



## **Investment Projects Available in Free Economic Zone “VITEBSK”**

1. Construction of Industrial and Logistic Complex “IPL Park Orsha” (pp. 2–5);
2. Establishment of Pharmaceutical Production of Humane Drugs on a Complete Cycle (pp. 6–9);
3. Organization of Building Materials Production (pp. 10–13);
4. Organization of Production of Goods from Wood Plastic Composite (pp. 14–17);
5. Organization of the Modern, High-Performance Enterprise for Wood Processing (pp. 18–21)

# 1. Investment Offer

## I. General information about the project

1. **Project name:** Construction of Industrial and Logistic Complex "IPL Park Orsha"
2. **Project branch:** commercial
3. **The Project provides object construction:** infrastructure, transport, energetics
4. **Project location:** The Republic of Belarus, Vitebsk Region, Orsha District, Bolbasovo.

**5. Project description** (the essence of the investment project, prerequisites, goals, what is expected from investor, why can the project be of interest to investor)

The multimodal complex "IPL Park Orsha" has a favorable geographical position at the crossroads of II and IX international transport corridors. The land area is 25 ha. It is planned to place storage terminals, production buildings and custom clearance office in the territory of the Complex. Also it is planned to create multi-functional logistic operator of 3PL level. The company has professional staff experienced in transport, storage, and distribution logistics.

The company plans to open international postal exchange center, online retailers' cargo traffic service center, center of Belorussian goods promotion through world online platforms and new production of the goods the most popular among online consumers

**The implementation period of the project:** ( the beginning is commissioning)- 2015-2018/

**Term of project output :** 2 years/2019

**Planned construction project:** 3 года.

**6. Degree of the project readiness** (availability of business plan, feasibility study, marketing research or other preparatory work/studies carried out (in progress) investment justification.

feasibility study.

Marketing, engineering research or other preparatory work marketing research or other preparatory work/studies carried out (in progress) – OLRON Invent (Czech Republic), 2013

## II. Information about the project initiator

1. **Organization full name:** Limited Liability Company "IPL Complex"
2. **Authorized fund structure, %:**

Legal entities:	Share
- state ownership form	-
- private ownership form	100
Individuals	-

## III. Description of the market of the product intended for manufacture

### A. Description of the product intended for manufacture:

1. **product name and description:** complex logistic services, rent of storage terminals, production office buildings, production of common consumption goods.
2. **main consumers:** Vitebsk, Mogilev region enterprises, retail networks, exporters, foreign enterprises.
3. **main competitors (producers of similar product performance goods):** absence in the region.

## Domestic market description

1. current market capacity (over the latest reporting period) select
2. prospective domestic market share: %
3. strategy for operating in the domestic market:
  - lower prices
  - better product quality
  - better service
  - state support (protection from import, guaranteed state public purchases and other support)
  - other (specify)
4. state regulation (price regulation, licensing of the activities etc.): No.

### B. External market description

1. Estimated sales volume distribution by core regions, %:

EEU countries (Eurasian economic union)	Incl. Belarus market	EU countries	Other countries

2. Does the company have experience in exporting to these countries:  yes;  no
3. Do other Belarusian producers export these products to the main target markets?  
 yes;  no

## IV. Description of available infrastructure

### Railways and motor drive ways:

- company's own branch railway
- Belarusian Railway line (distance from the site, km): 2
- state motor roads (distance, km): 11
- other roads with improved surface (distance, km): 0,1

### Communications:

- electricity network (voltage: , distance, km: )
- water pipeline
- gas pipeline

### Land plot and manufacturing facilities:

- land plot availability (area: 25 ha, purpose of use:.)
- presence of constructions (area: , purpose of use: )

### Other infrastructure:

- warehouses, logistics terminals (area: , description: text entry space)
- possibility of production expansion and installation of additional production capacities
- possibility of construction of the necessary infrastructure via state budgetary financing (description: text entry space)
- Other (specify): text entry space

## V. Key advantages of the project

Short description of each is expected:

- developed brand: text entry space.
- profiled staff: text entry space.
- supply chain of raw materials and components: text entry space.
- (commodity) distribution network: text entry space.
- guaranteed volume of orders: text entry space.
- presence of valid patents, licenses, permits: text entry space.

- provision of benefits within the project implementation: text entry space.  
 core partners: text entry space.  
 other (specify):  
text entry space.  


