

A. Project Opportunity Description:
A1. Project Name:
Honeycombed sheet polycarbonate production organization
a. Short name:
Honeycombed sheet polycarbonate production organization
b. Full name:
Honeycombed sheet polycarbonate production organization on FEZ Gomel-Raton territory
c. Summary description:
The purpose of the project is creation of a new production of honeycombed sheet polycarbonate from 4 to 20 mm thick of the following dimensions 2 100 x 6 000 mm and 2 100 x 12 000 mm.
A2. Progress Status:
Pre-investment stage. Preliminary design estimates are done, business plan is developed, production technology and main equipment are defined. The investor is needed.
A3. Organizations involved and their roles: (contacts, telephones, faxes, e-mail, web-site):
<ol style="list-style-type: none"> 1. The search of foreign investor to proceed the project realization is continued. 2. The initiator - State Establishment Free Economic Zone Gomel-Raton Administration 17, Fedyuninskogo str., 246061, Gomel, Republic of Belarus. Ludmila P. Bubeshko - senior specialist of the Investment and Economic Activity Dpt. of FEZ Gomel-Raton Administration. (+375-232) 68-24-61, fax. (+375-232) 68-27-21; e-mail: invest@gomelraton.com
A4. Project Description:
<p>The enterprise organization with registration as a FEZ Gomel-Raton resident is planned. There are available production premises (2 810 square meters) with all necessary infrastructure and engineer communications.</p> <p>This project implies creation of a new enterprise which will produce honeycombed sheet polycarbonate from 4 to 20 mm thick of the following dimensions 2 100 x 6 000 mm and 2 100 x 12 000 mm. By the end of the third year the enterprise will reach the planned production capacity which comes up to 1 560,2 thousands square meters.</p>
A4a. Project cost (mln USD):
6.661
A5. Background / history / overall programme / related or similar projects:
<p>The relevance of the project comes from growing consumer demand for honeycombed sheet polycarbonate in the republic and the fact that it is not produced in Belarus. Honeycombed polycarbonate is a new type of construction materials and the best glass substitute when applying for translucent constructions. Polycarbonate belongs to the class of synthetic materials and looks like acryl glass but has no analogues among the presently used polymer materials thanks to its exclusive mechanical characteristics. It combines high strength, low weight, good optical characteristics, broad (as compared to other plastics) temperature span (-40°C +120°C), flexibility, necessary heat-insulating characteristics (for multy-wall panels), incombustibility, durability.</p> <p>By the end of third year the enterprise will reach the planned production capacity which comes up to 1 560,2 thousands square meters.</p> <p>The product will be sold abroad as well as in the domestic market.</p>
A6. Environmental impact summary:

Project will not have negative impact upon environment.
A7. Possible obstacles / problems / risk assessment:
The most considerable risk to influence the project is the growth of prices for raw materials.
A8. Term of realization / term of recoupment (years):
5/4
A9. Project's branch:
Chemical industry

B. Capital Cost Items (additional requirements for project):	
B1. Project physical components:	B2. Capital cost (mln USD):
Equipment purchase and assembling (Italy)	3.869
Net working capital formation costs	2.211
Other costs	0.581
Total:	6.661
B3. Sub-projects on allocation:	B4. Project cost (mln USD):

C. Capital Resources Available from Proprietors /Sponsors /Co participants:	
C1. Resources "in kind", grants, investments, equity / ownership, etc.:	C2. Amount (mln USD):
Own funds	-

D. Required Financial Assistance:		
D1. Financing gaps, type of financial assistance required:		
New enterprise creation.		
D2. Sources of finance:	D3. Type of investment:	D4. Amount (mln USD):
Investor's funds	Direct investments, credit	6.661
D1. Finance institutions-participators on the project realization:		

E. Demand (users) and revenues:	
E1. Type of users / markets, volumes, pricing, revenues, quantifiable benefits / savings:	
<p>The polymer sheet market belongs to the fast developing. Beginning from 2002 the demand for polycarbonate sheets has grown by 4 times and, according to data as on the end of 2007, has overcome the producers' proposal by 1,5-2 times.</p> <p>At present constructions organizations (about 32% of the market), producers of optical input medium (about 18%), communications and electrotechnics (22%), automobile industry (9%) are the main consumers of the honeycombed sheet polycarbonate.</p> <p>Initially, to stimulate sales promotion the price is planned to be 20% lower than the market price.</p>	

It will comprise per 1 m²: USD 5,3 for 4 mm sheets, USD8,7 for 6 mm sheets, USD 9,9 for 8 mm sheets, USD11,5 for 10 mm sheets, USD 18,0 for 16 mm sheets and USD 20 for 20 mm sheets. . Net profit will total to USD 13,81 mln.

E2. Revenues (Sales)	E3. Amount (mln USD):
Profit earned from product sales	77.81

F. Operating and Maintenance Costs:

F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:

For the project realization there are available production premises, engineer network and communications, energy sources on FEZ territory.

F2. Cost Item:	F3. Amount (mln USD):
Raw materials, materials, fuel, energy for technological purposes	57.44
Staff expenses	1.5
Amortization	1.22
Others	3.84
Total:	64.0

G. Net Income Value:

G1. Net Income Value:	G2. Amount (mln USD):
Net profit	13.81

H. Project information source:

H1. This form was completed by:

Ludmila P. Bubeshko – senior specialist of the Investment and Economic Activity Dpt. of FEZ Gomel-Raton Administration.

H2. Organization (address):

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H4. Date:

June 2008

H5. Supreme organization:

State Establishment Free Economic Zone Gomel-Raton Administration