

<b>A. Project Opportunity Description:</b>
<b>A1. Project Name:</b>
High pressure hydraulic hoses production organization on FEZ Gomel-Raton territory, applied in hydraulic systems of motor vehicle and agricultural machinery
a. Short name:
High pressure hydraulic hoses production organization on FEZ Gomel-Raton territory, applied in hydraulic systems of motor vehicle and agricultural machinery
b. Full name:
High pressure hydraulic hoses production organization on FEZ Gomel-Raton territory, applied in hydraulic systems of motor vehicle and agricultural machinery
c. Summary description:
The project objective is the organization of a new high pressure hoses (HPH) production having unknock-down attached tip, designed for application as flexible piping in hydraulic junctions.
<b>A2. Progress Status:</b>
Pre-investment stage. The preliminary feasibility research has been done, business plan has been worked out, production technology and a list of necessary equipment have been determined. An investor is required.
<b>A3. Organizations involved and their roles:</b>
1. Search for an investor for project realization is being made. 2. State Establishment Free Economic Zone Gomel-Raton Administration is a project initiator; 17,Fedyuninskogo str., 246061, Gomel, Republic of Belarus Marlen J. Levchenko, Deputy Head of Investment and Economic Activity Dpt. of FEZ Gomel-Raton Administration. (+375-232) 68-24-61, fax. (+375-232) 68-27-21; e-mail: <a href="mailto:oved@gomelraton.com">oved@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 on FEZ territory for the production organization. When the designed capacity is reached, the annual volume of production of two main types of high pressure hoses with different diameters (1SN and 2SN) will be 424 th. units. The products will be in demand at the Russian market.
A4a. Project cost (mln USD):
0,17
<b>A5. Background / history / overall programme / related or similar projects:</b>
The quickgrowing demand on the product at the Russian market is stipulated by increasing of motor vehicles fleet, using HPH and by the growth of the volume of work they execute. High quality of the products satisfies the international requirements.
<b>A6. Environmental impact summary:</b>
Modern equipment and up-to-date technology doesn't have any harmful impact on environment.
<b>A7.Possible obstacles / problems / risk assessment:</b>
The most significant risks are connected with the conquest of the Belarussian and Russian markets niche by other producers and the remoteness of main raw materials suppliers.

<b>A8. Term of realization / term of recoupment (years):</b>
5/2
<b>A9. Project's branch:</b>
Oil-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 installation	0,14
Other costs	0,03
Total	0,17
<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>		
Creation of enterprise.		
<b>D2. Sources of finance:</b>	<b>D3. Type of investment:</b>	<b>D4. Amount (mln USD):</b>
Investor's funds	Direct investments	0,17
<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>	
The main consumers of high pressure hoses are heavy machinery and hydraulic engineering producers. When the designed capacity is reached (the 3 <sup>rd</sup> year of the project realization), the volume of high pressure hoses output will be 424 th. units a year. The production is intended for the Russian market. Net profit from the project realization will amount to USD1,05 mln.	
<b>E2. Revenues (Sales)</b>	<b>E3. Amount (mln USD):</b>
Profit earned from sales	6,632

<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, 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, energy resources for technological purposes	4,755
Staff expenses	0,471
Amortization	0,057
Others	0,243
Total	5,526

<b>G. Net Income Value:</b>	
<b>G1. Net Income Value:</b>	<b>G2. Amount (mln USD):</b>
Net profit	1,106

<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