

A. Project Opportunity Description:
A1. Project Name:
Organization of 5-layer metal-polymer tubes production
a. Short name:
Organization of 5-layer metal-polymer tubes production
b. Full name:
Organization of 5-layer metal-polymer tubes production
c. Summary description:
The objective of the present project is the organization of a new production of 5-layer metal-polymer tubes.
A2. Progress Status:
Pre-investment stage. The preliminary feasibility research has been done, business plan has been worked out, production technology and a list of the main technological equipment have been determined. A foreign investor is required.
A3. Organizations involved and their roles:
1. Search for a foreign investor for the project realization is being conducted. 2. State Establishment Free Economic Zone Gomel-Raton Administration is a project initiator; 17, Fedyuninskogo str., 246061, Gomel, Republic of Belarus Yuri V. Bondarenko, main specialist, Investment and Economic Activity Dpt. tel/fax: + 375 232 6822758/682721, e-mail: oved@gomelraton.com
A4. Project Description:
The realization of the project is planned to be executed in the form of a foreign enterprise creation with its further registration as a FEZ resident. There are vacant production premises (810 sq.m) available with the necessary infrastructure and engineer networks. When the equipment is in full project operation the production annual volume of metal-polymer tubes of various diameter (MP-16, MP-20, MP-25, MP-32, MP-40) will total to 7 778 km. This production is an import substituting one and will be claimed at both the domestic and foreign markets.
A4a. Project cost (mln USD):
2.008
A5. Background / history / overall programme / related or similar projects:
Metal-polymer tubes production is absent in the republic. There is a fast growing demand for this type of products at the Russian and Belarussian markets. Metal-polymer tubes combine the qualities of metal and plastics, are light weighted, long-run (life-time is more than 50 years), can be easily bent and assembled. They are not subject to corrosion and salt deposition. They have better technical characteristics (quality) as compared with steel and cast iron tubes. Their production is not a highly power consuming one.
A6. Environmental impact summary:
Modern equipment and high technologies application do not have any sufficient impact on the environment.
A7. Possible obstacles / problems / risk assessment:
The main risks are connected with conquering the Belarussian and Russian markets by other

producers. Application of special legal regime will permit to reduce the risk assessment at the expense of the products quality and lower release prices.

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

4,5/3,4

A9. Project's branch:

Chemical industry

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

B1. Project physical components:		B2. Capital cost (mln USD):
Preinvestment expenses		0,019
Technological equipment purchase		1.6
Construction and assembly works		0,14
Other costs		0,249
Total		2.008
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:		
Enterprise creation		
D2. Sources of finance:	D3. Type of investment:	D4. Amount (mln USD):
Investor's funds	Direct investments, credit	2.008
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 consumers of metal-polymer tubes are contracting agencies engaged in capital construction, municipal services, population and households. When the equipment is in full project operation (the 2nd year of the project realization) the volume of 5-layer metal-polymer tubes production will make up 7 778 km per year. The production is designated to the Russian and Belarussian markets.

Net profit from the project realization will total to USD5,7 mln.

E2. Revenues (Sales)	E3. Amount (mln USD):
Profit earned from product sales	23.453

F. Operating and Maintenance Costs:	
F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:	
There are vacant production premises, engineer networks and communications, energy resources available on Free Economic Zone territory for the project realization.	
F2. Cost Item:	F3. Amount (mln USD):
Raw materials, materials, fuel, energy for technological purposes	16.1
Staff expenses	0.943
Amortization	0.711
Total	17.754

G. Net Income Value:	
G1. Net Income Value:	G2. Amount (mln USD):
Net profit	5.699

H. Project information source:
H1. This form was completed by:
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H4. Date:
December, 2006
H5. Supreme organization:
FEZ Gomel-Raton Administration