



INVESTMENT PROMOTION AND PROTECTION AGENCY
OF THE KYRGYZ REPUBLIC

INVESTMENT PROJECT

Construction of industrial complex on production of reinforced concrete products based on concrete factory.

Description of project:

Main idea of project: Construction of industrial complex on production of reinforced concrete products based on concrete factory. Organization of reinforced concrete items production based on ready production facilities using new technologies (reinforcement with high strength wire and heat treatment without live stream). Product types: nowadays factory realize ready-mixed concrete brands and also realize non- metallic materials such as crushed stone and sand. Factory products will have a wide range of usage in civil construction, energetics, oil industry and in railway construction. It is characterized for Talas region positive development forecasts for coming 10 years, doubling the pace of construction is planned that will lead to increase in consumption of ready-mixed concrete and concrete goods. In the long term expansion of the plant is planned:

For construction of industrial and public buildings, hollow core slabs of various shapes, length, width, and bearing capacity, FBS foundation blocks and paving slabs.

For watermanufacturing construction and sewerage – reinforced concrete tray as well as steam tunnels and irrigation systems , reinforced concrete wells, well elements etc.

For power industry –reinforced concrete supports for lighting and transmission lines.

For road construction – road slabs, reinforced concrete barriers, road and sidewalk curbs.

Market opportunity: Provision of the whole Talas region with reinforced concrete items and ready-mixed concrete. Project geography: Talas region Kalba rural government Karaa-Dobo not far from Talas city. Key opportunities:

Opportunity to use technologies of different manufacturers

Stock extension for handling new necessities of buyers the most serious threat:

The emergence of new competitors;

Adverse exchange rate change /trade politics 4 Key internal advantages:

Project reputation:

Absence of competition;

Quality of service;

Innovation efficiency

Ability to leadership

entrepreneurial focus

fallibility and rapidity of response

Key internal disadvantages:

High cost and availability of financing

Marketing aims:

Aims for first stage(for first three stages). Occupy 10% of market shares on provision of reinforced concrete items and ready-mixed concrete items of all brands in region.

Aims for second stage(for the next years). Preserve occupied share in market and satisfy in complete measure needs of clients. Marketing strategy: For project was chosen strategy of differentiation of production.

Positioning: We plan our services as the most accessible, qualified product by using differentiation strategy .

Product policy: Product line update strategy and improvement of service quality.

Price policy: Establishment price of penetration that is aimed at suggesting in qualified goods and services on relatively acceptable price.

Distributive policy: Using direct marketing channel.

Communicative policy:

Message strategy:- Everyone can get qualified good; S

Creative strategy: Informational appeal, telling about products and advantages.

Message source:

Channels of personal communication(face-to-face, person –to- audience)

Impersonal communication (media, sales stimulation, PR, advertisement).

Legal form of business: “Altynkazyk Stroi “ LLC

Founder: Amangeldievich Esen Kazakbaev

Date of foundation: 2018 year.

Total cost of the project is estimated on the level of 140 million som nowadays.

Necessity in finance is 140 million som. Economical efficiency of project is high enough and is represented by the following main indexes:

Simple payback period of project excluding time for construction is 5 years;

Discounted payback period at real rate in comparison 14% per annum is about 3, 2 years from the beginning of project realization that is much lower than period of life project;

Internal norm of return, excluding inflation is 74,3 % per annum that is significantly exceeds used rate for comparison and identifies 5 maximal nominal bank of credit rate repayable within the project lifetime in the level of 10% per annum (inflation degree 12%)

Net present value(NPV) of project with a horizon planning of 7 years and a real comparison rate 14% annual is positive, and her value is approximately 40,37 million som identifies significant cost of project sustainability to price fluctuation as investment cost for realizing production.

Pointed indicators of economic efficiency are identified only for future investments excluding existing nowadays of incomplete capital investments on the basis of which is planned implementation of given project. At the incorporated level of costs and expenses, the project is considered as financially successful. Thus, given results of financial and economical evaluation of given investment project evidences of high level of its attraction from the point of view of potential investors and expediency of further implementation at LLC “Алтын Казык- Строй».

Investments

Total cost of the project is estimated on the level of 140 million som (2 000 000 \$) nowadays.