

A. Project Opportunity Description:
A1. Project Name:
Soft tiles production organization on FEZ Gomel-Raton territory
a. Short name:
Soft tiles production organization on FEZ Gomel-Raton territory
b. Full name:
Soft tiles production organization on FEZ Gomel-Raton territory
c. Summary description:
The purpose of the project is creation of modern enterprise which will produce soft tiles. Total cost of investments is USD 9,54 mln., where USD 4,3 mln. fixed capital investments. The project investment is to be produced by an investor.
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):
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, 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:
The enterprise organization with registration as a FEZ Gomel-Raton resident is planned. There are vacant production areas on FEZ territory for the production organization (3 880 square meters); all necessary infrastructure is available. To implement production program planned Italian equipment for mini-plant construction. When the enterprise reaches planned production capacity by the end of the 4-th year it will produce 7,0 mln. square meters of soft tile per year. The production will be sold on domestic market and foreign market.
A4a. Project cost (mln USD):
9.54
A5. Background / history / overall program / related or similar projects:
Rapid growth of construction materials market promotes demand on new kinds of materials. Roofing materials market is one of the fastest developing in Belarus and in countries of the CIS. This project topicality is produced by the lack of production volumes in the republic. There is a need to substitute goods which are imported into the republic at the moment. According to marketing research the roofing materials demand is growing as on modern roofing materials for building new objects and for major roofing repairs.
A6. Environmental impact summary:
Modern technology doesn't have negative impact upon ecology.
A7. Possible obstacles / problems / risk assessment:
Trusted sales channels absence. Very dependent upon foreign suppliers of utilities.

A8. Term of realization / term of recoupment (years):
5/3
A9. Project's branch:
Construction materials production

B. Capital Cost Items (additional requirements for project):	
B1. Project physical components:	B2. Capital cost (mln USD):
Equipment purchase (Italy)	4.0
Fixed capital forming	5.24
Other costs	0.3
Total	9.54

C C. Capital Resources Available from Sponsors / Proposers:	
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	9.54

E. Demand (users) and revenues:	
E1. Type of users / markets, volumes, pricing, revenues, quantifiable benefits / savings:	
The main customers of sort tiles are construction enterprises, construction material distributors and customers. Annual sales volumes of Russian market grow 10% – 15%; the same is actual for Ukrainian market. When the enterprise reaches planned production capacity (4-th year of project realization) it will produce 7 mln. square meters per year. In the beginning for sales promotion purposes the price will be established 8% lower than existing analogues. It will make USD 10,1 per 1 square meter. Net profit will be USD 24,5 mln.	
E2. Revenues (Sales)	E3. Amount (mln USD):
Profit earned from product sales	249.08

F. Operating and Maintenance Costs:	
F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:	
For the project realization there are necessary pipelines, networks and energy sources available on FEZ territory.	
F2. Cost Item:	F3. Amount (mln USD):

Raw materials, materials, fuel, energy for technological purposes	216.31
Staff expenses	1.57
Amortization	1.23
Others	5.47
Total	224.58

G. Net Income Value:	
G1. Net Income Value:	G2. Amount (mln USD):
Net profit	24.5

H. Project information source:
H1. This form was completed by:
Ludmila P. Bubeshko, Investment and Economic Activity Dpt. of FEZ Gomel-Raton Administration.
H2. Organization (address):
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H4. Date:
December 2008
H5. Supreme organization:
FEZ Gomel-Raton Administration