

<b>A. Project Opportunity Description:</b>
<b>A1. Project Name:</b>
Ferroussiliconmanganese production organization on FEZ Gomel-Raton territory.
a. Short name:
Ferroussiliconmanganese production organization on FEZ Gomel-Raton territory.
b. Full name:
Ferroussiliconmanganese production organization on FEZ Gomel-Raton territory.
c. Summary description:
A new import substituting production (ferroussiliconmanganese of the grade Mn C17) manufacture organization is the project purpose. Ferroussiliconmanganese is used for steel, alloys, cast iron reducing and doping, purified manganous alloys production, in metallurgy and other industrial fields. Road metal will be a by-product derived during the technological process.
<b>A2. Progress Status:</b>
Pre-investment stage. The preliminary feasibility report has been done, business plan has been worked out, production technology and a list of the main technological equipment have been determined. An investor is required.
<b>A3. Organizations involved and their roles:</b>
1. Search for foreign investor for project realization is being conducted. 2. State Establishment Free Economic Zone Gomel-Raton Administration is a project initiator; 17, Fedyuninskogo str., 246061, Gomel, Republic of Belarus Ludmila P. Bubeshko, Senior Specialist of Investment Development Dpt. of FEZ Gomel-Raton Administration. (+375-232) 68-24-61, fax. (+375-232) 68-27-21; e-mail: <a href="mailto:invest@gomelraton.com">invest@gomelraton.com</a>
<b>A4. Project Description:</b>
The enterprise organization with registration as a FEZ Gomel-Raton resident is planned. There is a vacant land plot for the production organization of 2,0 hectares on FEZ territory.
A4a. Project cost (mln USD):
21,829
<b>A5. Background / history / overall program / related or similar projects:</b>
At present local metallurgical enterprises satisfy their need in Mn C17 grade ferroussiliconmanganese by importing it. The creation of the enterprise will allow to satisfy the needs of local customers and export part of the production. The designed capacity is reached at the end of the 2 <sup>d</sup> year, the annual volume of output will amount to 36 th. tons of main product and 26,5 th. tons of rubble.
<b>A6. Environmental impact summary:</b>
Modern equipment and up-to-date technology let considerably reduce harmful impact on environment.
<b>A7. Possible obstacles / problems / risk assessment:</b>
The most significant risks are connected with the occupying of the markets niche by other producers and the remoteness of main raw materials suppliers.

<b>A8. Term of realization / term of recoupment (years):</b>
7/6 years 8 months
<b>A9. Project's branch:</b>
Metallurgy

<b>B. Capital Cost Items (additional requirements for project):</b>	
<b>B1. Project physical components:</b>	<b>B2. Capital cost (mln USD):</b>
Equipment purchase and assembling (European Union)	10,5
Project documentation development, construction	4,39
Circulating capital forming costs	6.118
Other	0.821
Total	21.829
<b>B3. Sub-projects by location:</b>	<b>B4. Project cost (mln USD):</b>

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

<b>D. Required Financial Assistance:</b>		
<b>D1. Financing gaps, type of financial assistance required:</b>		
Enterprise creation		
<b>D2. Sources of finance:</b>	<b>D3. Type of investment:</b>	<b>D4. Amount (mln USD):</b>
Investor's funds	Direct investments	21.829
<b>D5. Financial organizations, involved in project realization:</b>		

<b>E. Demand (users) and revenues:</b>	
<b>E1. Type of users / markets, volumes, pricing, revenues, quantifiable benefits / savings:</b>	
<p>The main ferroussiliconmanganese customers are metallurgical enterprises both on local and foreign market. When the designed capacity is reached the volume of ferroussiliconmanganese output will be 36 mln. tans, the volume of road metal output - 26,5 tans. Export prices are unstable and vary between USD826 and USD 1300 per ton depending on the quality of the production. The price of ferroussiliconmanganese Mn C17 grade with silicon rate 17,8% and not more than 0,33% of phosphorus will be USD1300 per ton. To stimulate the interest for product of the newly created company it is planned to sell the product at USD 1 220 per ton that is 1-3% lower then the existing market price for ferromanganese of Mn C17 grade. The project realization net profit will amount to USD31,706 mln.</p>	
<b>E2. Revenues (Sales)</b>	<b>E3. Amount (mln USD):</b>
Profit earned from product sales	283,056

**F. Operating and Maintenance Costs:****F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:**

There are vacant production premises, engineer networks and communications, energy resources on Free Economic Zone territory for the project realization.

<b>F2. Cost Item:</b>	<b>F3. Amount (mln USD):</b>
Raw materials, materials, fuel, energy for technological purposes	238.37
Staff expenses	4.6
Amortization	2.77
Others	5,61
Total	251.35

**G. Net Income Value:**

<b>G1. Net Income Value:</b>	<b>G2. Amount (mln USD):</b>
Net profit	31.706

**H. Project information source:****H1. This form was completed by:**

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**H2. Organization (address):**

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**H4. Date:**

April 2008

**H5. Supreme organization:**

FEZ Gomel-Raton Administration