

Investment proposal

Project name	Construction of a new cement plant with a capacity from 1 million tons to 1.5 million tons of cement per year in the Surkhandarya region Sherobod district.						
Objective of the project	Production of cement of various grades (dry method)						
Sphere / industry	Construction						
Project Schedule	Project implementation schedule The period from the beginning of construction and commissioning of the project, from the moment of attracting investments is 17 month.						
Project location	The cement plant construction area is located in Surkhandarya region, Sherobod district, Vondob mahalla.						
Information about project participants:							
Initiator	Name: ООО “FABULLO STROY SERVIS” Legal address: Surkhandarya region, rn. Zharkurgan, makhallya Kustepa. Service Bank: JSCB Alokabank Regional Branch, INN: 206576943 Contact phone: +998907474630 E-mail: ruziev@surxon-sq.com Founders: 1. Gaimov Akbar Kakhramonovich - 50% 2. Kadirov Ulugbek Tuhtashevich - 50%						
Collaborator (branch office)	-						
The total cost of the project	From 100.0 million USD to 200.0 million USD						
Estimated sources of funding:							
Own funds	From 20.0 million USD to 30.0 million USD						
Commercial bank loans	Maybe						
Foreign direct investment required	From 100.0 million USD to 200.0 million USD						
The composition of the main costs	<ul style="list-style-type: none"> - construction and installation work - 53.6 million USD - basic equipment (including installation supervision and components and transportation) - 130.0 million USD - raw materials for the launch period (3-6 months) - 6 million USD - equipment - 10 million USD - other - 0.4 million USD 						
Projected profitability	35%						
Repayment period, predictable payback period	5 years						
Cash flow							
Characteristics planned for production	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">№</th> <th style="text-align: left;">Name of the product</th> <th style="text-align: left;">Measurement Amount</th> </tr> </thead> <tbody> <tr> <td style="height: 40px;"> </td> <td> </td> <td> </td> </tr> </tbody> </table>	№	Name of the product	Measurement Amount			
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	<table><tr><td>1</td><td>Portland cement brand 400 D0</td><td>Thousand tones</td><td>100,0</td></tr><tr><td>2</td><td>Portland cement brand 400 D20</td><td>Thousand tones</td><td>400,0</td></tr><tr><td>3</td><td>High strength Portland cement without additives grade 500, 600</td><td>Thousand tones</td><td>500</td></tr><tr><td>4</td><td>Portland cement for airfield and road surfaces without additives brand 400, 500</td><td>Thousand tones</td><td>200</td></tr><tr><td>5</td><td>Portland cement grouting (normal, heavy and lightweight for cold and hot wells)</td><td>Thousand tones</td><td>200</td></tr><tr><td>6</td><td>Sulfate-resistant Portland cement and slag Portland cement grade 400, 500, 600</td><td>Thousand tones</td><td>100</td></tr><tr><td></td><td>Total:</td><td>Thousand tones</td><td>1500,0</td></tr></table>	1	Portland cement brand 400 D0	Thousand tones	100,0	2	Portland cement brand 400 D20	Thousand tones	400,0	3	High strength Portland cement without additives grade 500, 600	Thousand tones	500	4	Portland cement for airfield and road surfaces without additives brand 400, 500	Thousand tones	200	5	Portland cement grouting (normal, heavy and lightweight for cold and hot wells)	Thousand tones	200	6	Sulfate-resistant Portland cement and slag Portland cement grade 400, 500, 600	Thousand tones	100		Total:	Thousand tones	1500,0
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Design capacity / size	1.5 million tons of cement per year																												
Contribution to the project by the initiator	<p>The contribution of the initiator of the project is to assist in the implementation of the project on the basis of which it is received:</p> <p>1)Allotment of land of 55 hectares for the construction of a cement plant by the decision of the regional governor Surkhandarya region and preliminary work on construction.</p> <p>2)The project Proponent started the construction of infrastructure for this project: provide electricity, gas, water, railway and road.</p> <p>3)Obtained a license to extract raw materials for cement plants:</p> <p>I. licences field "Beshbulak" -</p> <p>25 hectares of limestone from the state geological Committee. proven reserves</p> <p>217 million so-called Possible reserves increment.</p> <p>II.licenses for mining deposits "Beshbulak" -</p> <p>25 hectares of clay from the state geological Committee. proven reserves of 50 million so-called Possible reserves increment.</p> <p>III.mining licenses in the field "Tostao" - 5 ha gypsum.</p> <p>proven reserves of 17 million so-called Possible reserves increment.</p>																												

	IV.Negotiations on coal purchase V. The ferrous component will be purchased in the Navai region and will be imported.
Current project status	Included in the State Investment Program of the Surkhandarya region.

