

Investment proposal of the project "Organization of the production of packaging containers (PET, polymer, paper and others) for the food industry"

1. Name of the project: "Organization of the production of packaging containers (PET, polymer, paper and others) for the food industry".

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 (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 for the construction of an enterprise for the production of packaging containers for the food industry.

4.1. Marketing in the production of packaging.

The main goal of this project is to satisfy the needs of food enterprises in high-quality packaging in the assortment and to reduce the import of packaging containers for the food industry.

At present, Uzbekistan does not have large packaging production for the food industry. The approximate annual requirement of the food industry in various packaging containers is 15 thousand tons or 750 million pieces.

Today, in the Uzbek market, there are several companies involved in the production of quality packaging products, such as Gofro Tara Luks LLC, Daewoo Pack JV, Master Pack LLC, but their capacities are insufficient to cover the entire packaging market.

With the development of the world economy and the market trend, the use of packaged food products is becoming more popular, since simplicity, convenience and long-term storage of food products with modern technologies contribute to this.

The main segments of the market are: Segment 1 - "Producers of fruit and vegetable products"; segment 2 - "Manufacturers of juices and soft drinks"; segment 3 - "Manufacturers of dairy products"; segment 4 - "Manufacturers of other food products".

4.2. Manufacturing. The design capacity of the enterprise is not less than 2 thousand tons of finished products per year. To ensure the production of competitive and export-oriented products, it is necessary to purchase and install modern technological equipment and efficient production management.

The approximate range of the enterprise includes the following types of packaging:

- PET (tare);
- multi-layer paper containers (rolls, die cuts, etc.);
- polymer cups and boxes;
- platinum and covers made of aluminum foil;
- rolls of polymer materials (polystyrene, polypropylene, etc.);
- barrier film;
- multilayer polyethylene film and others.

The availability of its own raw materials base - oil refineries, producing food polyethylene and polypropylene granules. It is proposed to import cellulose and some raw materials.

Potential supplier of equipment. The issue of determining the supplier of equipment is under consideration. The number of new jobs created (people) is about 85 people, including 10 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
- power supply - available
- gas supply - available
- sewerage – available

4.4. Financing.

Estimated cost of the project - 4000 thousand US dollars including:

- for the purchase of equipment - 2500 thousand dollars. USA
- for construction and installation works - 895 thousand dollars. USA
- for other expenses (working capital for the purchase of raw materials and materials, commissioning, selection and training of personnel) - 605 thousand dollars. USA.

Sources of project financing:

- own funds of the enterprise - 0
- loans from commercial banks - \$ 1,500 thousand
- Foreign direct investment and loans - \$ 2,500 thousand

Project implementation period: 2018-2019.

5. Expected results from the project:

- annual output of 2,000 tons of various packaging containers (an increase is possible from an increase in the coefficient of change of equipment operation).
 - on the domestic market - 1400 tons. on 2675 thousand US dollars;
 - for export - 600 tons. on 1147 thousand US dollars;
- The annual volume of proceeds from the project - \$ 3,822 thousand;
- gross profit - 1147 thousand US dollars, net profit - 690 thousand dollars;
- additional increase in exports - 1147 thousand US dollars.

6. Status of development and examination of project documentation.

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

PASSPORT
of the investment project: "Organization of packaging production
(PET, polymer, paper and others) for the food industry"

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 | 4000 | |
| 1.1 | in free convertible currency | mln USD | 2500 | |
| 1.2 | in national currency | mln UZS | 3140 | |
| 2 | Costs in free convertible currency, total | mln USD | 2500 | |
| 2.1 | Equipment purchase | mln USD | 2200 | |
| 2.2 | for construction and installation works | mln USD | - | |
| 2.3 | Other (commissioning, selection and training of personnel) | mln USD | 300 | |
| 3 | Costs in national currency, total | mln UZS | 12 300 | |
| 3.1 | Equipment purchase | mln UZS | - | |
| 3.2 | for construction and installation works | mln UZS | 7340 | |
| 3.3 | Other | mln UZS | 4960 | |
| 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 | 2500 | |
| - | contribution to the statutory fund | mln USD | - | |
| 4.4 | own funds | mln UZS | - | |
| 4.5 | commercial bank loans | mln UZS | 12 300 | |
| 4.6 | other sources (specific) | mln UZS | - | |
| 5 | Estimated number of employees, | number of people | 45 | |
| 5.1 | new jobs | number of people | 45 | |
| 6 | Duration of construction, total | a month | 14 | |
| 6.1 | work start date | a month. a year | 2018 г. | |
| 6.2 | commissioning date | a month. year | 2019 г. | |
| 7 | Payback period, total | a year | 4,5 | |
| 8 | Annual volume of products, services in kind | tons | 2000 | |
| 8.1. | for export | tons | 600 | |
| 8.2. | to the domestic market | tons | 1400 | |
| 9 | Annual revenue from sales of products, services | mln UZS | 31 340 | |
| 9.1 | for export | mln USD | 1147 | |
| 9.2 | to the domestic market | mln UZS | 21 938 | |
| 10. | prospective markets for products: | | | |
| 10.1 | domestic market share | % | 70 | |
| 10.2 | share of the external market | % | 30 | |

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.