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text entry space.  


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text entry space.  


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## VI. Project financing

### A. Total investment amount: select

LLC "IPL Complex" is interested in cooperation:

- with Chinese building companies for building and installation work according to the project
- with Chinese Telecommunication companies for building service network ( on eLTE, PON basis), cloud architecture and so on.
- with Chinese handling equipment enterprises for logistic centers.

### B. Investment sources select:

	Source	Amount
<input type="checkbox"/>	Own resources	15,0
<input type="checkbox"/>	Investor's resources	5,0
<input type="checkbox"/>	State financing	-
<input type="checkbox"/>	Grants	
<input type="checkbox"/>	Long-term loans	80,0
<input type="checkbox"/>	Short-term loans	
<input type="checkbox"/>	Other (specify):	
	text entry space	
	text entry space	
	text entry space	
Total:		100

### C. Investment resources allocation:

- research and development
- infrastructure development
- construction
- purchase of real estate
- purchase of equipment, technologies, licenses
- preparation of production
- working capital financing
- other (specify):

### C. Form of investor participation in the project:

### D. Preliminary indicators of the project efficiency

Indicator	Value
Annual revenue (mln \$, excl. of VAT, after reaching the project capacity)	30,0
Period for reaching the project capacity, years	2
Pay-back period, years	8
Dynamic pay-back period, years	9
NPV*, mln,\$	46,0
IRR*, %	19%
Discount rate, %	8%

\* IRR and NPV are indicated as of year 2025 of the project implementation.

## VII. Contact information

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**Date of the investment offer preparation:** 29.07.2015

## 2. Investment Offer

### VIII. General information about the project

7. **Project name:** «Establishment of pharmaceutical production of humane drugs on a complete cycle»
8. **Project branch:** “Pharmaceutics”
9. **Project location:** the building of JSC “BelVitunifarm”, Vitebsk, Frunze av., 77, the territory of FEZ “Vitebsk”

**10. Project description** (the essence of the investment project, prerequisites, goals, what is expected from investor, why can the project be of interest to investor)

Implementation of the project on creation of pharmaceutical production will saturate the domestic market with effective drugs, produced in accordance with international rules of Good Manufacturing Practice (GMP). Compliance with requirements GMP will let dispatch the production to the countries, where Belarusian suppliers haven't been known before.

The offered investment project is important for the National economy and conforms to sectoral development strategies of the pharmaceutical industry of the Republic of Belarus.

The organization will be located in the building of JSC “BelVitunifarm” that is offered for redemption. The building needs to be reconstructed for the implementation of the project on drugs rproduction.

The main products planned for production are solid dosage forms - tablets.

**11. Degree of the project readiness** (availability of business plan, feasibility study, marketing research or other preparatory work/studies carried out (in progress)):

Worked out by feasibility study 21.01.2016

### IX. Information about the project initiator

3. **Organization full name:** Joint-Stock Company “BelVitunifarm”
4. **Registration date:** 10.09.2008
5. **Authorized fund structure, %:**

Legal entities:	Доля
- state ownership form	99,9
- private ownership form	0,1
Individuals	

### X. Description of the market of the product intended for manufacture

**E. Description of the product intended for manufacture:**

4. **product name and description:** production of solid dosage, tablets, 28 kinds of medicines of 14 pharmacological groups for oral use.
5. **Main consumers:** People

6. **Main competitors** (producers of similar product performance goods): Republican Unitary Production Enterprise “Belmedpreparaty”, JSC “Nesvizhskiy zavod of medicines», Unitary Enterprise “Minskinterkaps”, JSC “Ekzon”.

#### F. Domestic market description

5. current market capacity (in 2014) 1067,41 million dollars
6. prospective domestic market share: 5%
7. strategy for operating in the domestic market:
- lower prices
  - better product quality
  - better service
  - state support (protection from import, guaranteed state public purchases and other support)
  - other (specify)
8. state regulation (price regulation, licensing of the activities etc.): state regulation of pharmaceutical forms market, there must be a license on drugs industrial production and their distribution.
9. return on sales (в %): 10 (in 2019);
10. market concentration degree (approximate total market share of five largest market players, %): 30.
11. other (specify): text entry space

#### G. External market description

1. Estimated sales volume distribution by core regions, %:

EEU countries (Eurasian economic union)	Incl. Belarus market	EU countries	Other countries
70	20	10	20