Information about the initiator of the project

Full name of the company	LLC «FABULLO STROY SERVIS»
Details, address, contacts	Name: OOO «FABULLO STROY SERVIS»Legal address: Surkhandarya region, rn. Zharkurgan, makhallya Kustepa.Service Bank: JSCB Alokabank Regional Branch, INN: 206576943Contact phone: +998907474630E-mail: ruziev@surxon-sq.com Founders:
Date of foundation of the enterprise	2004
Statutory fund	363 065 300 soum
Founders and distribution of shares	1. Gaimov Akbar Kakhramonovich - 50% 2. Kadirov Ulugbek Tuhtashevich - 50%

Information about the founders

Full name	1. Gaimov Akbar Kakhramonovich 2. Kadirov Ulugbek Tuhtashevich
Contact number	+998907474630
Email	E-mail: ruziev@surxon-sq.com

Contact of the performer from the MIFT

Full name	Department of investment policy in road transport infrastructure, housing and communal construction and water management
Position	Department
Contact number	+99871 2524220 / +998712524223
Email	info@mift.uz

General information

Number and types of jobs created	Total jobs: 350 people, of which: - Administration: - 12 people - Engineering: - 50 people - Main production: - 165 people
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	<p>- Support service - 65 people</p> <p>- Career management - 58 people.</p>
Impact of the project on the environment (project EIS), including the expected types and volumes of waste, the place of their disposal	<p>Environmental requirements are established by the project on environmental impact of the State Committee for Nature Protection of the Republic of Uzbekistan. Emission requirements - maximum dust content of not more than 40 mg / Nm³ at the outlet of electric and bag filters. The category of environmental impact is the emissions of combustion products in the furnace and dust waste during the grinding of raw materials and cement. The method of their disposal are bag and bake electrostatic precipitators. Conclusions of the Republican State Committee for Ecology and Environmental Protection No. 01-01 / 10-08-208 of February 14, 2019</p>
Information about the land for construction of the enterprise	<p>Based on the decision of the governor of the Surkhandarya region of 12.12.2018</p> <p>No. K-871 land allotment of 55 hectares.</p>
Existing infrastructure	<p>Around the industrial site there are:</p> <ul style="list-style-type: none"> -high-voltage electric networks - distance up to 400m. - water supply network - well 0.2 km; - natural gas networks - 12 km; - highways - 5 km; - railway line - 3.5 km.
Required infrastructure	<p>It is necessary to provide the industrial site of the plant: - electricity - power 30 MW. -technical and drinking water - 1.3 and 0.9 3 million m³ per year -fuel (coal) - 178 thousand tons in year. - railway - the volume of transportation is 1.0 million tons. in year - road - transportation volume - 0.5 million tons in year</p>
Upcoming construction works	<p>In accordance with the issued technical conditions, it is necessary to develop working projects to provide the industrial site of the plant with external engineering communications. According to the developed working projects, construction and installation work is ahead.</p>
Design and estimate documentation	Information gathering work in progress
Electricity demand (kWh), Integrated power (kWh / s or mW / h)	Installed power - 30 mWPower Consumption -20 mW
Water requirement (cubic meters per m)	<p>The daily water requirement is 14742 m³ (circulating water) for technological purposes, of which 4219.2 m³ are net water consumption, for domestic needs - 300 m³, Annual - 1 307.9 thousand m³, for domestic needs - 93 thousand m³.</p>

Gas demand (t / m)	20,000 cubic meters per hour
Coal demand (cube/m)	Heat consumption for clinker preparation 3471 kJ / kg. Coal consumption per 1 ton of clinker is 127.5 kg. Total annual coal demand will be - 177 862 tons.

