

**PASSPORT**  
of the investment project

**"Organization of production of leather and footwear complex (leather, footwear and leather goods)**

1. The contracting authority of project– Assosiation of "Uzbekcharmoyabzali"
2. The purpose of the project  
(brief description of the project) - saturation of the domestic market and increasing the export potential
3. Investment direction - new construction
4. Foreign partners and investors -
5. Project Location - Uzbekistan

№	The name of indicators	Unit	Project options
1	The total cost of the project, incl.:	million US dollars.	7,0
1.1.	in freely convertible currency (SLE)	million US dollars.	4,0
1.2.	in national currency	million US dollars.	3,0
2	Costs in foreign currency, total	million US dollars.	4,0
2.1.	incl: for purchase equipment	million US dollars.	4,0
3	Costs in local currency, total	million US dollars.	3,0
3.1.	for construction and installation work	million US dollars.	2,5
3.2.	other	million US dollars.	0,5
4	Sources of financing::		
4.1.	foreign investments and loans, total	million US dollars.	3,0
4.2.	own funds	million US dollars.	1,0
4.3.	loans from commercial banks of the Republic of Uzbekistan	million US dollars.	3,0
5	Duration of construction works	month	18
5.1.	start date	month, year	
5.2.	date of putting into operation	month, year	
6	Term of payback, total	year	
	<b>Expected results from project realization</b>		
7	Annual volume of manufactured products, services in volume terms	leather - mln.sq.dm. shoes - thous pairs. leather goods - thous PC	30 800 200
7.1.	incl.: for export	leather - mln.sq.dm. shoes - thous pairs. leather goods - thous PC	10 480 120
7.2.	to the domestic market	leather - mln.sq.dm. shoes - thous pairs. leather goods - thous PC	20 320 80
8	Annual volume of manufactured products, sservices in money terms	million US dollars.	25,5
8.1.	incl.: for export	million US dollars.	15,3
8.2.	to the domestic market	million US dollars.	10,2
9	Prospective commodity markets of production:		
9.1.	internal	%	40
9.2.	external	%	60
10	The number of new jobs created	pax	200

**ПАСПОРТ**  
инвестиционного проекта

**"Организация производства кожевенно-обувного комплекса (кожа, обувь и кожгалантерейные изделия)  
в Республики Узбекистан**

1. Организация-заказчик проекта – Ассоциация "Узбекчармпойабзали"
2. Цель проекта (краткое описание проекта) – Насыщение внутреннего рынка и повышение экспортного потенциала
3. Направление инвестиций – новое строительство
4. Иностраный партнер и инвестор –
5. Местонахождение проекта – Узбекистан

№	Наименование показателей	Единица измерения	Параметры проекта
1	Общая стоимость проекта, в т.ч.:	млн.долл.	7,0
1.1.	в СКВ	млн.долл.	4,0
1.2.	в национальной валюте	млн.долл.	3,0
2	Затраты в СКВ, всего	млн.долл.	4,0
2.1.	в т.ч. для приобретения оборудования	млн.долл.	4,0
3	Затраты в национальной валюте, всего	млн.долл.	3,0
3.1.	на строительные-монтажные работы	млн.долл.	2,5
3.2.	прочие	млн.долл.	0,5
4	Источники финансирования:		
4.1.	иностранные инвестиции и кредиты, всего	млн.долл.	3,0
4.2.	собственные средства	млн.долл.	1,0
4.3.	кредиты коммерческих банков Республики Узбекистан	млн.долл.	3,0
5	Продолжительность строительства, всего	мес.	18
5.1.	дата начала работ	мес.год	
5.2.	дата ввода объекта в эксплуатацию	мес.год	
6	Срок окупаемости проекта, всего	год	
	<b>Ожидаемый результат от реализации проекта</b>		
7	Ежегодный объем выпускаемой продукции, услуг в натуральном выражении	кожа - млн.кв.дм. обувь - тыс. пар. кожгалан - тыс.шт.	30 800 200
7.1.	в т.ч. на экспорт	кожа - млн.кв.дм. обувь - тыс. пар. кожгалан - тыс.шт.	10 480 120
7.2.	на внутренний рынок	кожа - млн.кв.дм. обувь - тыс. пар. кожгалан - тыс.шт.	20 320 80
8	Ежегодный объем выпускаемой продукции, услуг в денежном выражении	млн.долл.	25,5
8.1.	в т.ч. на экспорт	млн.долл.	15,3
8.2.	на внутренний рынок	млн.долл.	10,2
9	Предполагаемые рынки сбыта продукции:		
9.1.	внутренний	%	40
9.2.	внешний	%	60
11	Количество создаваемых новых рабочих мест	чел.	200

**List of products for export**

<b>Exported leather of large-horned cattle</b>			
<b>№</b>	<b>Name of product</b>	<b>Units.</b>	<b>Price in USD</b>
1	"Wet -Blue"	pieces	45-57
2	"Crust"	sq.m.	18-25
3	"Finish"	sq.m.	25-35

