Medium-sized Enterprises Financial Feasibility of Wheat Milling & Packaging (Peeled wheat – Flour) Latakia, Syrian Arab Republic

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Abstract:

Wheat is grown on more land area than any other food crop as wheat is greater in use, in production and consuming combined all the world production crops.

It is considered the world main food as it is the source of flour used mainly in baking bread and other food productions.

This research aims to discuss the following goals:

a. Calculate production costs to wheat milling and fully automatic packagingwith analysis(peeled wheat and flour) in Latakia, Syria.

b. The economic evaluation of wheat milling and packagingproducts (peeled wheat- flour) in Latakia Governorate, through calculating the indicators of economic analysis.

The study of the economic efficiency indicators of wheat milling and the producing (peeled wheat, flour) in Latakia Governorate showed that:

The net income to the sample reached /17155328.79/SYP a year, the annual revenue achieved about /15791453.3/ SYP, gross margin is equivalent to/19566753,79/SYP year Manufacturing production efficiency is 1.98 and the economic efficiency amounted to 1.83

Keywords:

Net income, gross margin, grains, wheat, flour, peeled wheat, Manufacturing production efficiency, economic efficiency, profitability factor, food processing.

I. Introduction:

Grains are the first rank worldwide through production and consumption compared to other food crops. They considered the most important food commodities as being produced mainly in healthy meals daily supporting the human body with food supplements. As wheat is considered the most used and consumed of all the grains on daily food basis and the source of flour mainly used in backing bread and many other products [1].

Agricultural sector is considered vital and important to other economic sectors and generated various agricultural industries [2].

Food processinghas two objectives: the first is to increase the period of product consumption, and the second is to raise the value added.

Therefore, there is a need to increase attention to agro-industrial food processing because of the added value, especially as the export of agricultural products equipped and manufactured, Doubling, compared to their traditional primitive form [3].

The food industry contributes to the Syrian industrial output by 18.4% [4]. It yokes the agricultural and the manufacturing sectors, which in turn transfers the agricultural materials to consumable ones, which provides sufficient food needs [5] The Food processing provide different types of production, balance the supply of foodstuffs, export, trade and transport abroad safely, depending on the conservation methods used.[6]

In Syria,Food processing is conducted at three levels simultaneously: farm level (traditional), village level (traditional), and industrial level [7]. As a result of the growth of agricultural production and the need to meet the food demand in the local markets, many industrial factories were established in various private, public and mutual sectors [8].

The Syrian Arab country has a lot of reasons and justifications that drive the investor to invest in the food processing because he has the elements of investment in this field [9].

II. Research Objectives:

Through the rapid changesand development of agricultural production in the Syrian Arab Republic, and the self-sufficiency of most agricultural crops, goods and livestock products in addition to exporting the surpluses, the Syrian government has worked over the past years to promote food processing in order to reform the foreign trade. It also promoted economic and social development through food processing, by encouraging manufacturing activities in various sectors (public, private and mutual) [10].

Accordingly, the Government has pursued an effective economic policy aimed at achieving integration and coordination between producers and public to achieve:

1- To promote medium and large enterprises with significant economic impact on food security and market stability, especially that based on local raw materials such as grains, vegetables, fruits, etc.
2- To ensureof using the latest techniques in these industries to enable Syrian people to compete and produce high quality products and enter the Arab and foreign markets.
3- Pay greater attention to packaging within appropriate sizes that achieve diversity and to meet with individual income, purchasing power and social classes.

This is reflected in the efforts to achieve the main objective of the Eleventh Five-Year Plan, which can be summarized by the provision of agricultural commodities to food processing, the export of surplus, the development of the mechanism of marketing agricultural products, the promotion and development of manufacturing processes to benefit the added value and increase exports and the development of local and traditional industries.

It is therefore important to carry out this economic study in order to achieve the following objectives:

1- Studying the real of investment in medium agro-Food processing in Latakia Governorate in the Syrian Arab Republic.
2- Studying the production efficiency of the medium wheat milling and packaging (peeled wheat, flour) in Latakia Governorate in the Syrian Arab Republic.
3- Prospecting for the future of medium agro-Food processing in Latakia Governorate in the Syrian Arab Republic.