4. Does the company have experience in exporting to these countries:  да;  нет
5. Do other Belarusian producers export these products to the main target markets?:  да;  нет

## XI. Description of available infrastructure

#### Railways and motor drive ways:

- company's own branch railway
- Belarusian Railway line (distance from the site, km): 2 km
- state motor roads (distance, km): P21 – 7 km
- other roads with improved surface (distance, km): E95 – 9 km

#### Communications:

- electricity network (voltage: , distance, km: )
- water pipeline
- gas pipeline

#### Land plot and manufacturing facilities:

- land plot availability
- presence of constructions (area: 24685,1 m<sup>2</sup>, purpose of use: the main engineering building)

#### Other infrastructure:

- warehouses, logistics terminals
- possibility of production expansion and installation of additional production capacities
- possibility of construction of the necessary infrastructure via state budgetary financing
- Other (specify):

## XII. Key advantages of the project

Short description of each:

- developed brand
- profiled staff
- supply chain of raw materials and components
- (commodity) distribution network
- guaranteed volume of orders
- presence of valid patents, licenses, permits:
- provision of benefits within the project implementation: tax and customs preferences of free economic zones of the Republic of Belarus
- core partners
- other (specify):

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## XIII. Project financing

**A. Total investment amount, total: 4,4 mln Euro**

**B. Investment sources, thousands Euro**

	Source	Amount
<input type="checkbox"/>	Own resources	
<input checked="" type="checkbox"/>	Investor's resources	4,4
<input type="checkbox"/>	State financing	
<input type="checkbox"/>	Grants	
<input type="checkbox"/>	Long-term loans	
<input type="checkbox"/>	Short-term loans	
	Other (specify):	
<input type="checkbox"/>		
	Amount:	4,4

**C. . Investment resources allocation:**

- research and development
- infrastructure development
- construction
- purchase of real estate
- purchase of equipment, technologies, licenses
- preparation of production
- working capital financing
- other (specify):

**H. Form of investor participation in the project:**

	Forms of investor participation	Investor's share in authorized fund under the intended participation form, %
<input checked="" type="checkbox"/>	Contribution to the authorized fund of a newly established enterprise	100
<input type="checkbox"/>	Purchase of shares (share in the authorized fund) of the existent enterprise	



<input type="checkbox"/>	Purchase of the enterprise as an asset complex	
<input type="checkbox"/>	Additional issue of shares for selling to investor	
<input type="checkbox"/>	Other (specify):	

### I. Preliminary indicators of the project efficiency

Indicator	Value
Annual revenue (thous. Euro, excl. of VAT, after reaching the project capacity)	6 594,0
Period for reaching the project capacity, years	4
Pay-back period, years	6,2
Dynamic pay-back period, years	7
NPV*, thous. Euro	588,8
IRR*, %	9,1
Discount rate, %	5

\* IRR and NPV are indicated as of year 2019 of the project implementation

## XIV. Contact information

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**Date of the investment offer preparation:** 01.03.2016 г.

### 3. Investment Offer

#### XV. General information about the project

**12. Project name:** Organization of building materials production

**13. Project branch:** Building materials production

**14. Project location:** the territory of FEZ “Vitebsk”

**15. Project description** (the essence of the investment project, prerequisites, goals, what is expected from investor, why can the project be of interest to investor)

Glass-magnesite sheet (GMS) is a universal material for surface finish during exterior and interior works. It is made of mechanically interconnected wood chips, magnesite and fiberglass (fiberglass cloth reinforcing sheet on one or both sides).

Glass-magnesite sheet is environmentally safe, because it does not contain harmful and toxic substances and does not release them under heat. Besides, its production doesn't include dangerous, toxic, caustic waste.

According to statistics, in the USA and Northern Europe up to 70% of finish and repair works are made with the help of glass-magnesite sheet, and only about 30% – with the help of traditional gypsum plasterboard. Such tendency has been noticed in CIS countries, but this market is not saturated with glass-magnesite sheet, therefore the rate of increase of its usage will grow.

This makes glass-magnesite sheet production profitable: competition in this segment is small, and the market is large enough, which should favour the distribution of production.

Glass-magnesite sheet production line is relatively not difficult. It consists of 3 main aggregates (except belt hitchers).

