

## **The investment offer of the project "Organization of sorting, calibration, processing and storage of cherries for export purposes"**

**1. Project title: "Organization of sorting, calibration, processing and storage of cherries for export purposes".**

**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](mailto:invest_oil@mail.ru)

**3. Information on the enterprise, on the basis of which it is planned to implement the project:**

This project provides for the creation of a new enterprise (joint or foreign) with the participation of foreign direct investment. The enterprise will be located in the regions of the Republic of Uzbekistan, taking into account environmental conditions, logistics, etc.

**4. Information on the project on organizing the sorting, calibration, processing and storage of cherries for export purposes.**

### **4.1. Marketing for the production of fruit and vegetable products.**

The fruit and vegetable sector of the economy of the republic is developing due to the ongoing structural changes, the growth of the number and activation of the activities of farms, the implementation of mechanisms for their concessional lending, timely financial support, and improving the efficiency of the use of material and technical resources.

The Republic of Uzbekistan produces 22 million tons of fruits and vegetables on average per year, including vegetables (53% of the total fruit and vegetable output), fruits (15%), potatoes (14%), melons (10%) and grapes (8 %).

Approximately 75% of the total volume of produce produced in the republic is sufficient to meet the population's demand for fruit and vegetable products, while the remainder is subject to industrial processing (18%), exported (5%) and seed purposes (2%).

In the structure of export of fruit and vegetable products, fresh fruit and vegetable products account for more than 74%, bean products - 13.4%, dried fruits - 12.6%. In the nomenclature of exports, the largest volume falls on such positions as grapes, melons, tomatoes, pomegranate, greens, cabbage, apricots, beans, peaches, cherries, cucumbers, beans, mung beans, dried grapes, walnuts and others.

The republic occupies the third (third) place in the world for the export of persimmons, 4 (fourth) for fresh and dried apricots and raisins, 5 (fifth) for the export of prunes and sweet cherries. It is included in the top 10 in exports of plums, cabbage, peaches and grapes.

In the Republic, 214 thousand tons of sweet cherries are grown, about 10% of the total world production.

The analysis shows the presence of a significant potential of Uzbekistan to increase the export of fruit and vegetable products to foreign markets, incl. contiguous countries.

The favorable climate for investment activity, the legislative guarantees, privileges and preferences provided to foreign investors, the convenient geographical location of the country, the availability of relatively cheap energy carriers, the possibility of obtaining unused buildings and facilities at zero cost for the investment commitment contribute to the organization of efficient production of deep processing of fruit and vegetables.

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

**4.2. Production:** The designed capacity of the enterprise is not less than 5 000 tons of finished products per year. To ensure the production of competitive and export-oriented products, it is necessary to purchase and install a modern production line and efficient production management.

Presence of own raw material base: farms, agro complexes, gardening societies and others, growing and producing fruits. Potential supplier of equipment: The issue of determining the supplier of equipment is under consideration.

The number of new jobs created (people): 25 people, including five engineers and employees (with the possibility of increasing the coefficient of shifts).

#### **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 7,000 thousand US dollars including:

- in the purchase of equipment - 6,000 thousand US dollars
- for construction and installation works - 800 thousand USD.
- on other expenses (working capital for the purchase of raw materials and materials, commissioning, selection and training of personnel) - 200 thousand US dollars.

Sources of project financing:

own means of the enterprise - 0

loans from commercial banks - 0

Foreign direct investment and loans - \$ 7,000 thousand

Term of the project: 2018.

#### **5. Expected results from the project.**

Annual output: 5,000 tons of processed fruit (the increase is possible from an increase in the coefficient of change of equipment operation).

On the domestic market - 1 000 tons. by 2,400 thousand US dollars

for export - 4 000 tons. by 21 000 thousand US dollars

annual revenue from the project - \$ 23,400 thousand

gross profit is 9,360 thousand US dollars, net profit - 6,250 thousand US dollars additional increase in exports through the implementation of the project - 23,400 thousand dollars

#### **6. Status of development and examination of project documentation.**

The project is at the initial development stage (PTEO).

## PASSPORT

**of the investment project: "Organization of sorting, calibration, processing and storage of cherries for export purposes".**

**Project location:** determined.

**Project initiator:** Holding Company "Uzbekoziqovqatholding"

№	Name of the indicators	Unit of measurement	Project parameters	Notes
1	The total cost of the project:	mln USD	7.0	
1.1	in free convertible currency	mln USD	7.0	
1.2	in national currency	mln UZS	-	
2	Costs in free convertible currency, total	mln USD	10.0	
2.1	Equipment purchase	mln USD	6.0	
2.2	for construction and installation works	mln USD	0.8	
2.3	Other (commissioning, selection and training of personnel)	mln USD	0.2	
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	7.0	
-	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	25	
5.1	new jobs	number of people	25	
6	Duration of construction, total	a month	12	
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	5,0	
8	Annual volume of products, services in kind	tons	5 000	
8.1.	for export	tons	4 000	
8.2.	to the domestic market	tons	1 000	
9	Annual revenue from sales of products, services	mln UZS	191 880	
9.1	for export	mln USD	21,0	
9.2	to the domestic market	mln UZS	19 680	
10.	prospective markets for products:			
10.1	domestic market share	%	20	
10.2	share of the external market	%	80	