

Paper single-use utensils production organization

A. Project Opportunity Description:	
A1. Project Name:	
Paper single-use utensils production organization	
a. Short name:	
Paper single-use utensils production organization	
b. Full name:	
Paper single-use utensils production organization	
c. Summary description:	
The objective of the project is the organization of a new production of coloured single-use paper utensils.	
A2. Progress Status:	
Pre-investment stage. The preliminary feasibility research is performed, business plan is worked out, production technology and list of the main technological equipment are determined. An investor is required.	
A3. Organizations involved and their roles:	
1. Search for foreign investor for project realization is being conducted. 2. State Establishment Free Economic Zone Gomel-Raton Administration is the project initiator; 17, Fedyuninskogo str., 246061, Gomel, Republic of Belarus Ludmila P. Bubeshko, Investment and Economic Activity Dpt. tel/fax: + 375 232 682461/682721, e-mail: oved@gomelraton.com	
A4. Project Description:	
Project realization is planned to be executed in the form of a foreign enterprise creation with its further registration as a FEZ Gomel-Raton resident. There are vacant production premises available (250 sq.m) with the necessary infrastructure and engineer networks. The assortment of coloured single-use paper utensils (paper glasses of different volumes and forms, plates, saucers and trays of different diameters) is an import substituting one and will be demanded totally at the domestic market.	
A4a. Project cost (mln USD):	
1.568	
A5. Background / history / overall programme / related or similar projects:	
The urgency of the present project is determined by paper single-use utensils production absence in the republic. Such production creation is explained by the demand in import substitution. Market investigations show that at present paper single-use utensils are widely spread in the Western Europe, at the markets of the CIS-countries due to their ecology.	
A6. Environmental impact summary:	
Does not have any harmful impact on environment.	
A7. Possible obstacles/ problems/ risk assessment:	
The most significant risk effecting the project realization is the increase in raw materials cost.	
A8. Term of realization / term of recoupment (years):	
5/4	
A9. Project's branch:	
Wood-pulp and paper industry	
B. Capital Cost Items (additional requirements for project):	
B1. Project physical components	B2. Capital cost (mln USD)
Technological equipment purchase (Germany)	1.372
Current capital formation costs	0.181
Other costs	0.015
Total	1.568

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:		
Foreign enterprise creation		
D2. Sources of finance	D3. Type of investment	D4. Amount (mln USD)
Investor's funds	Direct foreign investments, credit	1.568
D5. Financial/ International Institution Name:		
E. Demand (users) and revenues:		
E1. Type of users/ markets, volumes, pricing, revenues, quantifiable benefits/ savings:		
<p>1. The main consumers of paper single-use utensils are public catering organizations (cafes, bistro, snack-bars, beer bars, summer cafes), food products producers (salads, ice-cream, sour cream, sauces, small confectioneries), population (for use at home, country-cottages, for picnics, walking tours, holidays etc.), transport organizations (air and railway companies). By specialists' evaluation annual single-use paper utensils sales volumes increase by 10-15%. When the equipment is in full project operation the production volume of coloured paper single-use utensils (paper glasses of various volumes and forms, plates, saucers and trays of various diameters) will total to 57,0 mln. pieces. Initially in order to boost the demand it's planned to establish the price by 20-25% lower the market price meaning USD20 per one plates packing (1000 pc), USD53 per one glasses packing (1000 pc) of the volume up to 450 gr and USD90 per one glasses packing (1000 pc) of the volume more than 450 gr. Net profit from products sales will make up USD2,32 mln.</p>		
E2. Revenues (Sales)	E3. Amount (mln USD)	
Profit earned from product sales	12.251	
F. Operating and Maintenance Costs:		
F1. Cost components, strategies for cost recovery, operating organisations, subsidies, etc.:		
F2. Cost Item	F3. Amount (mln USD)	
Raw materials, materials, fuel, energy for technological purposes	8.515	
Staff expenses	0.438	
Amortization	0.572	
Others	0.412	
Total	9.935	
G. Net Income Value:		
G1. Net Income Value	G2. Amount (mln USD)	
Net profit	2.316	
H. Project information source:		
H1. This form was completed by:		
Ludmila P. Bubeshko, Investment and Economic Activity Dpt., FEZ Gomel-Raton Administration		
H2. Organisation (address):		
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H3. Tel/Fax/E-mail:		
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H4. Date:		
March, 2007		
H5. Supreme Organization:		
FEZ «Gomel-Raton» Administration		