

Investment proposal of the project "Organization of the construction of a modern greenhouse complex based on hydroponic systems"

1. Project title: "Organization of the construction of a modern greenhouse complex based on hydroponic systems".

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 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.

4. Information on the project for the organization of a modern greenhouse complex based on hydroponic systems.

4.1. Marketing for the construction of modern greenhouse complexes.

All-the-year-round provision of fresh produce to the republic's population is one of the most important areas of food security, as well as the entire economy of the republic.

Analysis of the market for vegetables of protected soil for 2017 showed that at present the greenhouse complex of Uzbekistan, numbering more than 9.0 thousand hectares of the area, has entered a new intensive stage of development. Today, greenhouse business is no longer just a trend, but an advantageous niche for investment and business diversification. Potential investors and organizers of industrial greenhouses are becoming more active, a significant part of which has not previously considered greenhouse business as an attractive site. According to forecasts of experts, domestic companies, gradually occupying the domestic vegetable niche, are quite capable of increasing the volume of products. However, for this it is necessary to commission about 4000 hectares of greenhouses annually until 2030. The second important condition is innovative production.

Despite the results already achieved, it is still too early to talk about the full provision of the population of Uzbekistan with domestic vegetables of greenhouse production. This provision requires the involvement of foreign investment in the greenhouse industry, the construction of greenhouses that meet modern international requirements.

In addition, it is quite justified that the Government of the Republic pays special attention to the effective implementation of this policy. President of the Republic of Uzbekistan Sh.Mirziyoyev, development of the greenhouse industry is defined as a priority direction of agriculture. Only in the Bukhara region in 2018-2019, the construction of 10 thousand hectares of modern greenhouses is planned, bringing this area to 50 thousand hectares in the nearest future.

Given the capacity and rapid growth of consumer demand in the external market for fresh vegetable products, as well as ensuring a stable supply to large trading networks of the CIS and other countries, the implementation of the project to build a modern greenhouse complex based on hydroponic systems will enable the industry in the future to become stably developing, population with new jobs and increase food security in Uzbekistan.

4.2. Production: The design capacity of the project is 40 hectares of a greenhouse complex with a yield of 10 thousand tons of agricultural products. 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.

Availability of own raw materials base: land for the construction of greenhouse complexes.

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 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 USD 20,000 thousand including:

- purchase of equipment - 18 000 thousand US dollars
- for construction and installation works - 1,500 thousand US dollars
- on other expenses (working capital for the purchase of raw materials, commissioning, selection and training of personnel) - 500 thousand US dollars.

Sources of project financing:

own means of the enterprise - 0

loans from commercial banks - 0

Foreign direct investment and loans - USD 20,000 thousand

Project implementation period: 2018-2019.

5. Expected results from the project.

Annual output: 10,000 tons of agricultural products

(the increase is possible from an increase in the coefficient of change in the operation of the equipment).

On the domestic market - 6 000 tons for 9 000 thousand US dollars

for export - 4 000 tons for 10 000 thousand US dollars

annual revenue from the project - \$ 19,000 thousand

gross profit is \$ 6,650 thousand, net profit is \$ 4,750 thousand additional increase in exports through the implementation of the project - \$ 10,000 thousand

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 the construction of a modern greenhouse complex based on hydroponic systems".

Project location: determined.

Initiator of the project: HC "Uzbekoziqovqatholding"

№	Name of the indicators	Unit of measurement	Project parameters	Notes
1	The total cost of the project:	mln USD	20.0	
1.1	in free convertible currency	mln USD	20.0	
1.2	in national currency	mln UZS	-	
2	Costs in free convertible currency, total	mln USD	20.0	
2.1	Equipment purchase	mln USD	18.0	
2.2	for construction and installation works	mln USD	1.5	
2.3	Other (commissioning, selection and training of personnel)	mln USD	0.5	
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	20.0	
-	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	75	
5.1	new jobs	number of people	75	
6	Duration of construction, total	a month	16	
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	4,3	
8	Annual volume of products, services in kind	tons	10 000	
8.1.	for export	tons	4 000	
8.2.	to the domestic market	tons	6 000	
9	Annual revenue from sales of products, services	mln UZS	155 800	
9.1	for export	mln USD	10,0	
9.2	to the domestic market	mln UZS	73 800	
10.	prospective markets for products:			
10.1	domestic market share	%	60	
10.2	share of the external market	%	40	

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.