

<b>A. Project Opportunity Description:</b>
<b>A1. Project Name:</b>
Secondary granulated polystyrene of polystyrene products wastes production organization on FEZ Gomel-Raton territory.
a. Short name:
Secondary granulated polystyrene of polystyrene products wastes production organization on FEZ Gomel-Raton territory.
b. Full name:
Secondary granulated polystyrene of polystyrene products wastes production organization on FEZ Gomel-Raton territory.
c. Summary description:
The purpose of the project is creation of a new export oriented production of the secondary granulated polystyrene of polystyrene products wastes on FEZ Gomel-Raton territory. The total amount of attracted investment according to the project comprises USD1,27 mln. USD1,06 mln are fixed investment. The financing is planned to be realized on attracted foreign investor's account.
<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: (contacts, telephones, faxes, e-mail, web-site):</b>
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 Development Dpt. of FEZ Gomel-Raton Administration. Tel. (+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>
Project realization is planned to be executed in the form of an enterprise creation with its further registration as a FEZ Gomel-Raton resident. There are vacant production premises (2 250 m <sup>2</sup> ) for the production allocation on FEZ Gomel-Raton territory. To realize the production program purchase of the Russian processing line "Sicoplast" is needed. When the designed capacity is reached (the 4 <sup>th</sup> year of the project realization), the volume of the secondary granulated polystyrene output will be 3180 tons a year. The production is intended for the Russian market.
A4a. Project cost (mln USD):
<b>1.27</b>
<b>A5. Background / history / overall program / related or similar projects:</b>
The main prerequisites for the investment project realization are the rational secondary wastes use for further production, ecological situation improvement, quickly growing demand on the product.
<b>A6. Environmental impact summary:</b>
Modern equipment and up-to-date technology doesn't affect the environment considerably.
<b>A7. Possible obstacles / problems / risk assessment:</b>
The most significant risks are connected with the secondary granulated polystyrene market niche

conquest, growth of polystyrene products wastes cost.
<b>A8. Term of realization / term of recoupment (years):</b>
5/4,5
<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>
Equipment purchase and assembling (Russia)	1.01
Project documentation development	0.03
Other costs	0.03
Working capital formation	0.2
Total	1.27

<b>C 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, credit	1.27
<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>Major consumers of the secondary granulated polystyrene are the enterprises producing the goods of the polystyrene with thermoforming and pressing methods, such as office supplies and toys producers; containers, package, ware for food and perfume industry producers; sanitary engineering and construction materials equipment elements producers; trade and exhibition equipment producers; molded goods in design and sign producers. When the designed capacity is reached (the 4<sup>th</sup> year of the project realization), the volume of the secondary granulated polystyrene output will be 3180 tans a year. The production is intended for the Russian market. The project realization lets the enterprise to enter the polystyrene products market with the price by 2-3 % lower the market price meaning USD1,75 th. per ton. Net profit from the project realization will be 1,32 mln USD.</p>

<b>E2. Revenues (Sales)</b>	<b>E3. Amount (mln USD):</b>
Profit earned from product sales	14.92

**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	11.09
Staff expenses	1.16
Amortization	0.63
Others	0.72
Total	13.6

**G. Net Income Value:**

<b>G1. Net Income Value:</b>	<b>G2. Amount (mln USD):</b>
Net profit	1.32

**H. Project information source:**

**H1. This form was completed by:**

Ludmila P. Bubeshko, Investment Development Dpt. of FEZ Gomel-Raton Administration.

**H2. Organization (address):**

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**H4. Date:**

November 2008

**H5. Supreme organization:**

FEZ Gomel-Raton Administration