

<b>A. Project Opportunity Description:</b>
<b>A1. Project Name:</b>
Set up of expanded polystyrene plates production in FEZ Gomel-Raton
a. Short name:
Set up of expanded polystyrene plates production in FEZ Gomel-Raton
b. Full name:
Set up of expanded polystyrene plates production in FEZ Gomel-Raton
c. Summary description:
The objective of the project is to create modern production of 4 types of expanded polystyrene plates (PSB-S-15, PSB-S-25, PSB-S-35, PSB-S-50) with foreign capital share.
<b>A2. Progress Status:</b>
The project is at the pre-investment stage. Business plan has been worked out. For project realization a foreign investor is required.
<b>A3. Organizations involved and their roles:</b>
1. Search for foreign investor for the project realization is being conducted. 2. Free Economic Zone Gomel-Raton Administration is a project initiator; 17, Fedyuninskogo str., 246061, Gomel, Republic of Belarus Ludmila P. Bubeshko, Investment & Economic Activity Dpt. tel/fax: + 375 232 682461/682721, e-mail: <a href="mailto:oved@gomelraton.com">oved@gomelraton.com</a>
<b>A4. Project Description:</b>
Establishment of annual production capacities of 19 080 m <sup>3</sup> of expanded polystyrene plate. There are vacant production premises (530 sq.m) available for production location with all the necessary infrastructure and engineering networks. Project realization by a FEZ resident will permit to reduce production costs at the expense of the application of special legal regulations providing for tax and customs incentives to the enterprises and enhancing the competitiveness of the products. Planned-to be-produced goods will be required at the market of Russia.
A4a. Project cost (mln USD):
0.259
<b>A5. Background / history / overall programme / related or similar projects:</b>
Rapidly growing demand for cheap resource-saving construction material, expanded polystyrene plate included. The use of expanded polystyrene plates will ensure more effective observance of modern thermal insulation requirements in construction. Production of construction materials on the basis of extruded expanded polystyrene is not sufficient in the Republic of Belarus.
<b>A6. Environmental impact summary:</b>
The project doesn't have impact on the environment.
<b>A7. Possible obstacles / problems / risk assessment:</b>
The main risks are bound up with the occupying of the Russian market niche. Application of special legal regulations will allow to reduce risk level at the expense of the products quality and lower prices.

<b>A8. Term of realization / term of recoupment (years):</b>		
5/3		
<b>A9. Project's branch:</b>		
Chemical industry		
<b>B. Capital Cost Items (additional requirements for project):</b>		
<b>B1. Project physical components:</b>		<b>B2. Capital cost (mln USD):</b>
Production preparation		0.04
Technological expanded polystyrene plate production line purchase (Russia)		0.057
Net current capital formation		0.162
Total		0.259
<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>		
Crediting		
<b>D2. Sources of finance:</b>	<b>D3. Type of investment:</b>	<b>D4. Amount (mln USD):</b>
Foreign investor's funds for production creation	Direct foreign investments	0.259
<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 designed capacity is reached, the volume of plates output will be 19,08 th. cb.m.</p> <p>Set up of 4 types of expanded polystyrene plates production will permit to use the products both in construction and in other branches of industry. The Russian market of expanded polystyrene plate is growing very rapidly, market capacity amounts to USD4,6 billion and annual growth is more than 12% , a third of demand for the product is being imported.</p> <p>Initially for demand stimulation it's planned to fix the price on 5-10% lower than formed at the market. It will be USD29,5 for 1 cb.m. of PSB-15, USD39 for 1 cb.m. of PSB-25, USD63,5 for 1 cb.m. of PSB-35, USD88 for 1 cb.m. of PSB-50. Net profit of the project will be USD0,77 mln.</p>		
<b>E2. Revenues (Sales)</b>		<b>E3. Amount (mln USD):</b>
Profit earned from expanded polystyrene plates sales		5.66

<b>F. Operating and Maintenance Costs:</b>	
<b>F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:</b>	
There are vacant production premises with necessary infrastructure and engineer networks available for the production location.	
<b>F2. Cost Item:</b>	<b>F3. Amount (mln USD):</b>
Raw materials and materials, Energy resources	4.06
Staff expenses	0.4
Amortization	0.02
Others	0.41
Total	4.89

<b>G. Net Income Value:</b>	
<b>G1. Net Income Value:</b>	<b>G2. Amount (mln USD):</b>
Net profit	0.77

<b>H. Project information source:</b>
<b>H1. This form was completed by:</b>
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<b>H4. Date:</b>
February/2007
<b>H5. Supreme organization:</b>
FEZ Gomel-Raton Administration