1) FORMER (a machine for sheets production)

2) PLATFORM FOR RAW MATERIALS MIXING

3) AUTOMATIC MACHINE FOR CUTTING

For locating the glass-magnesite sheet production line there should be a department, consisting of four rooms: a storehouse for components storage and preparation of the mixture, production department, a room for durability increase (drying), and a storehouse for the production storage and distribution.

For locating the glass-magnesite sheet production line there should be an area from 700 to 1200 m<sup>2</sup>, except utility rooms, offices, locker rooms for workers, etc.

**16. Degree of the project readiness** (availability of business plan, feasibility study, marketing research or other preparatory work/studies carried out (in progress)):

#### XVI. Information about the project initiator

**6. Organization full name:** State establishment “The Administration of free economic zone “Vitebsk”

**7. Registration date:** 04.08.1999

**8. Authorized fund structure, %:**

Legal entities:	Share
- state ownership form	100
- private ownership form	
Individuals	

## XVII. Description of the market of the product intended for manufacture

### J. Description of the product intended for manufacture:

7. **product name and description:** Glass-magnesite sheet is a plate with thickness up to 2 sm of white colour with tints of "ivory" and different sides – smooth "face" and relief "reverse" (although, which side is placed facing into the room does not matter that allows you to decorate "the face"- smooth – side with wallpaper, film or veneer, and the "reverse"-relief side – with a decoration plaster, ceramic tile and applying any paint). The composition of the magnesite sheet: magnesium (Mg.O + Mg.CL2 )(80-85%), glass fiber (1-2%), pearlite (up to 5%), sawdust (up to 10%), other (2-3%).
8. **main consumers:** industrial enterprises, individuals, construction contractors
9. **main competitors (producers of similar product performance goods):** producers of plasterboard, in the Republic of Belarus there exist only importers of GMS.

### K. Domestic market description

12. current market capacity (over the latest reporting period) Choose the element
13. prospective domestic market share: 10 %
14. strategy for operating in the domestic market:
- lower prices
  - better product quality
  - better service
  - state support (protection from import, guaranteed state public purchases and other support)
  - other (specify)
15. state regulation (price regulation, licensing of the activities etc.): product certification.
16. return on sales (%): 19 (in 2015);
17. market concentration degree (approximate total market share of five largest market players, %): 20, in the Republic of Belarus there exist only importers.
18. other (specify): text entry space

### L. External market description

1. Estimated sales volume distribution by core regions, %:

EEU countries (Eurasian economic union)	Incl. Belarus market	EU countries	Other countries
50	10	20	30

6. Does the company have experience in exporting to these countries:  yes;  no
7. Do other Belarusian producers export these products to the main target markets?:  yes;  no

## XVIII. Description of available infrastructure

### Railways and motor drive ways:

- company's own branch railway
- Belarusian Railway line (distance from the site, km): 2,5
- state motor roads (distance, km): P112-3,4
- other roads with improved surface (distance, km): E95-10

### Communications:

- electricity network (voltage: 6,5 MBt, distance, km: at the area)
- water pipeline
- gas pipeline

**Land plot and manufacturing facilities:**

- land plot availability  
 presence of constructions

**Other infrastructure:**

- warehouses, logistics terminals  
 possibility of production expansion and installation of additional production capacities  
 possibility of construction of the necessary infrastructure via state budgetary financing  
 Other (specify):

**XIX. Key advantages of the project**

Short description of each is expected:

- developed brand  
 profiled staff  
 supply chain of raw materials and components  
 (commodity) distribution network  
 guaranteed volume of orders  
 presence of valid patents, licenses, permits:  
 provision of benefits within the project implementation: tax and customs preferences of free economic zones of the Republic of Belarus  
 core partners  
 other (specify):
- 
- 
- 

**XX. Project financing**

**A. Total investment amount, total: 1,76 million dollars**

**B. Investment sources, mln. dollars:**

	Source	Amount
<input type="checkbox"/>	Own resources	
<input checked="" type="checkbox"/>	Investor's resources	1,76
<input type="checkbox"/>	State financing	
<input type="checkbox"/>	Grants	
<input type="checkbox"/>	Long-term loans	
<input type="checkbox"/>	Short-term loans	
	Other (specify):	
<input type="checkbox"/>		
	Total:	1,76

