

7.5 T/D NYLON EXPANSION PROJECT

AID Loan No. 489-H-036

MONTHLY PROGRESS REPORT

Number (10)

F o r

April 1968

PREPARED BY

KOREA NYLON COMPANY

F O R

KOREAN GOVERNMENT

A N D

UNITED STATES

DEPARTMENT OF STATE

AGENCY FOR INTERNATIONAL DEVELOPMENT

A.I.D.
Reference Center
Room 1656 NS

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SUMMARY

The main plant building and mess hall were completed on 10th of this month and thus only remaining architectural work is bachelor's dormitory.

The test operation of most processes is still going on because of trifling technical problems.

Loan equipment and materials delivered to job site amounted to US\$ 5,0⁶⁴~~64~~,593.41 through this report period.

No AID Loan fund were drawn during this period in accordance with the Article IV, Para. B of 7.5 M/T Fixed Price Contract.

In general, it can be said that our 7.5 M/T expansion project is entering into its final stage of completion.

CHAPTER I. ENGINEERING ACTIVITIES

It is our major concern that the expansion plant should produce better quality yarns than those of existing plant. Even though the result of test operation up to this date seems to be satisfactory to us, we are now concentrating our whole efforts on finding out the most suitable conditions of production in newly introduced processes.

There are some trivial technical inadequacies, which are now modified. For an example, in the area of chip final drying, due to the leakage of chip dryer duct, the purity of nitrogen gas became lower below 99.9% which is the minimum required purity level and this resulted yellowing of polymer chip. To prevent duct leakage, the welding work of final dryer duct is undergoing now.

In other words, the last minute re-checking works on the already erected and installed equipment and facilities are in progress.

CHAPTER II. CONSTRUCTION ACTIVITIES

The main plant building and mess hall were completed. No other architectural works are now left except bachelor's dormitory.

Following shows the progress status of erection works of loan equipment and facilities by area during the report period.

<u>Name of Area</u>	<u>Progress Rate %</u>	<u>Remarks</u>
Polymerization	100	
Polymer Chip Formation	100	
Monomer Extraction	100	
Monomer Recovery	68	Installation of 1,300 gallon receiver tank.
Chip Drying	100	
Polymer Spinning	96	Modification of Center Panel
Yarn Wind-Up	97	Displacement of Storage Tank
Textile	98	Completed erection of 14, Drawtwisters
Water Distribution	100	
Steam Generation	100	
Fire Protection	75	
Frequency Conversion	99.5	Wiring Works of Transfer Switch between existing M.G. Set and New Stand-by M.G. Set.
Nitrogen Generation	98	Displacement of nitrogen generator

CONSTRUCTION PROGRESS CHART (MAIN BUILDING)
As of March 30, 1968

Chart No. 1

Name of Works	Pro- gress Rate	'67										'68			
		4	5	6	7	8	9	10	11	12	1	2	3	4	
Temporary Work	8.47	0	3.13	1.5	22.95	33.47	48.52	68.46	79.40	89.54	100				
							43.64	54.78	67.59	83.93	86.29	87.48	88.40	96.13	100
Reinforced Concrete Work	35.28	0	5	30	50	75	100								
							94.87	97.62	98	100	100				
Water Proofing Work	10.40						0	60	100						
								35.36	70	95	100				
Plaster's Work	15.22			01	3	10	40	70	95	100					
							4.34	5.48	45	85	91	95	97	100	
Other Works	36.63		4.46	12.55	14.97	19.55	36.41	68.00	75.28	89.41	100				
								30.63	47.50	52.30	70.1	87.31	87.55	89.12	93.19
Total	100	0	3.40	16.27	24.89	36.30	52.63	74.26	86.13	94.13	94.95	100			
												94.89			
							47.34	59.41	73.31	91.04	93.60		95.89	98.98	100

CHAPTER III. FINANCIAL DATA

Now that Chemtex drew all the AID Loan fund totalling US\$5,560,000 less retainer of US\$250,000 before April, there will be no drawing of letter credit until official approval of the successful test operation.

Local currency expenditures incurred during the report period totaled W104,857,425.27 and cumulative total as of the end of this period amounted to W591,436,062.54.

