

A. Project Opportunity Description:
A1. Project Name:
Organization of CD-R and DVD-R production, CD-R and DVD-R boxes production
a. Short name:
Organization of recordable CD and DVD production
b. Full name:
Organization of CD-R and DVD-R production, CD-R and DVD-R boxes production within FEZ Gomel-Raton territory
c. Summary description:
The project aims at attracting foreign investor and organizing CD-R and DVD-R production, CD-R and DVD-R boxes production within FEZ Gomel-Raton territory. It is planned to set up a miniplant on the vacant production premises of JSC “Korall”. The total amount of attracted investment according to the project comprises USD6,631 mln. USD6,068 mln. are fixed investment, the financing is planned to be realized on attracted foreign investor’s account.
A2. Progress Status:
The project is at the pre-investment stage: engineering economic prior research has been done, business plan has been worked out, production technology and list of the main equipment necessary for production process have been determined. An 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: invest@gomelraton.com
A4. Project Description:
To realize the planned production programme it is necessary to purchase the production line STEAG Hama Tech DVD-R 3503 and the equipment for CD-R, DVD-R and CD- and DVD-boxes manufacture. The achievement of 100% utilization of production capacities is to take place towards the second year of project realization. For the calculated period the enterprise being created will get USD8,449 mln. of net profit; 25.346 mln. of CD-R, 22.135 mln. of DVD-R and correspondingly 19.965 mln. of CD and DVD boxes will be manufactured. The main objective of marketing policy during the project realization period is market introduction (during the initial phase of realization), positioning and market consolidation (in the course of activity development), competitive struggle with market competitors (during the late period of project realization when finance indicators will be positive). The project realization will permit to ensure hi-tech production process that presently does not exist in Belarus.
A4a. Project cost (mln USD):
6,631
A5. Background / history / overall programme / related or similar projects:
The important background for the project realization is rapidly growing demand, the absence of analogous production in the national market.
A6. Environmental impact summary:

The project has no harmful impact on environment.
A7.Possible obstacles / problems / risk assessment:
The country's investment risk is low. The most important control areas in the process of project realization should be company management, competitive relations and flows of money.
A8. Term of realization / term of recoupment (years):
5/5
A9. Project's branch:
Chemical industry

B. Capital Cost Items (additional requirements for project):	
B1. Project physical components:	B2. Capital cost (mln USD):
Equipment purchase and installation (Germany)	6.046
Pre-investment costs, building and assembly work	0.040
Net current capital formation	0.545
Total	6.631
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:		
Production enterprise set-up, crediting.		
D2. Sources of finance:	D3. Type of investment:	D4. Amount (mln USD):
Investor' s sources	Direct investment, credit	6,631
D5. Financial organizations, involved in project realization:		

E. Demand (users) and revenues:
E1. Type of users / markets, volumes, pricing, revenues, quantifiable benefits / savings:
The main sales market according to the project is the market of Russia and the CIS market. The consumers are record companies, audio and video rental companies, computer companies, advertising agencies and other commercial and non-commercial organizations, officers, programmers, computer users. Product prices are market orientated with reduction in comparison with the main competitors and comprise correspondingly (producer's ex store): CD-R – USD0,19; DVD – USD0,75; CD and DVD box – USD0,11.

E2. Revenues (Sales)	E3. Amount (mln USD):
Income	18,753

F. Operating and Maintenance Costs:	
F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:	
Equipment purchase and organization of raw materials delivery from Russia are required for production organization.	
F2. Cost Item:	F3. Amount (mln USD):
Raw materials and materials, fuel and energy resources for technological purposes	6.396
Staff expenses	1.176
Amortization	2.476
Others	0.256
Total	10.304

G. Net Income Value:	
G1. Net Income Value:	G2. Amount (mln USD):
Net income	8,449

H. Project information source:	
H1. This form was completed by:	
Ludmila P. Bubeshko, Investment and Economic Activity Dpt., FEZ Gomel-Raton Administration	
H2. Organization (address):	
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H4. Date:	
June/2007	
H5. Supreme organization:	
FEZ Gomel-Raton Administration	