III. Research Materials and Methods:

The study was carried out using the following steps:

1- Conducting a theoretical reference study on the subject through scientific research, specialized books and various internet sites, in addition to a descriptive analysis of the official statistics issued by the competent authorities.
2- Thedescriptive economic analysis method.
3- To rely mainly on the data of the research sites through a questionnaire for a Specific sample of agro-food processing owners, including information on the stages of manufacturing and production requirements and costs.
4- Field work in relation to the program for the implementation of the study according to the following steps:
    a- Field visits to medium enterprises MEs for wheat milling and packaging(peeled wheat & flour) in Latakia governorate to determine the size of the studied sample.
    b- Implement field tours to all the sites that have been identified for the implementation of the study to collect the required information by completing forms.
5- Analysis of data and information obtained according to the required model.
6- Calculation of production costs through some mathematical relations:

A) The costs of living labor of any stage = number of times the operation was carried out × number of workers required to carry out the operation × number of days (or hours) required to carry out the process × daily worker's wage (or hourly).
B) The material costs of the inputs of any stage = Quantity (number/size) of the material used × Number of times added × Price per unit of substance (g, kg, liter, etc.).
C) Total production costs = initial costs (material+ live work) + IF +RF.

7- Using mathematical relationships to calculate economic rate of return and the indicators of economic efficiency.
8- Community and Research Sample:

The survey conducted in Latakia Governorate in the Syrian Arab Republic in 2015, in cooperation with the authorities (the Directorate of Industry, Chamber of Industry) [11], aimed at preparing lists of medium-sized agro- industrial enterprises of (peeledwheat, - Flour), the number of these factories has reached (19), distributed in Latakia governorateaccording to Table (1):

(Chamber of Industry) 1 listing MEs 6wheat milling and packaging factory that 19 factories are distributed in the administrative areas in Latakia as shown in Table I:

Table I
Distribution of Medium Enterprises for Automatic Milling and Packing Wheat Products
in LattakiaGovernorate for the year 2015

Area	Latakia	Jableh	AlQirdaha	Alhaffa	Total number	20% of total
Number	6	4	1	8	19	4

The table is based on data from the researcher.

IV. Results & Discussion:

A. Calculating production costs to wheat milling and packaging (peeled wheat, flour) inLatakia.

To calculate the production costs of the required manufacturing processes,the average of prices and costs of the studied samplein 2015 by using:

$$CPF = \Sigma (MF + LF + IF + RF)$$

CPF: Total Productivity Costs Capital recovery factor, IF: Capitalized Investment Interest, MF: Financial Costs

RF: Land Revenue, LF: Living Labor Costs

a) Calculate the initial production costs of manufacturing operations in the first 16 years.

For detailed study,the value of production costs was calculated by taking an average of sixteen years and then applying the use of economic and productivity indicators.

1) *Calculation of costs of manufacturing operations in the first year*:

First: Investment costs:

The average actual area of the building (400 m2), which is a two-floor building, one for management, life expectancy is approximately 25 years.[12].

Total cost of depreciation = 10400000 SYP, the price at the end of the useful life is 2600000 SYP.

Cost of annual depreciation of the building = (purchasing price – Price at the end of useful life)/ Life expectancy = (1040000 – 2600000) / 25 = 312000 SYP

There are two power generators, basic costs 900000 SYP and 225000SYP at the end of the useful life and the reserve costs (400000) and (100000) SYP at the end of the useful life.

The life expectancy of the generator is (10) years, so the:

The total cost of the both generators = 1300000 SYP, the total cost at the end of the useful life = 325000 SYP.

The cost of the annual depreciation of the generators = (Cost of Purchasing 2 generators – Price at the end of useful life) / Life expectancy = (1300000 – 325000) / 10 = 97500 SYP

There are 3 electric cranes, each costs (38000) SYP, the cost at the end of the useful life is(11400) SYP, howeverlife expectancyof the crane is (10) years, so:

The total cost of the cranes = 114000 SYP, the total cost at the end of the life expectancy= 34200 SYP

Annual depreciation cost of cranes = (114000 – 32400) / 10 = 7980

There are also means of transporting food outside the factory, based on the law of gravity under the weight of the food, number (one way), which is made of iron length (8) m, width (80-90) cm, life expectancy is 10 year, cost (20000) SYP, the at the end of its useful life(10000) SYP.

Annual depreciation cost of food outside factory = (200000 – 10000) / 10 = 1000

Facilities: It includes:

1- A water tank per floor, so the number of water tanks is (2), the price of each is (12000) SYP, the price after useful life is (1200) SYP, the expectancy life of the reservoir is (10 year) :
The total cost of water reservoirs is (24000) SYP, the total cost of water tanks at the end of life (2400) SYP.

