

ANNOTATION

on investment project «Paper single-use utensils production organization»

The investment project «Paper single-use utensils production organization» has been developed to attract a foreign investor for production organization on FEZ Gomel-Raton territory.

The urgency of this project has been conditioned by the lack of paper single use utensils production in the republic. By the specialists' estimation annual paper single use utensils sales volumes increase by 10-15%.

The project is at the preinvestment stage: the preliminary feasibility research has been done, business plan has been worked out, production technology has been determined. It is planned to acquire new technological machinery of German company Christian Majer. While manufacturing paper single-use utensils it is planned to use machine RAMONA ST 100 for paper glass production and cutting-moulding machine PLATO for plate production. Side glass wall will be produced and laminated cardboard will be colour printed with printing and cutting machine DRUSULA 800 MI-MV.

There are vacant production premises available for project realization with necessary infrastructure and engineer networks.

The period of project realization is 5 years; the period of recoupment is 3years and 9 months. In the course of project realization it is planned to create 12 new workplaces.

The volume of investments will amount to USD1,568 mln. including USD1,387 mln. of fixed investments and USD0,181 mln. for replenishment of circulating assets.

The main activity of the enterprise will be coloured paper single-use utensils manufacturing. It is provided for creation of modern paper single-use utensils of laminated cardboard production. The assortment of coloured single-use paper utensils (paper glasses of different volumes and forms, plates, saucers and trays of different diameters) will be demanded totally at the national market. It is supposed to organize production of utensils for hot and cold food products that will help to avoid demand fluctuations.

When the equipment is in full project operation the production volume of coloured paper single-use utensils will total to 57,0 mln. pieces. Initially in order to boost the demand it's planned to establish the price by 20-25% lower the market price meaning USD20 per one plates packing (1000 pc), USD53 per one glasses packing (1000 pc) of the volume up to 450 gr and USD90 per one glasses packing (1000 pc) of the volume more than 450 gr.

The proceeds of the products sale according to the project will amount to USD12,987 mln., net profit will amount to USD2,32 mln.

In case of project realization on FEZ Gomel-Raton territory a foreign investor as a FEZ resident will get a possibility to apply tax and customs payments incentives.

