

requires Polyvinyl Acetate as a raw material named PT . Higo Adhesive. Import prices are increase every year and the market of Polyvinyl Acetate and Polyvinyl Acrylate are large enough to make the owner of PT . Indocipta Wisesa and PT.Higo Adhesive want to invest in build new factories producing Polyvinyl Acetate and Polyvinyl Acrylate to supply raw materials both the company and meet the needs of the market in Indonesia .

In this study, it just limited to 5 aspects , there are: market, technical , juridical, environmental impact,and financial aspect. In the market aspect, teh compay's target is 10% from total market. On the technical aspects, plant location is selected strategically, appropriate technology and equipment also selected, the human resources that competent in the field, and the layout adequate business premises. On the judicial aspect, the establishment of this plant is considered feasible because it has met the licensing that required. In the aspect of environmental impact , plant establishment of polyvinyl acetate and polyvinyl acrylate also considered feasible because the company has made efforts Environmental Management-Environmental Monitoring Plan (UKL - UPL) to replace AMDAL document .

The financial aspect's expenditure, like investment funds , estimated revenues, operating expenses, income state, cash flow and balance sheet are used to calculate the investment, such as the Pay Back Period (PBP), Net Present Value (NPV) and Internal Rate of return (IRR) with a time period is set for 5 - year financial projections.

Calculation of Pay Back Period (PBP), Net Present Value (NPV) and Internal Rate of Return (IRR) was conducted to determine the feasibility of the investment level's value . The results from the calculation is: NPV = Rp.9.426.141.048,- , IRR = 54,89 % and PBP = 4 years 1,8 months. Polyvinyl Acetate and Polyvinyl Acrylate plant establishment is declared feasible because of IRR is greater than the value of MARR and the NPV is positive .

Keywords: Feasibility Study, NPV, IRR, PBP, Polyvinyl Acetate, Polyvinyl Acrylate