

A. Project Opportunity Description:
A1. Project Name:
Interlocking concrete units and partition blocks production organization on FEZ Gomel-Raton territory
a. Short name:
Interlocking concrete units and partition blocks production organization
b. Full name:
Interlocking concrete units and partition blocks production organization
c. Summary description:
The purpose of this project is to create and develop a production of interlocking concrete units and partition blocks, which are environmentally sound products helping to lower construction costs and to simplify the construction process.
A2. Progress Status:
Pre-investment stage. Preliminary design estimates are done, business plan is developed, and 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 :
<p>This project will be realized by creation of a new enterprise and its registration as a resident of FEZ Gomel-Raton.</p> <p>There are available production premises (3 200 square meters) with all necessary infrastructure and utilities.</p> <p>A new production of construction materials - interlocking concrete units and partition blocks, which are used in the construction of bearing and self-supporting walls without the cement. They have multifunctional and highly accurate geometrical design, which allows laying blocks in compliance with breasts and gashes in horizontal and vertical planes according to “Lego construction set” principles.</p> <p>Laying the interlocking concrete units doesn’t require professional bricklayers, because geometry of units allows their automatic centering and fixing, which brings down the necessity of vertical wall control. One unit with 400 mm width with thermo-inlay replaces 32 bricks with concrete and effective thermo insulation. Load on 1 meter of foundation for walls made of units is 4 times less comparing to brick wall.</p> <p>Ecological properties of interlocking concrete units are close to ceramic bricks. Heat-insulation properties of interlocking concrete units are one of material’s advantages, which allow using it in both warm and cold climate. The houses made of interlocking concrete units are durable, they don’t need extra care. The material has properties of both wood and stone.</p> <p>For houses built in difficult engineering-geological conditions and in dangerous seismological regions (more than 7 on earthquake magnitude on the Richter scale) the use of interlocking concrete units and partition blocks allows reaching 10 on earthquake magnitude on the Richter scale.</p> <p>When the enterprise by the end of 4-th year of project realization reaches estimated capacity,</p>

the volume of interlocking concrete units' production will reach 300.0 thousand pieces and partition blocks – 108.0 square meters.

A4a. Project cost (mln EUR):

2,36

A5. Background / history / overall program / related or similar projects:

This project is gained currency because of lack of interlocking concrete units and partition blocks production in the republic and by the rapid growth of demand on new building materials of high quality and moderate cost.

Production will be both sold on domestic market and exported.

A6. Environmental impact summary:

The project does 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):

5/4 years 7 months

A9. Project's branch:

Building materials production

B. Capital Cost Items (additional requirements for project):

B1. Project physical components:	B2. Capital cost (mln EUR):
Equipment purchase and assembling (Russia)	1.67
Working capital formation costs	0.18
Other costs	0.51
Total:	2.36
B3. Sub-projects on allocation:	B4. Project cost (mln EUR):

C. Capital Resources Available from Sponsors / Proposers:

C1. Resources "in kind", grants, investments, equity / ownership, etc.:	C2. Amount (mln EUR):
Own funds	-

D. Required Financial Assistance:

D1. Financing gaps, type of financial assistance required:		
D2. Sources of finance:	D3. Type of investment:	D4. Amount (mln EUR):
Investor's funds	Direct investments, credit	2.36
D1. Finance institutions-participators on the project realization:		

E. Demand (users) and revenues:	
E1. Type of users / markets, volumes, pricing, revenues, quantifiable benefits / savings:	
<p>Construction units and bricks market in Belarus as well as in CIS countries is one of the highly developing. Marketing research shows that the demand on new high quality and moderately priced materials is growing.</p> <p>Constructing firms, physical entities, constructing materials retailers and wholesalers will be main customers of the production. The use of light and lightweight wall blocks is very perspective because:</p> <ul style="list-style-type: none"> - it helps to raise the usable area on 5% while thinning the walls; - it has higher productivity of masonwork (assembling speed is 4-5 times higher); - the lack of need in load lifting mechanisms. <p>Fronts of houses, built from this material don't need external decoration. Decorative concrete units have high durability, they are frostproof and pleasant to look at. The experience of use of concrete blocks shows that special engineering solutions are not necessary. In the same time the costs of civil and erection works comparing to the same works from usual bricks are 30-40% lower. Said advantages lead to decrease in the cost of 1 square meter of housing while maintaining high quality construction.</p> <p>When the enterprise reaches estimated capacity, the volume of interlocking concrete units' production will reach 300.0 thousand pieces and partition blocks – 108.0 square meters.</p> <p>In the beginning for sales promotion the price will be 7% lower than average on the market: interlocking concrete units – 2.2 euro per piece, partition blocks – 11 euro per 1 square meter. Net sales income will be EUR3.37 millions.</p>	
E2. Sources of investment:	E3. Revenues (Sales)
Profit earned from product sales	9.599
F. Operating and Maintenance Costs:	
F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:	
For the project realization there is necessary infrastructure and energy sources available on FEZ territory.	
F2. Cost Item:	F3. Amount (mln EUR):
Raw materials, materials, fuel, energy for technological purposes	2.601
Staff expenses	1.845
Amortization	0.558
Others	0.865
Total:	5.869
G. Net Income Value:	
G1. Net Income Value:	G2. Amount (mln EUR):
Net profit	3.73

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:
March, 2009
H5. Supreme organization:
FEZ Gomel-Raton Administration