

A. Project Opportunity Description:
A1. Project Name:
Organization of production of peat- pots for seedlings growing on FEZ Gomel-Raton territory
a. Short name:
Organization of production of peat- pots for seedlings growing
b. Full name:
Organization of production of peat- pots for seedlings growing on FEZ Gomel-Raton territory
c. Summary description:
The objective of the project is to create production of peat- pots for seedlings growing and taking roots. It is planned to organize production of peat-pots measuring 80*80 mm and 110*100 mm. The project realization will permit to satisfy the demand of local agricultural enterprises producing vegetable products, municipal services engaged in planting of greenery on the territories, population of the republic having summer houses and land plots.
A2. Progress Status:
Pre-investment stage. The preliminary feasibility research has been done, business plan has been worked out, production technology and list of necessary equipment have been determined. For project realization a foreign investor is required.
A3. Organizations involved and their roles:
1. Search for foreign 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 Ludmila P. Bubeshko, Investment & Economic Activity Dpt. tel/fax: + 375 232 682461/682721, e-mail: oved@gomelraton.com
A4. Project Description:
Project realization provides for creation of up-to-date peat-pots production on vacant production sites within FEZ Gomel-Raton territory.
A4a. Project cost (mln USD):
0.642
A5. Background / history / overall programme / related or similar projects:
Presently, there is only one enterprise engaged in peat-pots for seedlings growing production in the republic, the main production volume is being imported. The main suppliers of peat-pots are producers from Poland and Russia. The designed capacity is reached the annual production volume will amount to 16,5 mln. of peat-pots that will permit to satisfy the demand of the domestic market consumers.
A6. Environmental impact summary:
It does not have any harmful impact on environment.
A7.Possible obstacles / problems / risk assessment:
The project realization by a FEZ-resident will allow reducing the risk to the minimum.
A8. Term of realization / term of recoupment (years):
5/4

A9. Project's branch:

B. Capital Cost Items (additional requirements for project):	
B1. Project physical components:	B2. Capital cost (mln USD):
Equipment (the Russian Federation)	0.518
Net current capital formation costs	0.09
Other costs	0.031
Total	0.642
B3. Sub-projects by location:	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:		
Project financing is required. Creation of foreign enterprise.		
D2. Sources of finance:	D3. Type of investment:	D4. Amount (mln USD):
Investor's funds	Direct foreign investments, credit, leasing	0.642
D5. Financial organizations, involved in project realization:		

E. Demand (users) and revenues:	
E1. Type of users / markets, volumes, pricing, revenues, quantifiable benefits / savings:	
<p>When the designed capacity is reached the enterprise will deliver to the domestic market 16,5 mln. of peat-pots for seedlings growing and taking roots. The main consumers of peat-pots are organizations producing vegetable products engaged in planting of greenery and flowers on the territories and population of the republic having summer houses and land plots. The main peculiarity of forming relations with a consumer lies in the fact that the consumer already knows these products and has positive experience of its appliance. At the Byelorussian market peat-pots of Polish and Russian origin are represented, their prices total USD5-8 per 100 items. Initially for demand promotion it is planned to fix the price by 35-40% lower than the price already formed at the market and that will amount to USD3,9 per 100 peat-pots measuring 80*80 mm and USD4,5 per 100 measuring 110*100 mm.</p> <p>Net profit earned from products sale according to the project will amount to USD1,02 mln.</p>	
E2. Revenues (Sales)	E3. Amount (mln USD):
Profit earned from peat-pots sales	3.35

F. Operating and Maintenance Costs:	
F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:	
There are vacant production premises (720 sq.m.) with all the necessary infrastructure and engineer networks.	
F2. Cost Item:	F3. Amount (mln USD):
Raw materials, materials, energy resources	0.53
Staff expenses	0.908
Amortization	0.108
Others	0.784
Total	2.33

G. Net Income Value:	
G1. Net Income Value:	G2. Amount (mln USD):
Net profit	1.02

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