2- Sewege and drainage system:It costs 1200 SYP.

3- Sewege system per each flour.

Overall sewage system cost is 60000 SYP so:
Overall facilities sewage system
=1200+60000=61200 SYP.

Construction work:

1- Overall cost of asphalting inner roads and sidewalks =60000 SYP.

2- Overall cost of inner lighting=260000 Lighting and ventilation.

3- Overall cost of outer lighting=75000
soOverall construction work=60000+260000+75000=395000 SYP

Phone extinction as infrastructure =20000SYP.

Electricityextinction as infrastructure = 70000SYP.

Overall investing costs =
61200+395000+20000+70000=546200SYP.

Second: Furniture costs of factory:

Furniture life expectancy is 10 years.

Furniture cost is 90000 SYP.Furniturecost after useful life =18000 SYP.

The annual depreciation cost of furniture = (90000 – 18000) / 10 = 7200 SYP

Third: The cost of Factory licensing:

Cost of factory licensing=250000 SYP.

Fourth: Costs of Essential Services Supplies:

Advertisement =110000 SYP per year.

Telephone & postal service = 12000 SYP per year.

Water=15000 SYP per year.

Electricity=36000SYP per year.

Overall cost of first year essential services = 110000+12000+15000+36000=173000 SYP per year.

Fifth: Production and services of transportation costs:

Two Kia cars are used, each costs 850000 SYP.

Overall Kia cars cost=850000 X2=1700000SYP.

Kia cars cost at the end of useful life is 680000 SYP. Inaddition to using a van that costs 1000000SYP, as van cost at the end of the useful life is 400000 SYP. The overall transportation and services is 2700000 SYP. The overall production and services supplies average at the end of the useful life is 1080000 SYP.

As the average life expectancy to transportation mean is 10 years so

The annual depreciation cost of production and services supplies is= (1080000 – 2700000) /10 = 162000 SYP

Overall first year financial costs =173000+250000+546200=969200 SYP.

Overall firstyear after the useful time cost=312000+97500+7980+1000+2160+7200+162000=589840 SYP.

2) *Calculating Manufacturing processes in the second year*:

First: Costs of Essential Services Supplies:

Advertisement =120000 SYP per year.

Telephone & postal service = 12000 SYP per year.

Water=16000 SYP per year.

Overall cost of second year essential services supplies= 120000+12000+16000+36000+106400=290400 SYP per year.

Second:Labor Costs

Working in the factory bases on daily 8hour shift.

Each manufacturing process requires 2 administrative workers a maintenance worker, 20 production worker and two marketing employees. The overall workers are 25 a shift however the salary and wage for each worker including social insurance in the second year is 3000 SYP a month. So the overall annual salaries and wages for workers is 25x3000x12=900000 SYP a year.

Inaddition to an accountant each shift, the salaries and wages to the accountant including social insurance in the second year 2014 costs 500 SYP amonth according to poll covering

The overall cost of annual accountant salaries and wages is 1x4500x12= 54000 SYP ayear.

So the overall second year salaries and wages is 90000+54000=954000 SYP.

Third: Process of grains milling and packaging

1. Seed cleaner,Screening:

The process is done bysieve that costs 250000 SYPthe life expectancyis 10 years costing 25000SYP(12) So:

The total material cost of the sieve in the second year = 250,000 × 1 = 250000 SYP / year.

The annual depreciation cost of the screening process in the second year = (250000-25000) / 10 = 22500 SYP The raw material (wheat) being cleaned

in the second year, the required amount is 60 tons 60000 kg,each Kg costs 7 SYPyearly .

The total material cost of Screening in the second year= the total material cost of purchasing wheat in the second year = the cost of purchasing 1 kg of wheat × quantity of wheat required (kg) = 7 × 60000 = 420000 SYP / year.

2. The cost of Sterilization:

In the second year, the sterilization process is done by using the sterilization tablets (Phostoxin gassing tablets), the required quantity is (15 kg / year), the price of (1) kg ofPhostoxin gassing tablets is (2000)SYP The total material cost of Phostoxin gassing tablets in the second year = 2000 x 15 = 30000 SYP / year.

