



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION
REPUBLIC OF BELARUS

Investment offer

Establishment of roadwork geogrid production on the territory of FEZ “Gomel-Raton”



Investment offer

General information

Company's characteristics	Market characteristics of the planned production
<p><i>Company's name:</i> State Institution "The Administration of the Free Economic Zone "Gomel-Raton"</p> <p><i>Ownership:</i> state non-profit organization</p> <p><i>Registration date:</i> 15.05.1998</p> <p><i>Address:</i> Gomel, Free Economic Zone Gomel-Raton territory</p>	<p><i>Product:</i> roadwork geogrid production</p> <p><i>Main consumers:</i> companies and organizations in the field of road construction and repair, building organizations</p> <p><i>Return on sales:</i> 25%</p> <p><i>Government regulation:</i> pricing is up to investor</p> <p><i>Average nominal monthly wages of the similar businesses:</i> \$565</p>

The project

- **Description:** pre-investment stage; the preliminary feasibility study is prepared, business plan is developed. The project's goal is the development of 2 geogrid types (50/50-25 and 100/100/25). It is planned to purchase at least 1.2 thousand sq.m of vacant production premises on the territory of the free economic zone "Gomel – Raton"
- **Project branch:** manufacturing
- **Project location:** Gomel, the premises of the Free Economic Zone "Gomel-Raton"
- **Financing requirement for investor:** \$1.6 mln.
- **Total investment:** \$1.6 mln.
- **Type of investor participation:** greenfield (a new enterprise)



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Preliminary indicators of the project efficiency

- Sales revenue, excl. VAT (upon reaching the estimated capacity): **\$7.2 mln.**
- Pay-back period: **2 years**
- Dynamic pay-back period (DPBP): **2 years**
- Internal rate of return (IRR): **1.11%**
- Net present value (NPV): **\$3.6 mln.**
- Discount rate: 10%
- Business plan/feasibility study: available

Competitive advantages of the project

Infrastructure available

- Railway lines and roads: republican motor roads (less than 1 km), other roads with improved surface (less than 300 m)
- Communications availability: electricity, water supply, gas supply
- Land plot and production capacities: constructions area 1 200 sq.m

Strategic advantages

- Use of local raw materials
- Unsaturated market in Belarus for the production proposed
- Entry into the Common Economic Space market
- Implementation of the project as the FEZ resident allows tax and customs preferences under the special legal regime on the FEZ territory

Contact details



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