INVESTMENT PROJECT
on production of polypropylene pipes (PP pipes) in the "Mogilev" Free Economic Zone

POLYPROPYLENE PIPES MARKET

- The polymer pipe and fittings market is growing rapidly, with this growth rate now being observed for the third year. Last year, the volume of polymer pipes and fittings produced in Russia amounted to 1.167 million tons, representing a 9.9% increase over the 2022 figure and a 42.2% increase over the 2021 figure. This is a record-breaking figure.
- Demand for polymer pipes and fittings will continue to be driven by the growing pace of construction, utility modernization, and government programs. Some experts believe that the housing and utilities modernization program, scheduled for 2023–2027, will be the primary driver and support for production.

PROJECT GOALS

- Import-substituting production of PP pipes of various diameters
- Supplies of PP pipes for civil and industrial construction
- Supplies of PP pipes for scheduled maintenance of housing and communal services facilities
- Supplies of PP pipes to meet consumer demand
- Export supplies of PP pipes

PRODUCT DESCRIPTION

Polypropylene pipes with diameters from 16 to 125 mm for:

- Cold and hot water supply
- Heating and air conditioning
- Sewerage and groundwater drainage
- Construction of drainage and land reclamation systems

INVESTMENT COSTS AND FINANCIAL FORECASTS

- Investment volume from 1.5 to 3.3 million euro
- Revenue (year 2-3): 3-7 million euro
- Profitability: 15-25%
- Payback period: 3-5 years

TECHNOLOGY AND PRODUCTION

- **EQUIPMENT:**
  Extrusion lines (can be imported from China or Turkey)
- **RAW MATERIALS:**
  Polypropylene granules (PPR-80, PPR-100)
- **MAIN SUPPLIERS OF RAW MATERIALS:**
  Russia (Polyplastic, SIBUR, NTP Trust, etc.)
  China (Kingfa Science & Technology Co., Ltd., Wanhua Chemical Group Co., Ltd., etc.)
  Saudi Arabia (Saudi Basic Industries Corporation, Advanced Petrochemical Company, etc.)
- **TECHNOLOGICAL PROCESS:**
  Raw material procurement – Extrusion – Calibration – Marking – Cutting – Packaging
- **PRODUCTION CAPACITY:**
  From 1,500 to 2,500 tons of pipes per year

FINANCIAL MODEL OF AN INVESTMENT PROJECT

- **INVESTMENT COSTS:**

1. Purchase of extrusion lines 500,000 - 1,200,000 euro
2. Tooling and auxiliary equipment 200,000 - 400,000 euro
3. Installation and commissioning 100,000 - 200,000 euro
4. Rent and preparation of production premises (1000-2000 m²) 200,000 - 500,000 euro
5. Working capital (raw materials, wages) 500,000 - 1,000,000 euro

Total: from 1,500,000 to 3,300,000 euro

SALES MARKETS

The Republic of Belarus, the Russian Federation, Kazakhstan, Azerbaijan, Türkiye, the UAE and others

QUALIFIED STAFF

7 higher education institutions
34 vocational schools and lyceums