<b>Exported skin of small cattle (sheepskin and goat)</b>			
<b>№</b>	<b>Name of product</b>	<b>Units.</b>	<b>Price in USD</b>
1	"Wet -Blue"	pieces	3-4
2	"Crust"	sq.m.	6-8
3	"Finish"	sq.m.	7-10



# PROMISING COOPERATION IN THE LEATHER AND FOOTWEAR INDUSTRY OF UZBEKISTAN

2018

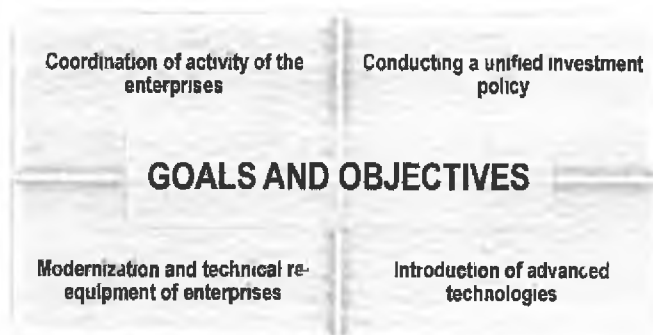
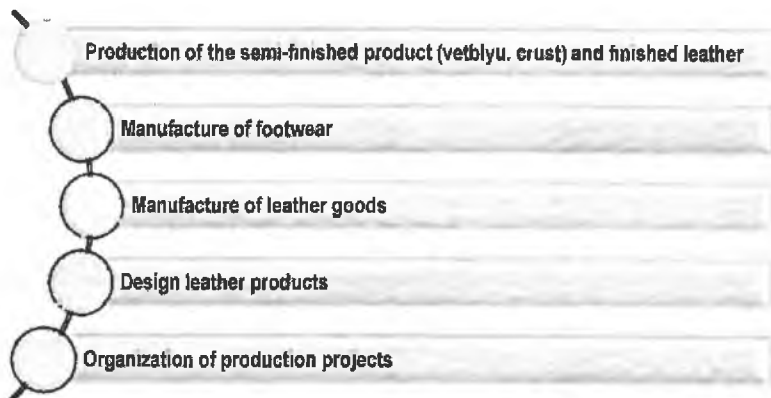
## THE ASSOCIATION OF LEATHER AND SHOES ENTERPRISES OF UZBEKISTAN



O'zbekchampionat

**252**  
Branch enterprises

- 6** companies for procurement of raw hides
- 57** enterprises for the production of leather
- 28** enterprises for the production of leather goods
- 131** enterprises for the production of footwear
- 17** complexes for automated slaughter of cattle
- 13** procurement offices



**26 000 work places**

# DYNAMICS AND STRUCTURE OF ACTUAL AND FORECAST INDICATORS OF FOOTWEAR

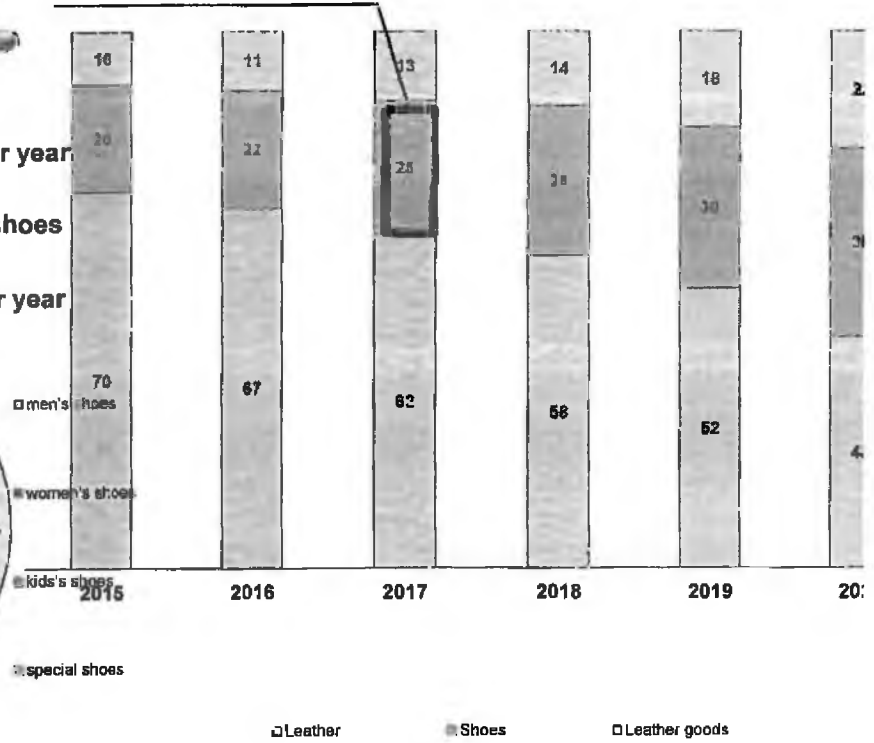
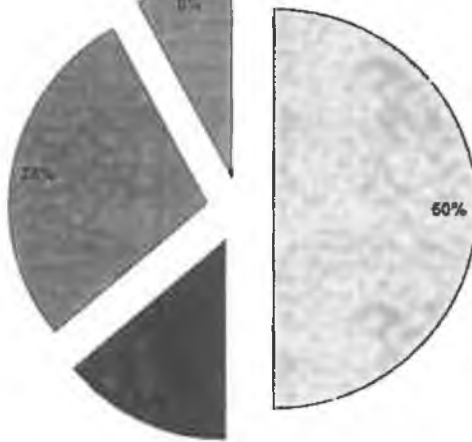
## PRODUCTION DYNAMICS AND FORECAST FOR THE DIVERSIFICATION OF THE PRODUCTION STRUCTURE, %