In addition to using Polyethylene bags (50 kg),the required quantity of Polyethylene bags is (85.71 kg) in the second year, as a kg of Polyethylene bags costs (30) SYP are also used, so: The total material cost of purchasing polythene bags in the second year = 30 × 85.71 = 2571.3 SYP / year

Thus: the total material cost of sterilization in the second year = 30000 + 2571.3 = 32571.3 SYP / year

3. Cost of Peeling Process:

This process is carried out using the grain peeling machinethat costs 400000 SYP in the second year. The cost of grain peeling machine at the end of useful life is 40000 SYP as the lifeexpectancy is 10 years. Annual depreciation cost of the grain peeling machinein the second year = (100000 – 4000) / 10 = 36000

Additionally, a wheat grinding machine is used costing 250.000 SYP in the second year, however at the end of useful life it costs (62500) SYP, the life expectancy is (10) years.

Annual cost of depreciation in the second year= (250000 – 62500) / 10 = 18750 SYP

Annual depreciation cost of the peeling process in the second year = 36000 + 18750 = 54750 SYP

4. Milling and Flour Classifications:

The cost of milling and sorting of flour on grades:

This process is done using a treadmill, the cost of one crusher in the second year is (350000) SYP, the cost of the crusher at the end of the life expectancy is 175000 SYP, and its life expectancy is 10 years

Annual cost ofmilling depreciation in the second year= (350000 – 175000) / 10 = 17500

A sieve is also used costing (70,000) SYP in the second year however at the end of useful life it costs 7000 SYP, as the life expectancy is (10) years.

Annual depreciation cost of sieve in the second year = (70000 – 7000) / 10 = 6300

Thus, the annual depreciation cost of the milling process and flour classification in the second year = 17500 + 6300 = 23800 SYP

5. Packaging Process:

A packaging machine is used that costs 250000 SYP, and 87500 SYP at the end of useful life.

At this stage the machine is used for packaging, the cost of the machine in the second year (250.000) SYP, cost it at the end of useful life is 87500 SYP, and the life expectancy is (10) years.

Cost of annual depreciation of the packaging process in the second year = (250000 – 87500) / 10 = 16250

The production is carried out in bags of sulfates each contains (1 kg), the required quantity of sulfate bags (300 kg = 0.3 tons) in the second year, and the price of 1 ton of sulfate bags (50,000) Thus: the total material cost of the packaging process in the second year = 50,000 × 0.3 = 15000 SYP / year

The following is a tableII showing the types of materials produced in the second year, the quantity Kg, the average selling price at the factory gate SYR, and the annual revenues for each type of production:

Table II

Types of materials produced in the second year, quantity, average selling price at the factory gate, and annual project revenues for each type

Production	Quantity Kg/year	Average price	Annual revenues
Peeled wheat	30000	50	1500000
Zero Flour	15000	37	555000
Flour	15000	30	450000
Total	60000		2505000

Data from survey.

The total material costs in the second year=290400+420000+32571.3+15000=757971.3 SYP/year.

The total costs in the second year=757971.3 +954000=1711971.3 SYP/year.

The annual depreciation in the second year=the annual depreciation in the first year589840+22500+54750+23800+16250=707140 SYP.

The costs of the manufacturing processes in the coming years are calculated using the aforementioned method equation used in the first and second years. As a result of calculating the yearly prior production services for all the required manufacturing processes, the overall of each year of the sixteen years were calculated as the following in table III:

Table III

The total initial production costs of wheat milling and automatic packaging projects during the first 16 years

Costs	Total of prior production SYP
First year	969200
Second year	1711971.3
Third year	1769375
Fourth year	206028902
Fifth year	2182035.8
Sixth year	2356360.8
Seventh year	2783657.1
Eighth Year	3787800
Ninth Year	4349485.6
Tenth Year	4898523.1
Eleventh	6256693
Twelfth	13730219
Thirteenth	22382091.5
Fourteenth	36620761
Fifteenth	56088153
Sixteenth	81036199
Total	242982814.4

The table is based on data survey.

By revising table III, in 2011,twelfth year, an increase of the costs happenedas a result of the recessionduring the crisis due to the rise of production costs and the withdraw of the local currency against the foreign ones.

However, table IV shows the prior production costs to wheat milling and packaging (peeled wheat &flour)

Related to all the required manufacturing processes during the 16th years using Syrian pounds and percentage.