Following table shows the details of local currency expenditures for the expansion.

Expenditures on 7.5 M/T Expansion Project
(Local Currency)

Unit: Won

<u>Items</u>	<u>Balance Carried-over</u>	<u>April 1968</u>	<u>Total</u>
1. Bldgs, Construction Works	311,053,120	6,649,428	317,702,548
2. Structures	18,025,463	708,670	18,734,133
3. Preliminary Works (including fabrication and installation works)	75,071,997	18,413,532	93,485,529
4. Tools & Fixtures	5,151,813	163,163	5,314,976
5. Temporary Work	1,116,587	585,136	1,701,723
6. Land	-	-	-
<u>Sub-total</u>	<u>411,090,980</u>	<u>26,519,929</u>	<u>437,610,909</u>
7. Salaries & Wages	13,281,447	1,686,335	14,967,782
8. Welfare Exp.	3,034,484	144,940	4,179,424
9. Office Exp.	1,868,682	71,363	1,940,045
10. Travel Exp.	852,832	12,310	865,142
11. Communication Exp.	96,727	-	96,727
12. Consumables	1,343,316	22,061	1,365,377
13. Engineers Stay Exp.	1,937,748	259,690	2,197,438
14. L/C Open Charge	3,921,055	-	3,921,055
15. Entertainment Exp.	15,573,892	275,610	15,849,502
16. Interest on AID Loan	8,044,999.27	46,454,822.27	54,499,821.54

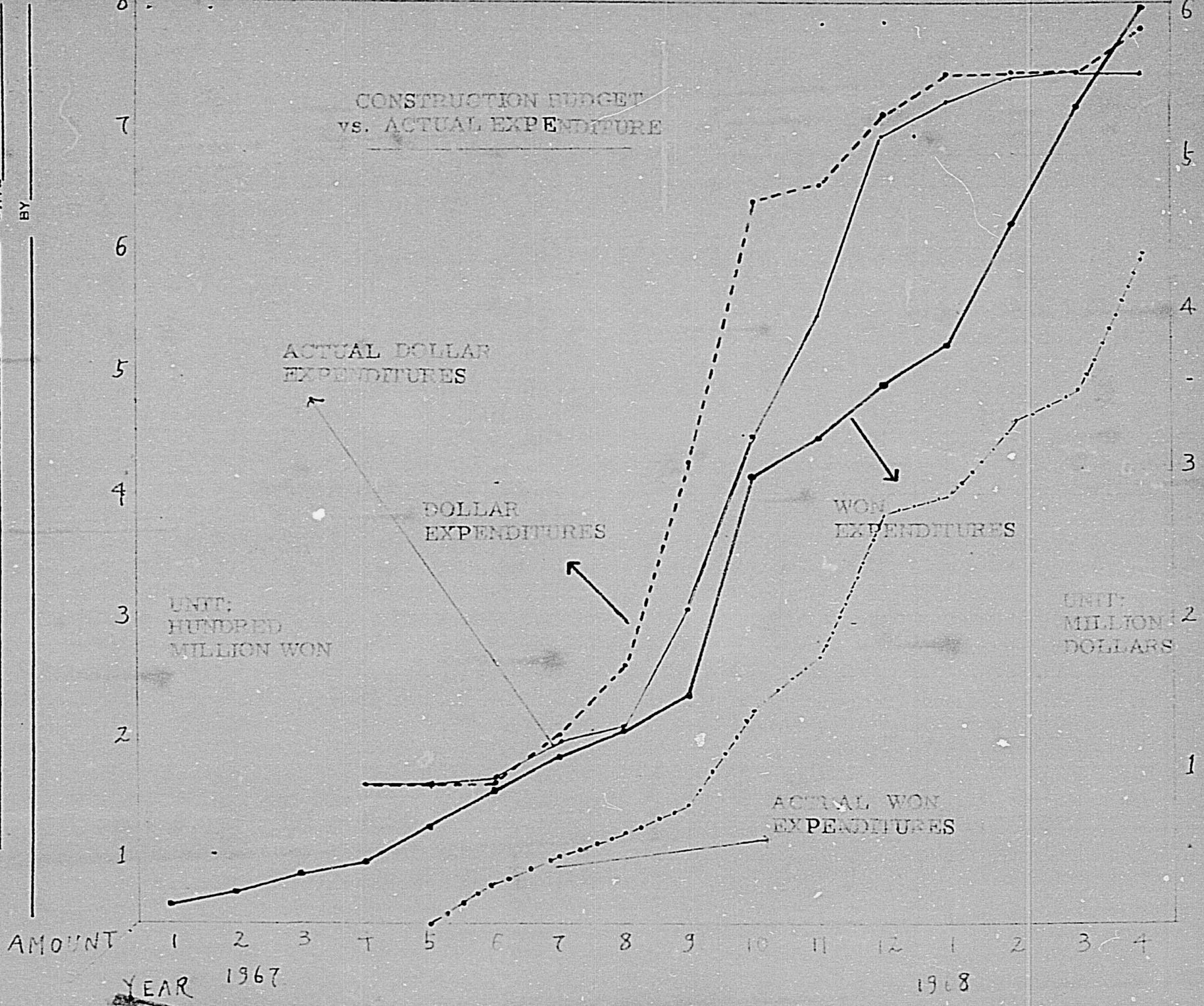
<u>Item</u>	<u>Balance Carried-over</u>	<u>April 1968</u>	<u>Total</u>
17. Delivery Exp. including custom clearance	16,169,282	1,020,446	17,189,728
18. Conference Exp.	1,922,880	118,960	2,041,840
19. Storage	3,160,303	20,720	3,181,023
20. Other Exp.	4,187,042	-	4,187,042
21. Utility	86,968	-	86,968
22. Insurance Premium	-	552,936	552,936
23. Test operation expenses including raw material cost	-	27,697,303	27,697,303
<u>Sub-total</u>	<u>75,487,617.27</u>	<u>78,337,496.27</u>	<u>153,825,113.54</u>
 <u>Grand Total</u>	 <u>486,578,637.27</u>	 <u>104,857,425.27</u>	 <u>591,436,062.54</u>

