

Technical Re-Equipment of the Enterprise in Order to Diversify Production and Increase Production Volumes

A. Project opportunity description

A1. Project name:

Technical re-equipment of the enterprise in order to diversify production and increase production volumes.

A1c. Summary description:

Development and uptake of range of CNC lathes (horizontal, vertical inverter, multipurpose, car-wheel). The organization of specialized production of shafts and spindles to ensure the needs of machine tool enterprises.

A2. Project status:

There is a business plan, project feasibility study, partially developed technical documentation, prototypes.

A3. Organization involved and their roles:

PRUE "Minsk Automatic Lines Plant named after P.M. Masherov", 18 Dolgobrodskay str., 220033, Minsk
Ministry of Industry of the Republic of Belarus, 2 Partizansky av., block 4, 220033, Minsk

A4. Project description:

Technical re-equipment of the enterprise (necessary equipment): contour band saw, lathes, milling machines, boring machines, machining centers, thermal equipment and others produced in the Republic of Belarus, Germany, South Korea, Turkey and others, reducing production costs.

A4a. Project cost:

25,1225 million \$.

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

"Minsk Automatic Lines Plant" was established in May 1954. In September 1954 the construction of its engineering buildings was begun.

At the same time the special construction department, that immediately started designing of machines projects and automatic lines, was set up.

The first one was tool shop, where technical preproduction was held: manufacturing of tools, equipment, and also the parts manufacture of first machine was begun. The first were departments dealing preproduction.

In November 1957 the first multispindle automatic was produced, and in 1958 the first automatic line was made. 418 cutting machines and 13 automatic lines were already produced in 1960. By the end of 1961 all main and accessory plant shops were set in operation.

In 1975 Minsk Production Association was established to produce automatic lines named after the 60 th anniversary of the October Revolution.

Order of the Minister of Industry of Belarus on May 18, 2002 № 193 "Concerning the termination of the activity of the Minsk production association for

the production of automatic lines named after the 60 th anniversary of the Great October Revolution" Republican Unitary Production Enterprise "MINSK AUTOMATIC LINES PLANT NAMED P.M. MASHEROV (UE MZAL named after P.M. MASHEROV") was reorganized by acceding to the Minsk production association for the production of automatic lines named after the 60 th anniversary of the October Revolution. In accordance with the above-mentioned order of UE "MZAL named after P.M. MASHEROV" is considered the successor of all rights and obligations of the Minsk production association for the production of automatic lines named after the 60 th anniversary of the October Revolution.

Currently the plant is a large machine-tool enterprise with advanced technical facilities and infrastructure, which has highly skilled personnel with broad experience.

The enterprise is situated in the center of Minsk, its occupied area is 21,26 hectare and it has convenient means of transport with all its districts.

The enterprise has a branch line, which allows to ship finished product and take different goods. The enterprise is well connected with the central traffic arteries of Minsk, driveways provide reception and shipment of automotive goods. The major organizations that provide electricity and heat energy are heart station-3 and "Minskenergo". Gas supply is carried out centrally on the "Mingaz". Water produced from its own wells.

A6. Environmental impact summary:

There is no any influence.

A7. Possible obstacles/problems/risk degree:

There is lack of own funds for full project realization.

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

5/6,5

A9. Project branch:

Machine building industry

B. Capital cost Items

B1. Project physical component:

B2. Capital cost USD million

Purchase and delivery of equipment

25,1225

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

Own funds

2,2

D. Required Investment, Deficient Funds

D1 Necessary Financing, Required Type of Financial Participation:

Lending, equity participation, creation of joint venture, etc.

D2 Source of finance	D3. Type of Investment	D4. Amount USD million
Foreign investment funds	Credits, foreign direct investments portfolio investment, leasing (combinations are possible)	22,9225

E. Demand (Users) and Revenues**E1. Type of Users, Volumes, Pricing, Revenues, Estimated Profit/Savings**

Automobile, tractor enterprises in Russia, the Republic of Belarus and others., 220...250 unit/year, 320 thousand USA dollars/unit. 3...4 mln. \$/year

E2. Financing Sources	E3. Revenues (Sales)
Income	75,0 per year

F. Transaction and Operating Costs**F1. Costs Components, Capital Allowance Policy, Industrial Engineering etc.**

F2. Cost item:	F3. Amount
Manufacturing cost	71...72 per year

G. Net Income Value

G1. Net Income Value:	G2. Amount
Net profit	3...4 per year

H. Project Information Source:**H1. This form was completed by (name, appointment):**

Kalach Valery Nikolaevich, Head of Technology Services

H2. Organization:

PRUE "Minsk Automatic Lines Plant named after P.M. Masherov", 18 Dolgobrodskay str., 220033, Minsk

H3. Tel./ Fax/E-mail:

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H4. Date: 03.03.2011**H5. Supreme organization:**

Ministry of Industry of the Republic of Belarus