Table IV
Total Primary Production Costs of Wheat Milling and Automatic Packaging of Wheat Products
Related to all Necessary Manufacturing Processes and Percentages

Data	Costs	Initial costs
Investment costs	546200	0.2
Licensing Facility	250000	0.1
Services Requirements	17041716	7
Labor	37434000	15.4
Screening process	181237000	74.6
Sterilization process	1674435.9	0.7
Packaging process	4799462.5	2
Total	**242982814.4**	**100%**

The table is based on data survey.

The results data of Table IV show that the cost of the screening process is the greatest (74.6%), followed by labor expenditures amounting to (15.4%), then the cost of the services (7%),Followed bypackaging costs (0.2%) sterilization costs (0.7%), followed by investment costs (0.2%), followed by licensing costs (0.1%), which is the lowest percentage.

b) *Calculating Cash: (IF & RF costs):*
IF=initial costs(material+active work) +RF X4.5/100 fromthe first year till the seventh.
IF= initial costs(material+active work)+RF X 6.5/100 from the eighth year till the eleventh.
IF = Initial costs(material+active work)+RF X 9.5/100 from the eighth year till the twelfth year till the sixteenth.
RF is determined by the research location , in the study , about /11000-5000/ Acres/SYP.

c) **Overall calculation of the production costs:**

Table V
Production Costs of Wheat Milling and Automatic Packing of Wheat Products from Year 1 to Year 16 by Type of Expenditure

Costs	Material Costs	Wages	RF	IF	Total costs
First year	969200	-	5000	43839	1018039
Second year	757971.3	954000	5000	77263.71	1794235.01
Third year	815375	954000	5000	79846.88	1854221.88
Fourth year	950289.2	1110000	5000	92938.01	2158227.21
Fifth year	1072035.8	1110000	5000	98415.61	2285452.41
Sixth year	1090360.8	1266000	7000	106351.24	2469712.04
Seventh year	1517657.1	1266000	7000	125579.75	2916236.67
Eighth year	2059800	1728000	7000	246662	4041462
Ninth year	2459485.6	1890000	7000	283171.56	4639657.16
Tenth year	3008523.1	1890000	9000	318989	5226512.1
Eleventh year	3742693	2514000	9000	407270.05	6672963.05
Twelfth year	9968219	3762000	11000	1305415.81	15046634.81
Thirteenth year	18620091.5	3762000	11000	2127343.69	24520435.19
Fourteenth year	31922761	4698000	11000	3480017.30	40111778.3
Fifteenth year	50823153	5265000	11000	5329419.53	61428572.53
Sixteenth year	75771199	5265000	11000	7699483.91	88746682.91
Total costs	205548814.4	37434000	11000	21822007.87	264930822.27
Costs %	77.85	14.13	0.05	8.24	100%

The table is based on data survey.

Table VI
Total MEs wheat milling and packaging products inLatakiagovernorate.

Data	Value	Annual Average	%Overall Production costs in one year	%Overall Variable costs yearly	% Overall Fixed costsYearly
1-Variable costs					
Overall Manufacturing Processes	37434000	2339625	12.34	15.41	-
Overall Production Requirements	205548814.4	12846800.9	67.75	84.59	-
Total Variable Costs	242982814.4	15186425.9	80.09	100%	-

2-Fixed Costs					
RF	126000	8785	0.04	-	0.2
IF	21822007.87	1363875.49	7.19	-	36.1
Consumption	38456800	2403550	12.68	-	63.7
Total fixed costs	60404807.87	3775300.49	19.91	-	100%
Total Production costs	303387622.27	18961726.39	100%	-	-

The table is based on data survey.

4-2- Calculating production revenues MEs milling wheat and packaging (peeled wheat – flour) inLatakia during the first 16 years:

Table VII
Productive revenues of wheat milling and automatic packaging projects
in Lattakia during the first 16 years

Study Years	Production Quantity kg	Revenues
First Year	-	-
Second year	60000	2505000
Third year	66500	2776375
Fourth year	78500	3277375
Fifth year	93000	3882750
Sixth year	93000	5231250
Seventh year	104000	6630000
Eighth year	122500	7809375
Ninth year	152000	11020000
Tenth year	197500	14318750
Eleventh year	247000	20377500
Twelfth year	271000	46070000
Thirteenth year	319000	67787500
Fourteenth year	362000	92310000
Fifteenth year	423000	120555000
Sixteenth year	505000	151500000
Total costs	3094000	556050875
Costs %	193375	34753179.69

The table is based on data survey.

