

Organization and development of import substitution production of hygienic feminine sanitary pads and children diapers

A. Project Opportunity Description:	
A1. Project Name:	
Organization and development of import substitution production of hygienic feminine sanitary pads and children diapers	
a. Short name:	
Organization and development of import substitution production of hygienic feminine sanitary pads and children diapers	
b. Full name:	
Organization and development of import substitution production of hygienic feminine sanitary pads and children diapers	
c. Summary description:	
The objective of the project is the organization of modern hi-tech production of sanitary hygienic disposables in FEZ Gomel-Raton with the participation of foreign capital.	
A2. Progress Status:	
Pre-investment stage. The preliminary feasibility research is performed, business plan is worked out, production technology and a 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 a 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 (920 sq.m) with the necessary infrastructure and engineer networks. When the equipment is in full project operation the production annual volume of hygienic feminine sanitary pads will total to 50,0 mln. pieces, of children diapers – 25,0 mln. pieces. These products are import substituting ones and are demanded at both domestic and foreign markets.	
A4a. Project cost (mln USD):	
3.085	
A5. Background / history / overall programme / related or similar projects:	
Sanitary hygienic single-use disposables production is practically absent in the republic. The demand in them is covered mainly by import deliveries. Annual volumes of import sanitary hygienic single-use disposables make up not less than USD19,5 mln. In their import deliveries structure diapers and hygienic feminine sanitary pads occupy the highest unit weight (up to 97%).	
A6. Environmental impact summary:	
Does not have any harmful impact on environment.	
A7. Possible obstacles/ problems/ risk assessment:	
The risk degree is small and is connected with the cost increase of raw materials used in sanitary hygienic disposables production. Project realization as a FEZ Gomel-Raton resident makes the risk degree minimal.	
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 (Italy)	1.92	
Current capital formation costs	1.145	
Other costs	0.02	
Total	3.085	
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	3.085
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 sanitary hygienic disposables are organizations of the system of healthcare and the population of the republic. The capacity of the Belarussian market in sanitary hygienic disposables is evaluated as to be USD19-20 per year. In 2005 3 553,6 tons of children diapers (average price is USD0,2-0,7 per one piece), 972,12 tons of hygienic feminine sanitary pads (average price is USD0,043-0,09 per one piece) were imported to the domestic market. Production of children diapers and hygienic feminine sanitary pads in FEZ will permit to deliver the products at lower prices: hygienic pads at USD0,05 per one piece, diapers at USD0,17 per one piece. Net profit from sanitary hygienic disposables sales will total to USD4,78 mln.</p>		
E2. Revenues (Sales)	E3. Amount (mln USD)	
Profit earned from product sales	26.46	
F. Operating and Maintenance Costs:		
F1. Cost components, strategies for cost recovery, operating organisations, subsidies, etc.:		
There are vacant production premises, engineer networks and communications, energy resources on Free Economic Zone territory for the project realization.		
F2. Cost Item	F3. Amount (mln USD)	
Raw materials, materials, fuel, energy for technological purposes	19.67	
Staff expenses	0.62	
Amortization	0.68	
Others	0.71	
Total	21.68	
G. Net Income Value:		
G1. Net Income Value	G2. Amount (mln USD)	
Net profit	4.78	
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:		
Tel: + 375 232 682461, Fax: + 375 232 682721, e-mail: oved@gomelraton.com		
H4. Date:		
March, 2007		

H5. Supreme Organization:

FEZ «Gomel-Raton» Administration