RECORD SHEET
KOREA NYLON CO., LTD.

CODE NO. _____
SHEET NO. _____
DATE _____
BY _____

SUBJECT _____

CONSTRUCTION BUDGET vs. ACTUAL EXPENDITURE



AMOUNT

YEAR 1967

1968

CHAPTER IV. PERSONNEL

No changes or retirement of personnel in Construction Department were seen during this report period and the membership of the above Department is still 31 person just as that of last report period.

Total 136,155 man/day labor power were put into 7.5 M/T expansion work until April 1968 and the details are shown below.

<u>Name of Work</u>	<u>Contractor</u>	<u>Kolon</u>	Unit: man/day	
			<u>Temporary Hire by Kolon</u>	<u>Total</u>
Main Plant Bldg.	38,971	597	-	39,568
B. O. Q.	2,839	28	-	2,867
Other Const. Works	89,708	4,012	-	93,720
Total	131,518	4,637		136,155

Labor Force Employed by Month

	<u>Until</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>Total</u>
	<u>1967</u>					
Main Plant Bldg.	31,516	465	1,640	2,613	3,334	39,568
Other Const. Works	50,386	20,050	11,174	9,870	5,107	96,587
Total	81,902	20,515	12,814	12,483	8,441	136,155

CHAPTER V. PROCUREMENT ACTIVITIES

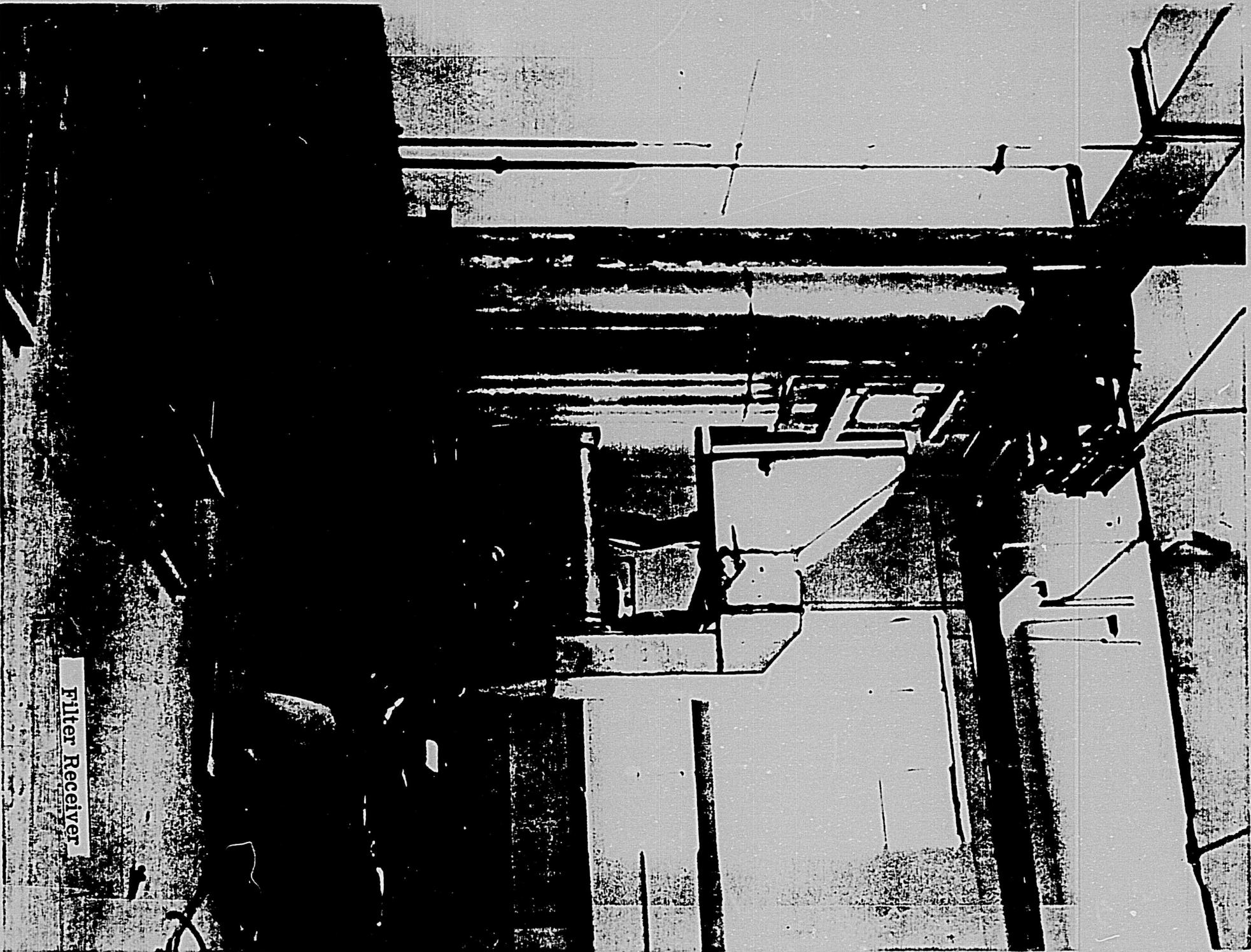
Amounts of carried-in loan equipments and materials during the period is US\$45,081.69 and cumulative total as of the end of April amounted to US\$5,604,593.41 or 96.5 percent out of total loan equipments have been delivered to our plant site since the ground-breaking of our 7.5 M/T expansion project.

The details of carried-in loan equipment during the period are shown below.