**C. Investment resources allocation:**

- research and development  
 infrastructure development  
 construction  
 purchase of real estate  
 purchase of equipment, technologies, licenses  
 preparation of production  
 working capital financing  
 other (specify):

**M. Form of investor participation in the project:**

Forms of investor participation		Investor's share in authorized fund under the intended participation form, %
<input type="checkbox"/>	Contribution to the authorized fund of a newly established enterprise	
<input type="checkbox"/>	Purchase of shares (share in the authorized fund) of the existent enterprise	
<input type="checkbox"/>	Purchase of the enterprise as an asset complex	
<input type="checkbox"/>	Additional issue of shares for selling to investor	
	Other (specify):	
<input checked="" type="checkbox"/>	Organization of foreign or joint enterprise	100

#### N. Preliminary indicators of the project efficiency

Indicator	Value
Annual revenue (mln. dollars, excl. of VAT, after reaching the project capacity)	16,4
Period for reaching the project capacity, years	4
Pay-back period, years	3
Dynamic pay-back period, years	3
NPV*, mln. dollars	21
IRR*, %	18,3
Discount rate, %	15

\* IRR and NPV are indicated as of year 2019 of the project implementation

#### XXI. Contact information

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**Date of the investment offer preparation:** 01.03.2016

## 4. Investment offer

### I. General information about the project

1. **Name of the project:** Organization of production of goods from wood plastic composit.
2. **Sectoral belonging of the project:** Construction materials production
3. **Place of the project implementation:** the territory of FEZ "Vitebsk"

4. **Description of the project** (the essence of the investment project, preconditions, tasks, what investor is expected from, why the project may interest him)

Purchase of extrusion line for wood plastic composit processing: specially designed double-screw extruder with conical or parallel screws that provide high efficiency. The line for production of goods from wood plastic composit includes especially a loader, calibrating table, receiving and cutting mechanism, stacker. Construction of production areas on the territory of FEZ "Vitebsk" is provided. The project is directed at production of materials from wood plastic composit, expansion of home market nomenclature with the very latest construction material, import substitution, certification of the production with access to European markets, expansion of production volumes and assortment.

5. **Degree of project readiness** (availability of business plan, feasibility study, conducting of marketing research or other forms indicative of project preparation (with the obligatory indication of the date of development)):

### II. Information about the project initiator

1. **Organization full name:** Unitary enterprise "Zavod Belit"
2. **Registration date:** 13.05.1993
3. **Authorized fund structure, %:**

Legal persons:	Share
- state form of property	100
- private form of property	
Physical persons	

### III. Description of the market of the product intended for manufacture

#### A. Description of the product intended for manufacture:

1. **Product name and description:** Wood Plastic Composit (WPC) – is a mixture of a thermoplastic polymer and sawdust (meal). WPC is developed for production of polymer goods that are able to substitute wooden ones.

The international name of this material – WPC (Wood Plastic Composit). The technology of WPC production nowadays reached such a high level that let get goods in color, pattern, texture very similar to wood. Flooring board (decking), skirting, wall panels, poles, fencing, etc. are made of WPC. WPC may be used also indoor and outdoor. In practice, the most widespread became goods of composites on the basis of PE, PP and PVC. Filling polymer with sawdust (flour) is from 25% to 60% and is primarily due to the following reason: to provide the highest possible strength of the product at the lowest cost.

2. **Main consumers:** building organizations, auto and furniture producers, housing and communal services, individuals.
  
4. **Main business rivals:** (producers of goods, similar in product performance), ALC “VelikSort” (Belarus), a number of major importers from the Russian Federation.

### B. Domestic market description

19. The current market volume (in the last reporting period).
20. Planned share of home market: 30 %
21. The strategy of work in home market:
  - lower prices
  - higher quality
  - more attractive service
  - government support (import protection, guaranteed state purchases and other support)
  - etc (state)
22. government regulation (price regulation, activity licensing, etc.): absent.
23. sales profitability (in %): 13 (in 2015);
24. degree of concentration (an approximate total market share of the five largest players, in %): 1 producer in the Republic of Belarus.
25. etc (state):

### C. External market description

1. the estimated allocation of sales by major regions, %:

EEU countries	Incl. Belarus market	EU countries	Other countries
35	10	35	30

8. Does the company have experience in exporting to these countries:  да;  нет
9. Do other Belarusian producers export these products to the main target markets:  да;  нет

