



Institut Libanais de Développement Économique & Social
Lebanese Institute for Economic & Social Development

Etude financée par l'Union Européenne
Study financed by the European Union

Forged Iron Workshop

Feasibility study prepared by :
Carmen Akl, Economist.

June 2001- Jal el Dib - Lebanon

Table of contents

Summary	2
1- Description of the project	3
1-1 Description of the product	
2- Market Analysis	2
2-1 Industry analysis and trends	
2-2 Competition	
2-3 Market opportunities and risks	
2-4 Target market	
3- Description of the production process	4
3-1 Procurement	
3-2 Business Location	
4- Marketing and sales techniques	4
4-1 Sales techniques	
4-2 Pricing	
4-3 Distribution channels	
5- Financial plan	4
5-1 Initial capital and loan requirements	
5-2 Loan repayment schedule	5
5-3 Projected Income Statement	
5-4 Projected Balance Sheet	6
5-5 Projected Cash Flows	
5-6 Break-Even Analysis	
5-7 Sensitivity Analysis	
6- Key success factors and recommendations	7
7- Conclusion	7

The points of view expressed in this study reflect the author opinion.

Summary

The project entails the set up of a hand-forged iron workshop that would be catering for the basic requirements in this substance.

Intended to be established in a rural area, the workshop would be catering for the construction sector with functional products in wrought iron, such as doors, window frames, security grills, tanks, etc.

With a minimum capital of 1 750 \$US and a loan of 1 500 \$US , this business would procure about 308 \$US per month in the first year, reaching 703 \$US per month in the fifth year.

With costs being relatively less than those incurred by a similar workshop operating in the capital, the intended wrought iron manufacturing business would be at an advantage compared to its urban competitors. This would thus allow it to market its products in the major cities as well and to create a new client base.

Consequently, more sophisticated products could be produced at a later stage if there is demand for it and accordingly, additional machinery purchased to meet the new requirements.