

Production modernization with the purpose of range expansion and volume increase of specialized motors and motors of small lot

A. Project opportunity description

A1. Project name:

Production modernization with the purpose of range expansion and volume increase of specialized motors and motors of small lot (explosion-proof, low-noise driving gears for elevators, motors for intellectual driving gears of piping accessories) in 2011-2015.

A1b. Full name:

Production modernization with the purpose of range expansion and volume increase of specialized motors and motors of small lot (explosion-proof, low-noise driving gears for elevators, motors for intellectual driving gears of piping accessories) in 2011-2015.

A1c. Summary description:

Project task – modernization of the production in 2011-2015 with the aim of range expansion and volume increase of specialized motors and motors of small lot (explosion-proof, low-noise driving gears for elevators, motors for intellectual driving gears of piping accessories and others).

A2. Project status:

Business plan has been worked out. Development work on specialized motors and motors of small lot are held.

A3. Organization involved and their roles:

OJSC “Mogilev Plant “Electric Motor”,
Nogtich Alexandr Mihaylovich, Chief Engineer, Tel.: (8-0222) 26-56-00,
E-mail: eldvig@mogilev.by, tu@mez.by,
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A4. Project description:

Further growth of production volume of electric motors because of hard competition will be possible only by means of adaption of special motors, spread of dimension type line of motors in the direction of capacity growth, and also development and adaption of absolutely new items for the plant, that can be realized by the way of technical re-equipment. For reaching of assigned tasks the Joint Stock Company needs to realize technical re-equipment of electric motors production, and also row of other productions by means of purchase and introduction of new equipment, intended firstly for production of new motor type, that also helps to delete narrow points in the production cycle and across spread (increase) production volumes already adapted products.

A4a. Project cost:

2,3 million \$.

A5. Background /history/overall programe/related or similar projects:

Doing by own efforts the works to uptake the motors, the plant has a possibility to conduct the design workup, take into account the best technical decisions, applying as in own manufactured product than in same production of the other manufacturer. In combination with the high degree of technological unification (on used parts and nodes, materials, coatings, etc.), there is own test center on the plant, equipped with all necessary techniques and accessories for testing and control of the motors of stable high quality, that is proved by the certification of electric motors production on accordance MS ISO 9001, and also the certification on the right to mark “SE”.

A6. Environmental impact summary:

OJSC “Mogilev Plant “Electric Motors” manufacturing electric motors fulfils all the demands of nature conservation law, that allows to provide ecological safety of the production and constant reduction of ecological pressure on the environment. The main ecological problem of electric motors production – reduction of the emission of volatile organic compounds (VOC), discharged in the process of impregnation of stator pack of electric motor. The furnace cleaning devices of emission of VOC function on the production, that permit to reduce the gross fume discharge of solvents in 95-98% (about 20 tones/year).

A7. Possible obstacles/problems/risk degree:

The reduction of sale market in Russia and foreign countries, hard competition has lead to the reduction of electric motors profitability that can cause the growth of the project recoupment term.

A8. Time period for project implementation and pay-back period (years):

5,0/4,59

A9. Project branch:

B. Capital cost Items

B1. Project physical component:

B2. Capital cost USD million

Erection and design works	0,1
Purchase equipment and its erection	1,8
Production preparation of new items	0,1

B3. Sub-project by location

B4. Capital cost USD million

No

C. Capital Resources Available (owner, associates, sponsors etc.)

C1. Resources, grants, investments, equipments, equity/ownership etc.

C2. Sum, USD million

Own funds (the enterprise income)	1,2
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D. Required Investment, Deficient Funds

D1 Necessary Financing, Required Type of Financial Participation:

Investments

D2 Source of finance	D3. Type of Investment	D4. Amount USD million
Investor Funds	direct investments	1,7
Own funds	direct investments	1,0
Assets from the Fund of the Ministry of Industry of the Republic of Belarus	direct investments	0,2

E. Demand (Users) and Revenues

E1. Type of Users, Volumes, Pricing, Revenues, Estimated Profit/Savings

Machine building enterprises of Russia, Ukraine, the Republic of Belarus, Baltic and foreign countries, and also facilities of nuclear power, gas- and oil-transport nets, enterprises of petrochemistry, paint-and-varnish, mine-oreing.

E2. Financing Sources

E3. Revenues (Sales)

Planned total income from the realization of production and consumer goods as for export than for domestic market for 2011-2014 without VAT	262,02
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F. Transaction and Operating Costs

F1. Costs Components, Capital Allowance Policy, Industrial Engineering etc.

Planned costs of production and its realization for 2011-2015.

F2. Cost item:	F3. Amount
Total material costs	152,317
Labour costs	47,513
Assessments on social needs	16,155
Amortization	10,957
Other costs	11,255
Total costs on the production its realization	238,197
Operating costs	2,144
Unrealized costs	2,383
Taxes and due from income	8,171
Total project investment costs with VAT	2,963

G. Net Income Value

G1. Net Income Value:	G2. Amount
Planned net income for 2011-2015	11,125

H. Project Information Source:

H1. This form was completed by (name, appointment):
Skorobogaty O.K., Planner

H2. Organization:

OJSC :Mogilev Plant “Electric Motor”, the Republic of Belarus, 212649, Mogilev, 8 Koroleva str.

H3. Tel./ Fax/E-mail:

Tel.: (+375 222) 26-43-52,

E-mail: eldvig@mogilev.by, tu@mez.by

H4. Date: March of 2011**H5. Supreme organization:**

Ministry of Industry of the Republic of Belarus