## III. Description of available infrastructure

### Railways and motor drive ways:

- company’s own branch railway
- Belarusian Railway line (distance from the site, km): 1,2
- state motor roads (distance, km): P110, P27- 1
- other roads with improved surface (distance, km):

### Communications:

- electricity network
- water pipeline
- gas pipeline

**Land plot and manufacturing facilities:**

- land plot availability
- presence of constructions

**Other infrastructure:**

- warehouses, logistics terminals
- possibility of production expansion and installation of additional production capacities
- possibility of construction of the necessary infrastructure via state budgetary financing
- Other (specify):

**V. Key advantages of the project**

Short description of each is expected:

- developed brand.
  - profiled staff: specialists in wood and chemical industry.
  - supply chain of raw materials and components: Sawmills and wood processing companies can act as wood flour suppliers.
  - (commodity) distribution network
  - guaranteed volume of orders
  - presence of valid patents, licenses, permits:
  - provision of benefits within the project implementation: tax and customs preferences of free economic zones of the Republic of Belarus
  - core partners
  - other (specify):
- 
- 
- 

**VI. Project financing**

**A. Total investment amount, total: 1,2 million dollars**

**B. Investment sources, million dollars:**

	Source	Amount
<input type="checkbox"/>	Own resources	
<input checked="" type="checkbox"/>	Investor's resources	0,6
<input type="checkbox"/>	State financing	
<input type="checkbox"/>	Grants	
<input checked="" type="checkbox"/>	Long-term loans	0,6
<input type="checkbox"/>	Short-term loans	
	Other (specify):	
<input type="checkbox"/>		
	<b>Total:</b>	<b>1,2</b>

**C. Investment resources allocation:**

- research and development
- infrastructure development
- construction
- purchase of real estate
- purchase of equipment, technologies, licenses
- preparation of production



- working capital financing  
 other (specify):

#### D. Form of investor's participation in the project:

Forms of investor's participation		Investor's share in authorized fund under the intended participation form, %
<input type="checkbox"/>	Contribution to the authorized fund of a newly established enterprise	
<input type="checkbox"/>	Purchase of shares (share in the authorized fund) of the existent enterprise	
<input type="checkbox"/>	Purchase of the enterprise as an asset complex	
<input type="checkbox"/>	Additional issue of shares for selling to investor	
<input checked="" type="checkbox"/>	Other (specify): direct foreign investment, loan	100

#### E. Preliminary indicators of the project efficiency

Indicator	Value
Annual revenue (thousands dollars, excl. of VAT, after reaching the project capacity)	700
Period for reaching the project capacity, years	2
Pay-back period, years	3,7
Dynamic pay-back period, years	4,7
NPV <sup>*</sup> , (thousands dollars)	316,5
IRR <sup>*</sup> , %	13,4
Discount rate, %	5

\* IRR and NPV are indicated as of year 2018 of the project implementation

## VII. Contact information

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**Date of the investment offer preparation:** 01.03.2016

## 5. Investment Offer

### XXII. General information about the project

1. **Project name:** Organization of the modern, high-performance enterprise for wood processing.

2. **Project branch:** Production of lumber and furniture.

3. **Project location:** FEZ "Vitebsk" territory, sector №1 "Zhurzhevo"

4. **Project description** (the essence of the investment project, prerequisites, goals, what is expected from investor, why can the project be of interest to investor)

The total area of forest land of Vitebsk Forestry Production Association is 1634.3 thousand hectares, among them first group forests occupy 789.7 thousand hectares. The proportion of land covered with forest is 87.1% (1423.3 thousand hectares).

Creating a high-performance woodworking enterprise considering the existing forest fund, geographical position (closeness the borders of the Russian Federation), the use of EEU market opportunities, preferences of free economic zones of the Republic of Belarus provide the competitive product and realization of it into foreign markets.

The project is planned to be implemented in three phases:

1. The construction of industrial buildings, sawmill, dryer for lumber production;
2. The production growth - increase in the range of sawn wood
3. The production growth- wooden furniture manufacturing.