Market analysis, productions definition (works, services),marketing researches

Types of products	№	Name of the product	Measurement	Amount	
	1	Portland cement brand 400 D0	Thousand tones	100,0	
	2	Portland cement brand 400 D20	Thousand tones	400,0	
	3	High strength Portland cement without additives grade 500, 600	Thousand tones	500	
	4	Portland cement for airfield and road surfaces without additives brand 400, 500	Thousand tones	200	
	5	Portland cement grouting (normal, heavy and lightweight for cold and hot wells)	Thousand tones	200	
	6	Sulfate-resistant Portland cement and slag Portland cement grade 400, 500, 600	Thousand tones	100	
		Total:	Thousand tones	1500,0	
Annual finished production		from 1 million tons to 1.5 million tons of cement per year			
Estimated sales markets and their shares:					
Import		70%			
Export		30%			
Cost of production	№	Name of the product	Measurement	Export price	Domestic price
				\$	\$
	1	Portland cement brand 400 D0	Thousand tons	55	60,3
	2	Portland cement brand 400 D20	Thousand tons	50	62.2
	3	High strength Portland cement without additives grade 500, 600	Thousand tons	100	
	4	Portland cement for airfield and road	Thousand tons	90	76,9

	surfaces without additives brand 400, 500			
	Portland cement grouting (normal, heavy and lightweight for cold and hot wells)	Thousand tons	100	83,3
	Sulfate-resistant Portland cement and slag Portland cement grade 400, 500, 600	Thousand tons	100	85,9
	Total:	Thousand tons	55	60,3
The need for raw materials (per year)	Name of the product	Measurement	Consumption rate	
	Limestone	tons	1,1814	
	Clay	tons	0,1518	
	Glandular component	tons	0,1267	
	Gypsum	tons	0,0615	
	Additives	tons	0,1290	
			1,46	
Market volume	The expected market share of Uzbekistan in cement will amount to 15.0 million tons of cement per year in consumption. The planned sales volume of the new plant is 67% in the domestic market. This will be 1 million tons of cement. The expected market share will be - 7% (50 million US dollars), and the rest for export - (25 million US dollars).			
Expected market share	The expected market share of Uzbekistan in cement will amount to 15.0 million tons of cement per year in consumption.			
Main competitors	The main competitors are five large plants: - JSC "Kizilkumcement" - 3.0 million tons of cement per year. - JSC "Akhangaran cement" - 1.7 million tons of cement per year. - JSC Kuvasoy Cement - 0.93 million tons of cement per year. - “Jizzak Cement Plant” AGMK - 0.73 million per year. - “Sherabad Cement Plant” AGMK - 1.3 million per year.			
Key competitive advantages	Given the growth of industry and civil engineering, the need for cement in the Surkhandarya region, Kashqadarya and Bukhara regions is expected to 1.0 million tons in year. It should be borne in mind that the cost of production will be reduced by reducing the cost of fuel and transportation of raw materials. A very close shoulder for exporting products is Afghanistan.			
Key target consumer groups	Consumers: -Organization of civil engineering (residential complexes, schools, hospitals, etc.) -Organization of industrial construction (high-rise buildings, bridges, dams, factories, etc.) - Private consumer (private homes, etc.)			
Sales structure by target consumer groups	Realization of finished products is carried out through the Uzbek commodity and raw materials exchange.			

Pricing strategy	Prices are based on the average consumer prices for cement in the domestic and foreign markets.
The cost structure of the final product	Average cost of 1 tons. cement - 50 USD eq.
Availability of patents, licenses, certificates in accordance with current legislation	There is a license for wholesale trade, a license has been obtained for the industrial extraction of raw materials.
Availability of a formed base of potential customers with a confirmed willingness to purchase products	There is an agreement with local legal consumers
Accessibility marketing research	No barriers

Production technology and parameters of main equipment

Type of equipment and country of origin	Determined by the investor
Manufacturer	China
Cost of	from 1 million tons to 1.5 million tons of cement per year
Power usage	Market price
Installed power	30 mW / hour
Overall dimensions of the equipment	1-1.5 million tons
Main equipment weight	The weight of the main equipment is specified when designing a cement plant.
Main equipment units (lines)	The main equipment units (lines) 1. Averaging warehouses for raw materials. 2. Raw mill. 3. Silo of raw meal. 4. Five-stage heat exchanger. 5. Rotating horizontal oven. 6. The grate fridge. 7. Tent warehouse clinker. 8. Cement Mill 9. Cement silos10. Packing
Number of working hours per year	
Duty cycle	Operating mode day-and-night 310 days a year, 3 shifts of 8 hours per shift