

Development of the JSC «Brest beer» with attracting of investments

A. Project Opportunity Description:	
A1. Project Name:	Development of the JSC «Brest beer» with attracting of investments
a. Short name:	Development of the JSC «Brest beer» with attracting of investments
b. Full name:	Development of the JSC «Brest beer» with attracting of investments
c. Summary description:	A purpose of the present project is an expansion of assortment and volume of output goods on basis of modern equipment and new technologies use, reduction of the share of manual labor and improvement of consumer quality of products
A2. Progress Status:	Business-plan is elaborated. At present time the negotiations with potential suppliers of equipment and preparation to undertaking of a tender on supply are going on. A search for an investor is being held.
A3. Organizations involved and their roles:	1) JSC «Brest beer» – a borrower The Republic of Belarus, Brest, Baumanskaya str., 18 Director – O.S. Kisel Ph.: (+375 162) 27-03-01; Fax: (+375 162) 24-56-90 ; 2) Brest Region Executive Committee: 11, Lenina Str., Brest, 224005, Republic of Belarus. Semenovich Dmitriy G., tel.: (+375-162) 23-46-92.
A4. Project Description:	The investment activity of the enterprise is directed on carrying out of modernization and technical re-equipment of a beer manufacture, renewal of equipment and introduction of new, modern technologies, allowing to increase production volumes, to improve flavoring and consumer qualities of output products, to increase a competitive ability of products and to enlarge an assortment. It is planned to increase industrial capacities of the enterprise up to 6 million dcl. of beer a year.
A4a. Project cost (mln USD):	16.3
A5. Background / history / overall programme / related or similar projects:	Foundation in Brest of the brewing wine-making plant, known at present as the JSC «Brest beer», was appointed by Decision of the Council of Ministers BSSR from December, 23, 1964 № 463 «About plan of development of public facilities BSSR in 1967» whereupon at March, 1967 the construction of the plant began. At present, the JSC «Brest beer» is included in the numeral five of the largest Belarusian producers of beer. The share of state in the assessed fund of the JSC «Brest beer» as to the date January, 01, 2006 makes 85%, other participants - 15 %. One of the main particularities of the enterprise is its multiple-discipline feature since the enterprise realizes the following types of economic activity: production of beer; production of juices for fruit wine-making; production of wine and fruit-berry drinks, distillery goods; production of mineral water, soft drinks; release of fruit-berry wine; production of malt; low alcohol drinks; trade and foreign economic activity. Today the given joint-stock company is a part of the Communal unitary enterprise «Brestplodoovoshchprom». The system of management quality is introduced, certificated and applied at the enterprise. It's made a decision about the necessity of beginning in 2006-2007 years the works on creation and introduction on the enterprise the system NASSR, the system of analysis of risks and control critical points at production and keeping of beer.
A6. Environmental impact summary:	The project is ecologically safe
A7. Possible obstacles/ problems/ risk assessment:	Degree of risk at project realization is low
A8. Term of realization / term of recoupment (years):	3 years/10,5 years
A9. Project's branch:	

food industry		
B. Capital Cost Items (additional requirements for project):		
B1. Project physical components		B2. Capital cost (mln USD)
Equipment acquisition (Germany)		10.5
Laboratory equipping		0.1
Engineering and documentation		0.1
Mounting		1.1
Engineering providing		1.0
Architectural and planning decision		1.0
VAT, paid at realisation of capital costs		2.5
TOTAL		16.3
C. Capital Resources Available from Sponsors/ Proposers:		
C1. Resources 'in kind', grants, investments, equity / ownership, etc.		C2. Amount (mln USD)
D. Required Financial Assistance:		
D1. Financing gaps, type of financial assistance required:		
Procurement, attraction of bankroll, sale of shares is possible		
D2. Sources of finance	D3. Type of investment	D4. Amount (mln USD)
Foreign investment funds:	Direct foreign investments:	16.3
D5. Financial/ International Institution Name:		
E. Demand (users) and revenues:		
E1. Type of users/ markets, volumes, pricing, revenues, quantifiable benefits/ savings:		
<p>JSC «Brest beer» have a possibility for an increase of sale volumes and its market share. Now according to evaluation data, at realization volume in 2,5 millions dcl the market share of the enterprise makes about 7-8 %. Therefore taking into consideration the results of a marketing analysis, we can set to the enterprise following objects: - increase in manufacture and realization volumes; - increase in the market share of the enterprise up to 10-12 % in the beer market of the Republic of Belarus. The object of a marketing strategy of the company is completely satisfy requirements of all categories of its consumers, which would like to get not only a high-quality beer, but also that product, that will correspond to their image and accentuate the individuality.</p>		
E2. Revenues (Sales)		E3. Amount (mln USD)
Revenue from realization		31.1
F. Operating and Maintenance Costs:		
F1. Cost components, strategies for cost recovery, operating organisations, subsidies, etc.:		
The investment project is directed on undertaking of modernization and technical reequipping of beer manufacture, renewal and introduction of new, modern technologies on basis of present manufacture		
F2. Cost Item		F3. Amount (mln USD)
Raw stuff and materials		13.6
Energy supply		1.7
Field costs		0.8
Personnel costs		4.9
Amortisation		2.1
Other costs		2.0
Income taxes		1.7
TOTAL		26.8
G. Net Income Value:		
G1. Net Income Value		G2. Amount (mln USD)
Net Income Value		4.3

H. Project information source:	
H1. This form was completed by:	
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H2. Organisation (address):	
	JSC «Brest beer», the Republic of Belarus, Brest region, Brest, Baumanskaya str., 18
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H4. Date:	
	March, 2007
H5. Supreme Organization:	
	Brest Region Executive Committee