

<b>A. Project Opportunity Description:</b>
<b>A1. Project Name:</b>
Organization of fiberglass plastic armature production on the territory of FEZ Gomel-Raton
a. Short name:
Organization of fiberglass plastic armature production on the territory of FEZ Gomel-Raton
b. Full name:
Organization of fiberglass plastic armature production on the territory of FEZ Gomel-Raton
c. Summary description:
The objective of the project is the organization and development of fiberglass plastic armature and section production using new technologies providing the output of a wide range of products on a level with the highest European analogues.
<b>A2. Progress Status:</b>
Pre-investment stage. The preliminary feasibility research is done, business plan is worked out, production technology and list of the main technological equipment are determined. A foreign investor is required.
<b>A3. Organizations involved and their roles: (contact person, telephone, fax, 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 - senior specialist of the Investment Development Dpt. 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. It is planned to acquire production premises with total area not less than 1000 sq.m. with all the necessary infrastructure and engineer networks. The manufactured products in assortment will be totally exported. It is planned to master the output of the following products: <ul style="list-style-type: none"> <li>- fiberglass plastic armature of the models – AKP SP 4, AKP SP 6, AKP SP 8, AKP SP 10, AKP SP 12, AKP SP 14;</li> <li>- fiberglass plastic section of six dimension types: SPP 10x5; SPP 10x8; SPP 12x8; SPP 12x10; SPP 15x10; SPP 28x18.</li> </ul>
<b>A4a. Project cost (mln USD):</b>
<b>2.05</b>
<b>A5. Background / history / overall program / related or similar projects:</b>
<p>The relevance of the project is stipulated by the output of new products which are in demand in the fiberglass plastic products markets of the CIS countries and European Union. Fiberglass plastic is a composite material which is widely used in many economic sectors and technical branches. The fiberglass plastic is characterized by the combination of high reinforcing and dielectric properties, comparatively low density and thermal conductivity, high atmosphere-, water- and chemical resistance.</p> <p>Fiberglass plastic products can be used in aircraft and automobile industry, machine-tool construction, rail carriage, electrical engineering as well as in building of road infrastructure and</p>

in other sectors of national economy.

In the course of the project realization it is planned to produce fiberglass plastic armature and fiberglass plastic section. All the manufactured products will possess heighten degree of reliability.

**A6. Environmental impact summary:**

The production will not have negative impact upon ecology. During design works the ecology passport of the enterprise will be developed. The acquired equipment includes wastes disposal system that lets organize waste-free production.

**A7. Possible obstacles / problems / risk assessment:**

The most considerable risk to influence the project is the growth of prices for raw materials and materials.

**A8. Term of realization / term of recoupment (years):**

5/4 years and 7 months

**A9. Project's branch:**

Chemical industry

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

<b>B1. Project physical components:</b>	<b>B2. Capital cost (mln USD):</b>
Equipment purchase (Great Britain)	1.33
Net working capital formation costs	0.28
Other costs	0.44
Total:	2.05
<b>B3. Sub-projects on allocation:</b>	<b>B4. Project cost (mln USD):</b>

**C. Capital Resources Available from Proprietors /Sponsors /Co participants:**

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

**D. Required Financial Assistance:**

**D1. Financing gaps, type of financial assistance required:**

Creation of a profit organization with foreign investments.

<b>D2. Sources of finance:</b>	<b>D3. Type of investment:</b>	<b>D4. Amount (mln USD):</b>
Investor's funds	Direct investments, credit	2.05

**D5. 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 consumers of fiberglass armature and section will be construction organizations in the CIS countries and European Union. The increase in volume of fiberglass plastic products use especially in strategical sectors of economy ensures the constant market capacity growth. The demand for fiberglass plastic products in the Russian market is outgrowing supply 2 and 2, 5 times. By the end of the fourth year of project realization when the designed capacity is reached the annual output of fiberglass plastic products will amount to: armature – 1 690,2 th.m. and section – 563,4 th.m.

Pricing enterprise policy will be made with regard for the established market prices. Initially, to stimulate sales promotion the price is planned to be 7% lower than the market price. Depending on the products type the cost of fiberglass plastic armature will amount from USD 0,25 up to 1,26 and section from USD 0,8 up to 4,87 per 1 linear meter.

Net profit will total to USD 3,09 mln.

<b>E2. Revenues (Sales)</b>	<b>E3. Amount (mln USD):</b>
Profit earned from product sales	10.7

#### **F. Operating and Maintenance Costs:**

##### **F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:**

For the project realization there are available production premises, engineer networks and communications, energy sources on FEZ territory.

<b>F2. Cost Item:</b>	<b>F3. Amount (mln USD):</b>
Raw materials, materials, fuel, energy for technological purposes	5.7
Staff expenses	1.08
Amortization	0.55
Others	0.28
Total:	7.61

#### **G. Net Income Value:**

<b>G1. Net Income Value:</b>	<b>G2. Amount (mln USD):</b>
Net profit	3.09

#### **H. Project information source:**

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

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

##### **H2. Organization (address):**

State Establishment Free Economic Zone Gomel-Raton Administration  
17,Fedyuninskogo str.,  
246061, Gomel,  
Republic of Belarus

##### **H3. Tel / Fax / E-mail:**

Tel: + 375 232 682461, Fax: + 375 232 682721, e-mail: [invest@gomelraton.com](mailto:invest@gomelraton.com)

**H4. Date:**

December 2009

**H5. Supreme organization:**

State Establishment Free Economic Zone Gomel-Raton Administration