**INVESTMENT PROPOSAL**

**of the project «Establishing the production of ATMs, terminals for electronic payment»**

**1. The name of the project** - «Establishing the production of ATMs, terminals for electronic payment».

**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. | Cash registers | 5.0 |
| Terminals for electronic payment | 25.0 |
| ATM | 0.5 |
| **Total:** | **30.5** |

**4.1. Marketing:**

• The analysis of the market of the Republic of Uzbekistan shows that in 2018 the total volume of imports of ATMs, terminals for electronic payment to the Republic of Uzbekistan under the HS codes 8472903000, 8470500001 and 8470500009 amounted to 26.5 million
US dollars, i.e. in total, the demand in 2018 was amounted to 43.4 thousand pieces, and by the end of 2019, 314.4 thousand pieces of ATMs, terminals for electronic payment were imported totaling 91.5 US million dollars.

The main consumers of ATMs and terminals for electronic payment are the banks of the republic and other private enterprises.

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:**

ATMs and terminals are made from 2 parts: a steel safe in which money are stored and main module equipped with everything necessary for the user. Almost all non-electronic parts are cut out of a metal sheet.

A sheet of metal is placed on a laser cutter controlled by a computer. The laser focuses the light, which generates a temperature so high that the steel melts and a cut is obtained.

Individual parts of the body are bent using an automated bending press to achieve the desired shape.

For fixing certain parts at a certain distance, computer-controlled spot welding is used; for more complex parts, a three-dimensional laser is used for welding.

All welded and bent metal parts are sent to the primer and paint lines.

After painting, the entire electronic filling of the ATM *(computer, power supply and wiring)* is installed on the main structure. Then the main structure is installed on top of the safe.

On another assembly line, an ATM control panel is assembled, on which a screen, keyboard, card reader, speaker, 3 surveillance cameras, a slot for issuing a receipt and a shutter for issuing and receiving are installed.

Then ATMs and terminals will be tested.

* The demand for raw materials and components:

import - steel, high impact polystyrene (ABS) for the production of plastic parts and computer equipment.

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

• Number of new jobs to be created (people): Administrative – 25 people,
Technical – 85 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 | millionUSD | 6.3 | Will be determined based on the results of negotiations with potential investors |
| 2 | Equipment | millionUSD | 15.0 | Will be determined based on the results of negotiations with potential investors |
| 3 | Working Capital | millionUSD | 6.0 | Will be determined based on the results of negotiations with potential investors |
| **Total:** | **million****USD** | **27.3** | 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)** |
| Terminals for electronic payment | 25.0 | 3.7 | 50.0 | 7.5 | 75.0 | 11.2 | 100.0 | 15.0 |
| Cash registers | 5.0 | 0.4 | 7.0 | 0.6 | 9.0 | 0.8 | 11.0 | 0.9 |
| ATM | 0.5 | 5.0 | 1.0 | 10.0 | 1.5 | 15.0 | 2.0 | 20.0 |
| **Total:** | **30.5** | **9.1** | **58.0** | **18.1** | **85.5** | **27.0** | **113.0** | **35.9** |

Estimated unit price:

Cash registers – 90 US dollars;

Terminals for electronic payment – 150 US dollars;

ATMs – 10 000 US dollars.

The payback period of the project is 5 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.