**INVESTMENT PROPOSAL**

**of the project «Establishing the production of computer and office equipment»**

**1. The name of the project** - «Establishing the production of computer and office equipment».

**2. General information about the project initiator:** The «Uzeltexsanoat» Association was formed on the basis of the «Uzeltexsanoat» Joint-Stock Company in accordance with the Resolution of the President of the Republic of Uzbekistan dated January 4, 2019, No.PR-4090 and currently unites large enterprises of the republic's electro-technical industry.

The main objectives of the «Uzeltexsanoat» Association are to develop a strategy for the sustainable development of the electro-technical industry, implement comprehensive measures to promote the development of new types of electro-technical products to saturate the domestic market and expand its export geography, as well as attract investment, primarily foreign, for the development of high-tech industries for the production of electro-technical products.

The member enterprises of the Association specialize in four main areas: production of cable and wire products, production of industrial and technical products (low and high voltage equipment such as transformers, substations, switchboards, etc.), production of household appliances and electronics (TVs, refrigerators, air conditioners, lighting, semiconductor devices, etc.) and services.

Volumes by the end of 2019:

- production and services rendered - 7.9 trillion sums (890.8 million US dollars.);

- export - 250.3 million US dollars.

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**3. Information about the enterprise on the basis of which it is planned to implement the project (if needed):** This project is proposed for implementation in the territory of the Republic of Uzbekistan, including the FEZs of the republic. Search, if necessary, and identification of local partners with production experience that are part of the «Uzeltexsanoat» Association.

**4. Information about the project:** Production of the following is envisaged.

|  |  |  |
| --- | --- | --- |
| **№** | **Name** | **Forecasted production volume  for the first year (thousand units)** |
| 1. | Laptop | 25.0 |
| PC | 10.0 |
| **Total:** | **35.0** |

**4.1. Marketing:**

• The analysis of the market of the Republic of Uzbekistan shows that in 2018 the total volume of imports of computer equipment to the Republic of Uzbekistan under the HS code group 8471 amounted to 81.3 thousand units totaling 10.5 million US dollars, as well as by the end of 2019, the volume of imported computer equipment amounted to 105.0 thousand units, totaling 21.5 million US dollars.

The local market of Uzbekistan, as well as neighboring states of Central Asia and the CIS countries are considered as the main markets for the sale of products.

**4.2. Production:**

The production of laptops begins with the production of the motherboard. The motherboard blank is a printed circuit board with copper lines and pads for mounting electronic elements.

The device imposes a template for placing elements on the board and applies solder paste through the hole. The computer analyzes it for gaps of displacements and other flaws in the posts. After checking, the boards go through 15 robots, which holds the elements. The boards go into the oven that melt the solder paste, the elements are soldered to the board.

After the motherboards get on the assembly line, where they assemble the top of the laptop with the display. First, a wired film is applied to the liquid crystal matrix, then a wire is connected that will connect the display to the motherboard. The matrix is inserted into the housing.

A thin metal frame around the display is mounted on the top cover.

When assembling the bottom of the laptop, the top cover of its case is screwed to the hinges of the display and the speakers are installed.

Following the motherboard is installed in the bottom of the laptop after the fans are installed, which prevent overheating of the electronics. Next, the battery is installed and connected.

At the last stage of production, the keyboard is attached and the finished laptop is carefully checked again.

• The need for raw materials and components:

imported - impact-resistant polystyrene (ABS) for the production of plastic parts, a printed circuit board, a speaker, a matrix (screen), a webcam, an optical drive and connectors.

local - the main component - copper wire, foam filler, packaging materials and supplies, instructions and booklets.

• Number of new jobs to be created (people): Administrative - 25 people,   
Technical – 80 people.

**4.3. Construction, reconstruction or modernization:** New construction;

The required land area will be determined by the selection of equipment.

Requirements for providing the facility with industrial infrastructure:

- railway line - required;

- water supply - required;

- power supply - required;

- gas supply - required;

- sewerage - required.

**4.4. Financing (Estimated project cost):**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **№** | **Project cost, including:** | **Unit** | **Cost** | **Sources of financing** | | |
| **Own funds** | **Direct investments** | **Loans of commercial banks** |
| 1 | Construction and installation work | million  USD | 5.0 | Will be determined based on the results of negotiations with potential investors | | |
| 2 | Equipment | million  USD | 10.0 | Will be determined based on the results of negotiations with potential investors | | |
| 3 | Working capital | million  USD | 9.4 | Will be determined based on the results of negotiations with potential investors | | |
| **Total:** | | **million**  **USD** | **24.4** | Will be determined based on the results of negotiations with potential investors | | |

The estimated construction period is from 12 to 18 months.

**5. Expected results from the project:** Volume of production and revenue:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of products** | **1 year** | | **2 year** | | **3 year** | | **4 year** | |
| **quantity (thousand pcs)** | **amount (million dollars)** | **quantity (thousand pcs)** | **amount (million dollars)** | **quantity (thousand pcs)** | **amount (million dollars)** | **quantity (thousand pcs)** | **amount (million dollars)** |
| Laptop | 25.0 | 8.7 | 50.0 | 17.5 | 75.0 | 26.2 | 100.0 | 35.0 |
| PC | 10.0 | 3.0 | 20.0 | 6.0 | 35.0 | 10.5 | 50.0 | 15.0 |
| **Total:** | **35.0** | **11.7** | **70.0** | **23.5** | **110.0** | **36.7** | **150.0** | **50.0** |

Estimated unit price:

Laptop – 350 US dollars;

PC – 300 US dollars.

The payback period of the project is 4 years.

**6. Status of development and examination of project documentation.**

The process of development and examination of the project documentation will begin after negotiations with a potential investor on cooperation.