



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION
REPUBLIC OF BELARUS

Investment offer

Modernization of components
production (“clamping disk” type)



Investment offer

General information

Company's characteristics	Market characteristics of the planned production
<p><i>Company's name:</i> "Vitebsk Plant of Tractor Spare Parts" OJSC</p> <p><i>Ownership:</i> state – 100%</p> <p><i>Registration date:</i> 03.01.2013</p> <p><i>Address:</i> Vitebsk city</p> <p><i>Current financial results:</i> sales revenue per 1 worker – \$53 000, gross value added per 1 worker – \$13 700, return on sales – 5.5% (2013)</p>	<p><i>Product:</i> the whole range of “clamping disk”</p> <p><i>Market capacity:</i> \$3.7 mln.</p> <p><i>Annual output of the sector:</i> \$3.7 mln. (2013)</p> <p><i>Return on sales:</i> 14% (2013)</p> <p><i>Average nominal monthly wages:</i> \$570 (2013)</p> <p><i>Concentration degree:</i> 100%</p> <p><i>Main consumers:</i> RUE “MTZ”, RUE “BZTDiA”</p> <p><i>Distribution channels:</i> Belarus, Russia, the Ukraine, Kazakhstan, Lithuania, Latvia, Moldova, Hungary, Poland, Vietnam, Egypt et al.</p>

The project

- **Description:** for the purpose of the production modernization, introduction of innovative technologies, production areas increase, labour costs reduction announced a tender for the purchase of technologies and equipment for “clamping disks” processing was announced; this will allow the increase in the output volume, product profitability, power saving, and the workforce reduction owing to multiple-machine equipment
- **Project branch:** agricultural machinery
- **Project location:** Vitebsk city, “Vitebsk Plant of Tractor Spare Parts” OJSC
- **The date of the project start:** 2014
- **Financing requirement for investor:** \$3.6 mln.
- **Total investment:** \$4 mln.
- **Type of investor participation:** investment in fixed assets



Investment offer

Preliminary indicators of the project efficiency

- Sales revenue, excl. VAT (after reaching the estimated capacity): **\$28.9 mln.**
- Pay-back period: **5 years**
- Dynamic pay-back period (DPBP): **9 years**
- Internal rate of return (IRR): **9.7%**
- Net present value (NPV): **\$1 mln.**
- Discounting rate (DR): **23.5%**
- Business plan is available

Competitive advantages of the project

Infrastructure available

- Railway lines and roads: Belarusian Railway (1 km), republican motor roads (2 km), other roads with improved surface
- Communications: electricity (0.6 km, 280 W), water supply
- Land plot availability (33 851 m²)
- Availability of constructions for administrative use (16 546.1 m²)
- Warehouses, logistics terminals (1 394 m²)
- Possibility of the output expansion and installation of additional production capacities

Strategic advantages

- Strong brand
- Profiled staff
- Supply chain of raw materials and components
- Commodity distribution network
- Undersaturated Belarusian market for the production proposed
- Entry into the Common Economic Space market
- Guaranteed volume of orders (“MTZ” RUE, “BZTDiA” RUE)



Contact details



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