5. **degree of the project readiness** (availability of business plan, feasibility study, marketing research or other preparatory work/studies carried out (in progress))

### I. Information about the project initiator

1. **Organization full name:** State Institution "Free Economic Zone" Vitebsk " Administration

2. **Registration date:** 04.08.1999

9. **Authorized fund structure, %:**

Legal entities:	Share
- state ownership form	100%
- private ownership form	
Individuals	

### II. Description of the market of the product intended for manufacture

O. **Description of the product intended for manufacture:**

10. **product name and description:** lumber of 1-st and 2-nd grade, and 10% humidity, wooden constructions, wooden furniture for home and garden

11. **main consumers:** construction companies, furniture distributor, individuals.

**P.** main competitors (producers of similar product performance goods): JSC "PinskDrev", JSC "Molodechnomebel", JSC "Gomeldrev".

**Q. Domestic market description**

**26.** current market capacity (over the latest reporting period) 711.5 million USD

**27.** prospective domestic market share: 5 %

**28.** strategy for operating in the domestic market:

- lower prices  
 better product quality  
 better service  
 state support (protection from import, guaranteed state public purchases and other support)  
 other (specify)

**29.** state regulation (price regulation, licensing of the activities etc.): No.

**30.** return on sales (%):13 (in 2015 year);

**31.** market concentration degree (approximate total market share of five largest market players, %): 40.

**32.** other (specify):

**R. External market description**

**1.** Estimated sales volume distribution by core regions, %:

EEU countries (Eurasian economic union)	Incl. Belarus market	EU countries	Other countries
30	7	47	23

**10.** Does the company have experience in exporting to these countries:  yes;  no

**11.** Do other Belarusian producers export these products to the main target markets?  yes;  no

### III. Description of available infrastructure

**Railways and motor drive ways:**

- company's own branch railway  
 Belarusian Railway line (distance from the site, km): 2,5  
 state motor roads (distance, km): R 112- 3,4  
 other roads with improved surface (distance, km): E 95 - 10

**Communications:**

- electricity network (voltage:6,5 kv)  
 water pipeline  
 gas pipeline

**Land plot and manufacturing facilities:**

- land plot availability (area:30 Ha)  
 presence of constructions

**Other infrastructure:**

- warehouses, logistics terminals  
 possibility of production expansion and installation of additional production capacities  
 possibility of construction of the necessary infrastructure via state budgetary financing  
 Other (specify):

## IV. Key advantages of the project

Short description of each is expected:

- developed brand:
- profiled staff: specialists in wood processing.
- supply chain of raw materials and components: developed system of forestry in the Republic of Belarus.
- (commodity) distribution network:
- guaranteed volume of orders:
- presence of valid patents, licenses, permits:
- provision of benefits within the project implementation: tax and customs preferences of free economic zones of the Republic of Belarus.
- core partners:
- other (specify):

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## V. Project financing

**A. Total investment amount:** 27 million Euro

**B. Investment sources** mln. Euro:

Source		Amount
<input type="checkbox"/>	Own resources	
<input checked="" type="checkbox"/>	Investor's resources	6
<input type="checkbox"/>	State financing	
<input type="checkbox"/>	Grants	
<input type="checkbox"/>	Long-term loans	21
<input type="checkbox"/>	Short-term loans	
	Other (specify):	
<input type="checkbox"/>		
Total:		27

**C. Investment resources allocation:**

- research and development
- infrastructure development
- construction
- purchase of real estate
- purchase of equipment, technologies, licenses
- preparation of production
- working capital financing
- other (specify):

**S. Form of investor participation in the project:**

Forms of investor participation		Investor's share in authorized fund under the intended participation form, %
<input type="checkbox"/>	Contribution to the authorized fund of a newly established enterprise	
<input type="checkbox"/>	Purchase of shares (share in the authorized fund) of the existent enterprise	
<input type="checkbox"/>	Purchase of the enterprise as an asset complex	

<input type="checkbox"/>	Additional issue of shares for selling to investor	
<input checked="" type="checkbox"/>	Other (specify):	
	foreign direct investments, credit	100

#### T. Preliminary indicators of the project efficiency

Indicator	Value
Annual revenue (mln. EUR excl. of VAT, after reaching the project capacity)	36,3
Period for reaching the project capacity, years	2
Pay-back period, years	7
Dynamic pay-back period, years	9.5
NPV <sup>*</sup> ,	6.6
IRR <sup>*</sup> , %	11.9
Discount rate, %	8

\* IRR and NPV are indicated as of year 2027 of the project implementation.

## VI. Contact information

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