4-3- Calculation of Economic Indicators:

1- Gross Output (SYP / year) = production quantity (kg / year) × Average price at factory gate,as pricing point,(SYP / kg)
2- CPF (SYP / year) = Average variable costs (SYP / year) + Average fixed costs (SYP / year).
3- Gross margin (SYP / year) = Gross output Average/ (SYP / year) - Average variable cost (SYP / year).
4- Net income (studied sample) (SYP / year) = Gross output Average(SYP / year) –CPF (without capital interest) (SYP / year)
5- Annual Revenue (SYP / year) =Gross output Average (SYP / year) –CPF (without capital interest) (SYP / year).

6- Asset Turnover Ratio = Gross output Average (SYP / year) / average variable cost value (SYP / year)
7- Asset Turnover Ratio(day /time) = 365 / Asset Turnover Ratio.
8- A kilo cost (SYP / average annual production (kg / year) / Average annual production.
9- A kgrevenue (SYP / kg) = Average annual revenue (SYP / year) / Average annual production (kg / year)
10- Manufacturing Production Efficiency = Average Gross output (SYP / Year) / (Average Value of Variable Costs + Average Annual Depreciation Value) (SYP / Year)

11- Economic efficiency = Average gross output (SYP / year) / CPF (SYP / year)

12- Profitability Factor:The profitability factor is one of the most important and crucial factors used to calculate the economic efficiency and tomeasurethe revenue compared to production costs and investments.

   A- Profitability factor to production costs = (average annual revenue / average initial CPF) × 100

   B- Profitability factor to invested capital = (average annual revenue / average capital invested) x 100

13- - Capital Recovery:

Since the value of the land remains constant and may increase as a result of the increasing prices year by year, we only have to calculate the capital recovery to invested capital.

Capital Recovery (Year) = Average Initial Production Cost / Average Annual revenue

Table 8 showed the economic indicators of MEs wheat milling and packaging (peeled wheat-flour) in Latakia, Syria.

The economic indicators of MEs in Latakia

Table VIII
Economic Indicators of Medium Projects for Automatic Milling and Packing of Wheat Products in Lattakia Governorate, Syrian Arab Republic

Data	Base Unit	Value
Gross Output	SYP/year	34753179.69
CPF	SYP/year	18961726.39
Gross Margin	SYP/year	19566753.79
Net income	SYP/year	17155328.79
Annual revenue	SYP/year	15791453.3
Asset Turnover	-	2.29
Time Asset Turnover	Day	159.39
A kilo production cos	SYP/kg	98.06
A kg revenue	SYP/kg	81.66
Manufacturing production efficiency	-	1.98
Total economic efficiency	-	1.83
Profitability indicator to production costs	%	103.98
Profitability indicator to Invested Capital	%	81.14
Capital Recovery	Year	0.96

The table based on data in the aforementioned tables(4,5,6,7)

V. Conclusions:

1- Investment in wheat milling enterprises and packaging (peeled wheat- flour) is important investments in the Syrian agricultural sector in general, and production in particular, where the enterprises of wheat milling and packaging (peeled wheat - flour) showed that the annual net profit reached (15791453.3) SYP / year.

2- A field survey conducted in Latakiastudying the cost of milling wheat and packaging products (peeledwheat - flour) showed that the average total production costs during the study period was 18961726.39 SYP /year, the production requirements was the greatest to other costs,variable or fixed costs about (67.75%) of the total production costs and (84.59%) of the total variable costs of the wheat milling enterprises and packaging (peeled wheat& flour) in LatakiaGovernorate.

3- By analyzing the economic indicators to an ME sample of wheat milling and packaging (peeled wheat and flour) in Latakia:

a.The net production income of the studied sample reached (17155328.79) SYP / year

b. Annual revenue reached (15791453.3) SYP / year

c.Manufacturing production efficiency reached (1.98) and economic efficiency that reached (1.83).

d. Profitability factor as compared to production costs (103.98%).

e. The profitability factor compared to the invested capital equals (81.14%).

f. Capital recovery factor equal (0.96) years.

VI. Proposals:

1- Regarding the fruitful economic revenue achieved by the wheat milling and packagingproducts (wheat flour) enterprises, it is proposed to encourage investment in this field and provide legal, economic and material facilities and incentives.

2- Lessen the costs of wheat milling and packaging (peeled wheat and flour) to encourage the investing in Syria by banking facilities.

3- Work to ensure the production requirements locally, at reasonable prices

in order to reduce production costs, increase profit indicators, profitability factor, and net productive income of these enterprises.

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