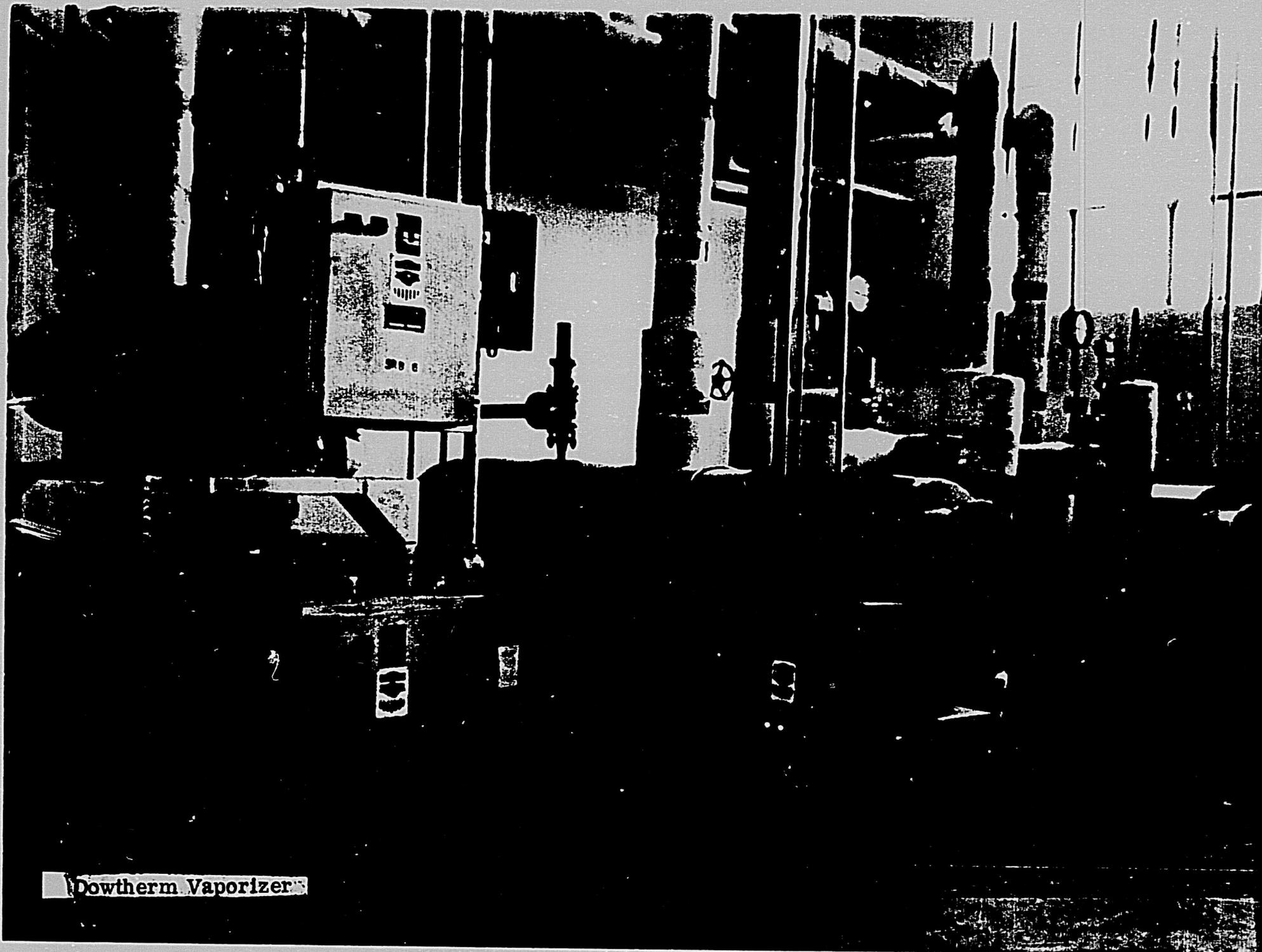
Loan Equipment List Delivered to Job Site

(During the Report Period)

<u>P.O. No.</u>	<u>Item Description</u>	<u>Amount</u>
236	Driving Gears	3,014.60
213, 237	Relay Heater Elements, Solenoid Valves. Wire Cloth	7,364.28
161	Separator Guides	3,070.07
241	Wire Cloth	2,140.78
212	Spare Parts for Nitrogen Generator	4,830.13
93	Glove Vlaves	4,181.63
117	Control Panel	No Charge
12	Recording Potentiometer	13,344.89
238, 245, 247	Thermostat & Reply, Pressure Controller, Fasteners	1,469.19
212	Holding Coil & Valve Spring	No Charge
234, 254	Shield Cable, V-Belts	1,649.85
256	Valve Positioners	1,638.90
226, 243, 252	Control Relays, Potentiometer, Reducing Valve	2,173.38
255	Antiform-C	203.99
	Amount in this report period	45,081.69
	Amount in the precedent report periods	5,559,511.72
	Cumulative total through this report period	5,604,593.41



Filter Receiver



Dowtherm Vaporizer

13



Switch Gear

11