

Making and Production of Heavy Cutting Machines with Table width more than 2,5 m, 5-Coordinate Machining Centers of OJSC “MZOR”

A. Project opportunity description

A1. Project name:

Making and production of heavy cutting machines with table width more than 2,5 m, 5-coordinate machining centers of OJSC “MZOR”

A1a. Short name:

Making and production of heavy cutting machines with table width more than 2,5 m, 5-coordinate machining centers of OJSC “MZOR”

A1b. Full name:

Making and production of heavy cutting machines with table width more than 2,5 m, 5-coordinate machining centers of OJSC “MZOR”

A1c. Summary description:

The project provides for development of current manufacture of OJSC “MZOR” to expand the product range and for uptake of special cutting machine production with table width more than 2,5 m and 5-coordinated machining centers.

A2. Project status:

The technical re-equipment plan of OJSC “MZOR”, providing for creation capacities for uptake of special cutting machine production with table width more than 2,5 m and 5-coordinated machining centers, have been prepared and affirmed. The technical re-equipment business plan of OJSC “MZOR” was developed in the network of Complex program of machine-tool branch development of the Republic of Belarus.

A3. Organization involved and their roles:

OJSC “MZOR”

Butko Viktor Fedorovich – Director General

Morozov Anotoly Viktorovich – Chief Engineer

Shkredov Andrey Aleksandrovich– Deputy Director General on Economy and Finances Tel.: +375-17-227-59-22, Fax: +375-17-227-23-73, www.mzor.com

A4. Project description:

The technical re-equipment plan of OJSC “MZOR” provides for capital investments in the current equipment modernization (16% of total investment volume in basic capital), manufacturing of own machine-tool equipment (27%) and purchase of new one (57%). Consequently the project supplies with the deterioration level of active part of fixed asserts no more than 30%, increases the products volumes by 2,1 times, increases sale profitability to 15%.

A4a. Project cost:

15,0 million \$.

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

Innovation Development Program of the Republic of Belarus for 2011-2015.

Complex program of machine-tool branch development of the Republic of Belarus for 2011-2015.

A6. Environmental impact summary:

Within limits

A7. Possible obstacles/problems/risk degree:

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

5/10

A9. Project branch:

Machine building and tool industry

B. Capital cost Items

B1. Project physical component:

B2. Capital cost USD million

Development and examination of design estimates
Design and erection works
Breakup and carry of equipment
Purchase, manufacture and modernization of equipment
Total

15

15

B3. Sub-project by location

B4. Capital cost USD million

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

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

C2. Sum, USD million

Leasing
Innovative Fund of the Ministry of Industry
Own funds

11

2

2

D. Required Investment, Deficient Funds

D1 Necessary Financing, Required Type of Financial Participation:

D2 Source of finance

D3. Type of Investment

D4. Amount USD million

E. Demand (Users) and Revenues

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

Main product users of OJSC "MZOR" are metallurgical, car production facilities and enterprises of heavy engineering, and also plants of defense complex. Export is mainly realized in Russia and Ukraine.

E2. Financing Sources	E3. Revenues (Sales)
Receipts from product realization (on term of recoupment)	250

F. Transaction and Operating Costs

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

Costs are specified on the recoupment term of the project.

F2. Cost item:	F3. Amount
Material costs	125
Amortization of fixed assets	15
Wage costs, social assessments	70
Others	20
TOTAL	230

G. Net Income Value

G1. Net Income Value:	G2. Amount
Income from product sale (for recoupment term)	20

H. Project Information Source:

H1. This form was completed by (name, appointment): Shkredov A.A., Deputy Director General on Economy and Finances
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H4. Date: March 5 of 2011г.
H5. Supreme organization: Ministry of Industry of the Republic of Belarus