47886

(UNIT:MMY)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Inflow on Foreign (Saving)	0	0	0	0	4400	5156	5534	5911	6289	6289
Outflow on Foreign										
Repayment	0	0	0	0	0	0	899	899	899	899
Interest	0	0	0	0	450	450	450	405	360	315
Raw & Boughtout Material	0	0	0	0	1638	1788	1906	2034	2161	2150
Consumable	0	0	0	0	116	113	120	128	136	134
Re-Investment	0	0	0	0	89	60	-3	-3	-3	-5
Maintenance & Repair	0	0	0	0	38	40	43	45	48	50
Total	0	0	0	0	2329	2451	3414	3508	3601	3543
Balance	0	0	0	0	2070	2704	2120	2403	2688	2746

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Inflow on Foreign (Saving)	6289	6289	6289	6289	6289	6289	6289	6289	6289	6289
Outflow on Foreign										
Repayment	899	899	899	899	899	899	0	0	0	0
Interest	270	225	180	135	90	45	-0	-0	-0	-0
Raw & Boughtout Material	2150	2150	2150	2150	2150	2150	2150	2150	2150	2150
Consumable	134	134	134	134	134	134	134	134	134	134
Re-Investment	-5	-5	-5	-5	-8	-8	-8	-8	-8	-8
Maintenance & Repair	53	56	59	62	65	65	65	65	65	65
Total	3501	3459	3417	3375	3330	3285	2341	2341	2341	2341
Balance	2786	2830	2872	2914	2958	3003	3947	3947	3947	3947

1984 Constant Price Base

Case 2 Interest Rate 5%/y

*** BABIDO DEVELOPMENT PROJECT ***
 < FOREIGN CURRENCY ANALYSIS TABLE >
 -----<<< INCREMENTAL >>>-----

Table 7-13 BOMA : TOTAL SAVE OF FOREIGN CURRENCY = 24560 (UNIT:MM\$Y)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Inflow on Foreign (Saving)	0	0	0	0	2303	2494	2616	2738	2861	2864
Outflow on Foreign										
Repayment	0	0	0	0	0	0	215	215	215	215
Interest	0	0	0	0	107	107	107	97	86	75
Raw & Boughtout Material	0	0	0	0	1566	935	968	1011	1053	1019
Consumable	0	0	0	0	11	10	9	9	9	9
Re-Investment	0	0	0	0	52	1	-3	-3	-3	-5
Maintenance & Repair	0	0	0	0	12	12	12	12	12	12
Total	0	0	0	0	1747	1065	1308	1341	1372	1324
Balance	0	0	0	0	556	1430	1309	1398	1489	1540

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Inflow on Foreign (Saving)	2864	2864	2864	2864	2871	2871	2871	2871	2871	2871
Outflow on Foreign										
Repayment	215	215	215	215	215	215	0	0	0	0
Interest	64	54	43	32	21	11	0	0	0	0
Raw & Boughtout Material	1019	1019	1019	1019	1022	1021	1021	1021	1021	1021
Consumable	9	9	9	9	8	8	8	8	8	8
Re-Investment	-5	-5	-5	-5	-8	-8	-8	-8	-8	-8
Maintenance & Repair	12	12	12	12	11	11	11	11	11	11
Total	1313	1303	1292	1281	1270	1257	1032	1032	1032	1032
Balance	1551	1562	1572	1583	1601	1614	1839	1839	1839	1839

1984 Constant Price Base

7.2.4 Value Added

The definition on value added in this study is as follows.

Incremental Profit Before Tax + Incremental Direct Labor Cost + Incremental Factory Overhead Cost + Incremental Interest + 70% of Incremental Sales and Administration Cost.

The reason why the cost of factory overhead is counted in the value added is that the most of Factory Overhead Cost is regarded as cost for indirect worker. 70% of sales and administrative cost is regarded as cost for man power.

Table 7-13 through 7-16 shows the results of calculation on value added by the project.

Table 7-14

*** BABIBO DEVELOPMENT PROJECT ***
 ---< VALUE ADDED TABLE >---
 ---<<< INCREMENTAL >>>---

CONSOLIDATED : ADDED VALUE = 183349

(UNIT:MMY)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Profit Before Tax	0	0	0	0	309	1260	3201	5044	6726	7388
Dirac Labor Cost	0	0	0	0	186	189	192	195	195	195
Factory Overhead Cost	0	0	0	0	186	189	192	195	195	195
Sales Expense	0	0	0	0	226	263	284	304	325	326
Administrative Expenses	0	0	0	0	627	727	783	839	895	895
Interest on Long Term Loan	0	0	0	0	3648	3648	3648	3284	2918	2553
Interest on Short Term Loan	0	0	0	0	0	367	-101	-162	-148	-134
Added Value	0	0	0	0	5182	6644	8199	9699	11105	11418

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Profit Before Tax	8084	8747	9368	9957	11124	11627	12158	12308	12445	12569
Dirac Labor Cost	195	195	195	195	199	199	199	199	199	199
Factory Overhead Cost	195	195	195	195	199	199	199	199	199	199
Sales Expense	326	326	326	326	339	339	339	339	339	339
Administrative Expenses	895	895	895	895	933	933	933	933	933	933
Interest on Long Term Loan	2189	1823	1458	1095	730	365	0	0	0	0
Interest on Short Term Loan	-123	-125	-128	-131	-134	-139	-145	-152	-160	-170
Added Value	11761	12056	12309	12532	13390	13523	13683	13826	13955	14069

1984 Constant Price Base

Interest rate for long term loan is 10%/y.

