**INVESTMENT PROPOSAL**

**of the project «Establishing the production of circuit breakers of different capacities   
and switches»**

**1. The name of the project** - «Establishing the production of circuit breakers of different capacities and switches».

**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. | Automatic circuit breakers | 500.0 |
| Automatic switches | 100.0 |
| **Total:** | **600.0** |

**4.1. Marketing:**

• The analysis of the market of the Republic of Uzbekistan shows that in 2018 the total volume of imports of devices for the distribution of electric current, circuit breakers and switches to the Republic of Uzbekistan under the HS code group 8536 amounted to 1.8 million pieces, totaling 16.4 million US dollars, as well as by the end of 2019, 3.1 million pieces of circuit breakers and switches were imported totaling 34.2 million US dollars.

The main consumers of circuit breakers and switches are private contractors in the construction industry.

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:**

**•** Production of circuit breakers is carried out in 4 stages:

At the 1st production stage, in the tool shop, milling and processing machines make the necessary metal parts.

Also, in the plastic products workshop, all plastic parts are made from premix, etc.

At the 2nd stage of production on the pre-assembly line, where the welding of individual components is taking place, as well as the assembly of parts and assemblies for the subsequent assembly of automatic switches on the main assembly line;

At the 3rd stage of production, parts from the warehouse and the pre-assembly line, where the final product is assembled, and the parameters of the electromagnetic, thermal release, are set up on the main assembly line.

At the last stage of production, the finished product passes product quality control.

* The demand for raw materials and components:

import - aluminum, brass, bolt, nut, high impact polystyrene (ABS) for the production of plastic parts.

local - copper wiring, foam filler, packaging materials and supplies, instructions and booklets.

• Number of new jobs to be created (people): Administrative – 20 people,   
Technical – 70 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 | 1.0 | Will be determined based on the results of negotiations with potential investors | | |
| 2 | Equipment | million  USD | 4.0 | Will be determined based on the results of negotiations with potential investors | | |
| 3 | Working capital | million  USD | 2.0 | Will be determined based on the results of negotiations with potential investors | | |
| **Total:** | | **million**  **USD** | **7.0** | 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)** |
| Automatic circuit breakers | 500.0 | 4.9 | 700.0 | 6.9 | 900.0 | 8.8 | 1 000.0 | 9.8 |
| Switches | 100.0 | 0.6 | 200.0 | 1.3 | 300.0 | 2.0 | 400.0 | 2.7 |
| **Total:** | **600.0** | **5.5** | **900.0** | **8.2** | **1 200.0** | **10.8** | **1 400.0** | **12.5** |

Estimated unit price:

Automatic circuit breakers – 9.8 US dollars;

Switches – 6.8 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.