

Catalog of investment projects proposed for the implementation in the territories liberated from occupation

Overview

S/S	Project name	Project value (mln. AZN)	Proposed project location
1	Production of modern types of roof coverings and different color flat facade plates made of fiber cement (cellulose fibers) construction material.	-	Aghdam Industrial Park, Aghdam district
2	Production of flooring and facing tiles	~85	Aghdam Industrial Park, Aghdam district
3	Production of sanitaryware products	-	Aghdam Industrial Park, Aghdam district
4	Leather production and processing	~3	Aghdam Industrial Park, Aghdam district
5	Reconstruction and construction of hydroelectric power plants	-	Kalbajar and Lachin districts
6	Establishment of Logistics Center	~20	Jabrayil District
7	Construction of a mineral water production facility	~3	Kalbajar district
8	Reconstruction of the Istisu resort	-	Kalbajar district
9	Establishment of winery enterprise	~20	Fuzuli district
10	Tobacco processing	~1	Gubadli district

Production of modern types of roof coverings and different color flat facade plates made of fiber cement (cellulose fibers) construction material

Project name	Production of modern types of roof coverings and different color flat facade plates made of fiber cement (cellulose fibers) construction material.								
Project summary	Establishing a 6 mln. m ² per year production of modern types of different color roofing materials and flat facade panels made of domestic and imported raw materials.								
Demand for raw materials	Domestic: - Cement, sand, kaolin, limestone. Imported: - Paints, cellulose, silicone, polymer, foam.								
Cost of future production	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;">Corrugated sheet</td> <td style="width: 50%; vertical-align: top;">Flat sheet</td> </tr> <tr> <td>Tuscany painted: 2.57 AZN/ m²</td> <td>Painted - pressed : 2.63 AZN/ m²</td> </tr> <tr> <td>P6 painted: 3.05 AZN/ m²</td> <td>Pressed - Unpainted: 2.27 AZN/ m²</td> </tr> <tr> <td>P6 unpainted: 3.06 AZN/ m²</td> <td>Unpressed - Unpainted: 2.27 AZN/ m²</td> </tr> </table>	Corrugated sheet	Flat sheet	Tuscany painted: 2.57 AZN/ m ²	Painted - pressed : 2.63 AZN/ m ²	P6 painted: 3.05 AZN/ m ²	Pressed - Unpainted: 2.27 AZN/ m ²	P6 unpainted: 3.06 AZN/ m ²	Unpressed - Unpainted: 2.27 AZN/ m ²
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Necessary infrastructure	Project requirements (per annum): Electrical power: 15.6 -17 mln. kW/h Water: 64-100 mln. m ³ Natural gas: 1.7-2.8 mln. m ³								
Logistics	Direct access to the railway track in the Aghdam district. Aghdam IP – Barda - Ganja = 165 km. Aghdam IP - Tartar - Ganja = 135 km. Aghdam IP – Yevlakh - Baku = 400 km. Aghdam IP – Bilasuvar - Baku = 350 km.								
Project advantages	<ol style="list-style-type: none"> 1. While resisting mechanical stress, the products withstand corrosion and decay as well as exhibit durability (over 50 years); 2. Easy to process and operate; 3. High prices for metal roofing materials cause interest in alternative products. 								

<p>Market:</p>	<p>Import 2020: 69.6 thousand tons (30 mln. m²) of sheet metal totaling 56 mln. USD The metal sheet roofing is selling at 7.6 - 13.3 AZN. The cost of a fiber cement roof ranges from 2.39 to 2.87 AZN. Given the size of the market, a certain market share can be acquired by optimizing the production costs of the project.</p>
<p>Project value</p>	<p>—</p>
<p>Proposed project location</p>	<p>Aghdam Industrial Park (IP)</p>
<p>State support</p>	<ol style="list-style-type: none"> 1. Customs and tax benefits for an industrial park resident; 2. Preferential loan; 3. External infrastructure support ensured by the state.
<p>Note</p>	<p>Azerbaijan Fiber Cement LLC -in 05.02.2015 awarded the status of a resident of the SCIP; -in 21.05.2020, the resident status was canceled. Project implementation status: ·The total cost of the equipment amounts to 25.4 mln. euros The cost of the equipment totals 19.1 mln. euros, of which: - The cost of imported equipment amounts to 13.5 mln. euros; - The cost of non-imported equipment: 5.6 mln. euros The cost of equipment requiring no payment: 6.3 mln. euros Liabilities of the enterprise: ·Total amount of liabilities: 11.3 mln. AZN, including: -Accounts payable: 8.5 mln. AZN (OJSC "AtaBank"); - Cancellation of benefits applied to the equipment imported into the country because of the revocation of the resident status: 2.3 mln. AZN;</p>

Note

- The rental fee payable to store the imported equipment in the warehouse: **6,000 AZN** ;
- Storage of prepaid (**5.6 mln. euro**) equipment in Austria - **45,000 euro** (90,000 AZN) - and delivery of this equipment to Azerbaijan approximately amounts to **150,000 - 200,000 euro** (300 - 400 thousand AZN);

Additional points:

- Existence of necessary conditions to implement the project in the Aghdam Industrial Park;
- It is necessary to re-evaluate the project to research the supply of raw materials and marketing opportunities;
- The possibility of importing the non-payable equipment from other countries (China).

