

A. Project Opportunity Description:
A1. Project Name:
Sealing foam production organization on FEZ Gomel-Raton territory
a. Short name:
Sealing foam production organization on FEZ Gomel-Raton territory
b. Full name:
Sealing foam production organization on FEZ Gomel-Raton territory
c. Summary description:
The purpose of the project is creation and development of modern enterprise which will produce professional and semi-professional sealing foam of winter and summer types.
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, Investment Development 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. When the enterprise reaches planned production capacity it will produce 5,1 millions of containers a year, 750 ml each container. The production will be sold on domestic market and on markets of the CIS and abroad countries.
A4a. Project cost (mln USD):
3.074
A5. Background / history / overall program / related or similar projects:
Rapid growth of building materials market developed a demand for modern sealing materials. Sealing foam is not produced in Belarus. Such enterprise creation is also fulfills the need of import substitution. Marketing research shows that the demand on modern sealing materials grows both in construction and major repair segments. New highly productive equipment will allow providing high quality of end production.
A6. Environmental impact summary:
New equipment and modern technology do not have negative impact upon ecology.
A7. Possible obstacles / problems / risk assessment:
The most considerable risk which may influence the project is a growth of raw materials prices.
A8. Term of realization / term of recoupment (years):
5/2
A9. Project's branch:

Building materials production		
B. Capital Cost Items (additional requirements for project):		
B1. Project physical components:		B2. Capital cost (mln USD):
Equipment purchase and assembling (Turkey)		0.77
Adjustment to the infrastructure		0.324
Net working capital formation costs		1.822
Other costs		0.158
Total:		3.074
B3. Sub-projects on allocation:		B4. Project cost (mln USD):
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 foreign enterprise creation.		
D2. Sources of finance:	D3. Type of investment:	D4. Amount (mln USD):
Investor's funds	Direct investments, credit	3.074
D1. Finance institutions-participators on the project realization:		
E. Demand (users) and revenues:		
E1. Type of users / markets, volumes, pricing, revenues, quantifiable benefits / savings:		
The main customers of sealing foam are the construction enterprises and trade organizations which sell building materials, and regular customers. Yearly sales of sealing materials in Russia grow 13-15%, the same is typical for the Ukrainian market. For sales promotion purposes the price will be 15%-20% lower than average price of present sealing materials. Summer sealing foam container (750 ml) will cost USD2.5-2.8; winter sealing foam – USD3.3,-3.8 per container. Net profit will be USD 10,29 mln.		
E2. Revenues (Sales)		E3. Amount (mln USD):
Profit earned from product sales		74.75
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	60.0
Staff expenses	1.65
Amortization	0.3
Others	2.51
Total:	64.46

G. Net Income Value:	
G1. Net Income Value:	G2. Amount (mln USD):
Net profit	10.29

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:	
February 2009	
H5. Supreme organization:	
FEZ Gomel-Raton Administration	