

The investment offer of the project: "Organization of the production of confectionery products with the establishment of a manufactory for processing cocoa beans."

1. Name of the project: "Organization of the production of confectionery products with the establishment of a manufactory for processing cocoa beans."

2. General information about project initiator: HC «Uzbekoziqovqatholding», address: 73a, Nukus St., Tashkent city Republic of Uzbekistan, 100015 Tel.: (+99871) 255-07-90, Fax: (+99871) 255-76-43, 255-55-79. E-mail: invest_oil@mail.ru

3. Information about the company on the basis of which it is planned to implement the project:

This project provides for the creation of a new enterprise with the participation of foreign direct investment.

4. Information about the project for the construction of a confectionery factory.

4.1. Marketing for confectionery production.

Confectionery products in Uzbekistan produce more than a hundred enterprises. The demand of the Uzbek market, based on the minimum medical standards of consumption per capita (6 kg per year) is about 180 000 tons. confectionery products per year. Actual production level (forecast 2016) 45 000 tons. per year, or 25% to the volume of demand. The rest of the demand is met through imported products produced in Kazakhstan, the Russian Federation, Ukraine, Turkey, Iran, etc., although, according to official data, the import of all kinds of confectionery products to the republic for 2016 is 21,000 tons. per year, or 11.5% of the demand volume.

Features of products sold in wholesale markets: in the production of products using cocoa products, cocoa butter and cocoa liquor is replaced with cheaper grades of fats (palm, coconut or cotton) with the addition of cocoa powder and food color dyes.

Confectionery products that are missing, limitedly imported or not produced in the Republic:

- 1) Sweets with praline fillings glazed with chocolate glaze of the "Belochka" type (hazelnuts, cashews, almonds are used).
- 2) Two-layer and three-layer sweets (fondant-jelly-protein).
- 3) Assorted and truffles with a nut, glazed with chocolate.
- 4) Sweets with stuffed stuff like "bird's milk".
- 5) Caramel of fruit, milk and roasted varieties, glazed or unglazed with chocolate.
- 6) Irises of milk classic type "Tuzik", "Kis-kis", "Milk".
- 7) Sugar cookies with fillings, by weight and in packaging.
- 8) Cookies of lingering varieties with fillings, by weight and in packaging.
- 9) Chocolate tart dessert, nut, with dairy and fruit additives.
- 10) Marmalade and marmalade sweets, glazed and unglazed with chocolate.
- 11) Marshmallow products glazed and unglazed.

The main goal of this project is saturation of the domestic market with high-quality confectionery products in the assortment, as well as export of products to the CIS countries.

4.2. Manufacturing: The designed capacity of the enterprise is not less than 10 000 tons. confectionery products per year. To ensure the production of competitive and export-oriented products, it is necessary to purchase and install a modern technological line and efficient production management.

Availability of own raw materials base: sugar (produced at JV OJSC Khorazm Shakar, FE Angren Shakar), flour (produced by the enterprises of SJSC Uzdonmahsulot), margarines and spreads (produced at JSC Toshkent yog-moy mills and other enterprises).

Potential supplier of equipment: The issue of determining the supplier of equipment is under consideration.

The number of new jobs created (people): 50 people, including 15 engineers and employees (with 1 shift work).

4.3. Construction, reconstruction or modernization.

The direction of investment is new construction.

Engineering support:

- the need for a railway branch is available
- water supply - available
- Electricity - available
- Gas supply - available
- security – available

4.4. Financing. The estimated cost of the project is USD 10,000 thousand, including:

- for the purchase of equipment - 5 500 thousand US dollars
- for construction and installation works - 3 500 thousand US dollars
- for other expenses (working capital for the purchase of raw materials and materials, commissioning, selection and training of personnel) - 1,000,000 USD.

Sources of project financing:

own means of the enterprise - 0

credit of commercial banks - 0

Foreign direct investment and loans - \$ 10,000 thousand

Project implementation period: 2018-2019.

5. Expected results from the project.

Annual output: 10 000 tons of confectionery (increase is possible from an increase in the coefficient of change of equipment operation)

on the domestic market - 9000 tons. on 11 900 thousand US dollars

for export - 1000 tons. on 1 320 thousand US dollars

annual revenue from the project - \$ 13,220 thousand

gross profit will be - \$ 3,830 thousand, net profit of \$ 2,710 thousand

additional increases in exports through the implementation of the project - \$ 1,320,000

6. Status of development and examination of project documentation.

The project is at the initial development stage (Project technical feasibility study).

PASSPORT

investment project: "Organization of the production of confectionery products with the establishment of a shop for processing cocoa beans."

Project location: the regions of the Republic of Uzbekistan.

Project initiator: Holding Company "Uzbekoziqovqatholding"

№	Name of the indicators	Unit of measurement	Project parameters	Notes
1	The total cost of the project:	mln USD	10.0	
1.1	in free convertible currency	mln USD	10.0	
1.2	in national currency	mln UZS	-	
2	Costs in free convertible currency, total	mln USD	10.0	
2.1	Equipment purchase	mln USD	5.5	
2.2	for construction and installation works	mln USD	3.5	
2.3	Other (commissioning, selection and training of personnel)	mln USD	1.0	
3	Costs in national currency, total	mln UZS	-	
3.1	Equipment purchase	mln UZS	-	
3.2	for construction and installation works	mln UZS	-	
3.3	Other	mln UZS	-	
4	Sources of financing:			
4.1	budget resources	mln UZS	-	
4.2	foreign credits, total	mln USD	-	
-	under the guarantee of the government	mln USD	-	
4.3	foreign direct investment, total	mln USD	10.0	
-	contribution to the statutory fund	mln USD	-	
4.4	own funds	mln UZS	-	
4.5	commercial bank loans	mln UZS	-	
4.6	other sources (specific)	mln UZS	-	
5	Estimated number of employees,	number of people	50	
5.1	new jobs	number of people	50	
6	Duration of construction, total	a month	14	
6.1	work start date	a month. a year	2018 y.	
6.2	commissioning date	a month. year	2019 y.	
7	Payback period, total	a year	5,5	
8	Annual volume of products, services in kind	tons	10 000	
8.1.	for export	tons	1 000	
8.2.	to the domestic market	tons	9 000	
9	Annual revenue from sales of products, services	mln UZS	108 404	
9.1	for export	mln USD	1 320	
9.2	to the domestic market	mln UZS	97 563	
10.	prospective markets for products:			
10.1	domestic market share	%	90	
10.2	share of the external market	%	10	

Note: in the calculations, the US dollar exchange rate was adopted equal to US \$ 1 = 8200.00 UZS.

The gross profitability of production is assumed equal to 30%, net profit is 20%.

Reducing the cost of production is achieved through the selection of energy-saving equipment and rational combination of the technological chain.