Table 7-15

BARATA: ADDED VALUE = 106561

*** BABIBO DEVELOPMENT PROJECT ****
 ---< VALUE ADDED TABLE >---
 ---<<< INCREMENTAL >>>---

(UNIT:MMX)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Profit Before Tax	0	0	0	0	-463	65	1136	2239	3288	3699
Dirrec Labor Cost	0	0	0	0	172	175	178	181	181	181
Factory Overhead Cost	0	0	0	0	172	175	178	181	181	181
Sales Expense	0	0	0	0	163	190	206	221	237	237
Administrative Expenses	0	0	0	0	453	529	571	615	657	657
Interest on Long Term Loan	0	0	0	0	2273	2273	2273	2046	1818	1591
Interest on Short Term Loan	0	0	0	0	0	146	0	0	0	0
Added Value	0	0	0	0	2770	3573	4542	5483	6361	6547

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Profit Before Tax	4142	4556	4944	5311	6222	6511	6837	6926	7006	7077
Dirrec Labor Cost	181	181	181	181	190	190	190	190	190	190
Factory Overhead Cost	181	181	181	181	190	190	190	190	190	190
Sales Expense	237	237	237	237	251	251	251	251	251	251
Administrative Expenses	657	657	657	657	695	695	695	695	695	695
Interest on Long Term Loan	1364	1136	909	682	455	227	0	0	0	0
Interest on Short Term Loan	0	0	0	0	0	0	0	0	0	0
Added Value	6763	6949	7110	7250	8003	8064	8163	8252	8332	8403

1984 Constant Price Base

Table 7-16

*** BABIBO DEVELOPMENT PROJECT ***
 ---< VALUE ADDED TABLE >---
 ---<<< INCREMENTAL >>---

BBI : ADDED VALUE = 46895

(UNIT:MMY)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Profit Before Tax	0	0	0	0	-158	144	762	1306	1791	2005
Dirrec Labor Cost	0	0	0	0	12	12	12	12	12	12
Factory Overhead Cost	0	0	0	0	12	12	12	12	12	12
Sales Expense	0	0	0	0	53	62	67	71	76	76
Administrative Expenses	0	0	0	0	116	136	146	156	166	166
Interest on Long Term Loan	0	0	0	0	1166	1166	1166	1050	933	816
Interest on Short Term Loan	0	0	0	0	0	129	-85	-120	-120	-121
Added Value	0	0	0	0	1201	1661	2080	2488	2870	2966

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Profit Before Tax	2226	2433	2627	2813	2991	3169	3342	3394	3442	3488
Dirrec Labor Cost	12	12	12	12	12	12	12	12	12	12
Factory Overhead Cost	12	12	12	12	12	12	12	12	12	12
Sales Expense	76	76	76	76	76	76	76	76	76	76
Administrative Expenses	166	166	166	166	166	166	166	166	166	166
Interest on Long Term Loan	700	583	466	350	233	117	0	0	0	0
Interest on Short Term Loan	-123	-125	-128	-131	-134	-139	-145	-152	-160	-170
Added Value	3069	3157	3231	3298	3356	3413	3463	3508	3548	3584

1984 Constant Price Base

Table 7-17

BOMA : ADDED VALUE = 29893

*** BABIBO DEVELOPMENT PROJECT ****
 ---< VALUE ADDED TABLE >---
 ---<<< INCREMENTAL >>>---

(UNIT:MM¥)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Profit Before Tax	0	0	0	0	930	1031	1303	1499	1647	1684
Dirrec Labor Cost	0	0	0	0	2	2	2	2	2	2
Factory Overhead Cost	0	0	0	0	2	2	2	2	2	2
Sales Expense	0	0	0	0	10	11	11	11	12	12
Adomministrative Expenses	0	0	0	0	58	63	66	69	72	72
Interest on Long Term Loan	0	0	0	0	209	209	209	188	167	146
Interest on Short Term Loan	0	0	0	0	0	92	-16	-42	-28	-13
Added Value	0	0	0	0	1211	1410	1577	1729	1874	1905

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Profit Before Tax	1716	1758	1797	1833	1911	1947	1979	1988	1997	2004
Dirrec Labor Cost	2	2	2	2	-3	-3	-3	-3	-3	-3
Factory Overhead Cost	2	2	2	2	-3	-3	-3	-3	-3	-3
Sales Expense	12	12	12	12	12	12	12	12	12	12
Adomministrative Expenses	72	72	72	72	72	72	72	72	72	72
Interest on Long Term Loan	125	104	83	63	42	21	0	0	0	0
Interest on Short Term Loan	0	0	0	0	0	0	0	0	0	0
Added Value	1929	1950	1968	1984	2031	2046	2057	2066	2075	2082

1984 Constant Price Base