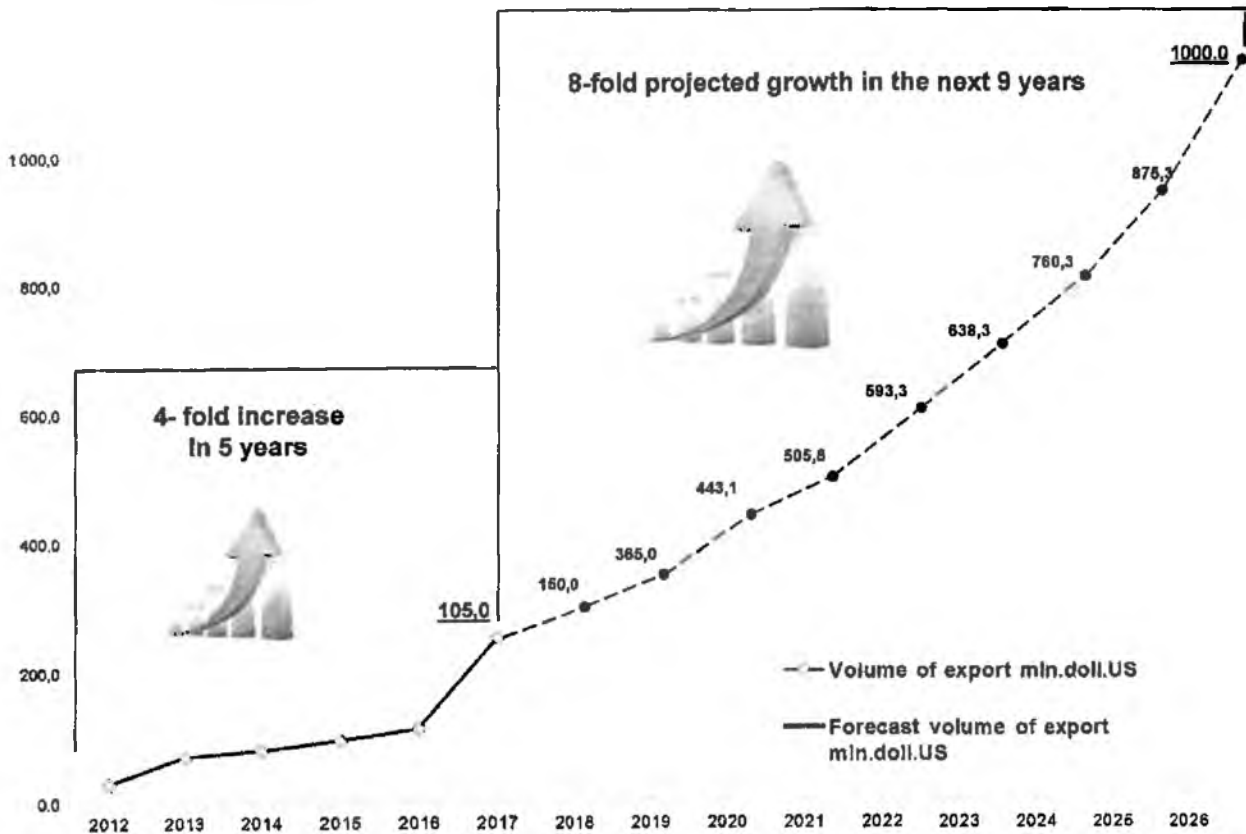
17 million pairs of shoes per year

55% Production - leather shoes

450 mtr. square meters per year



## ACTUAL AND FORECASTED EXPORT FIGURES IN THE INDUSTRY



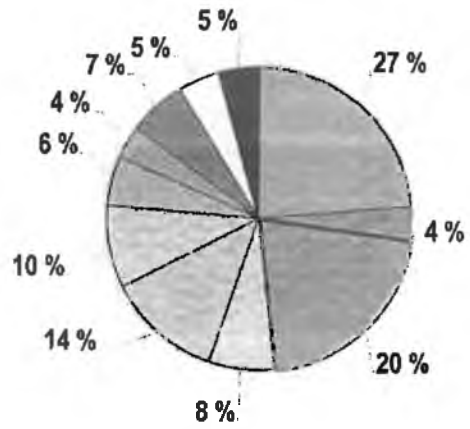
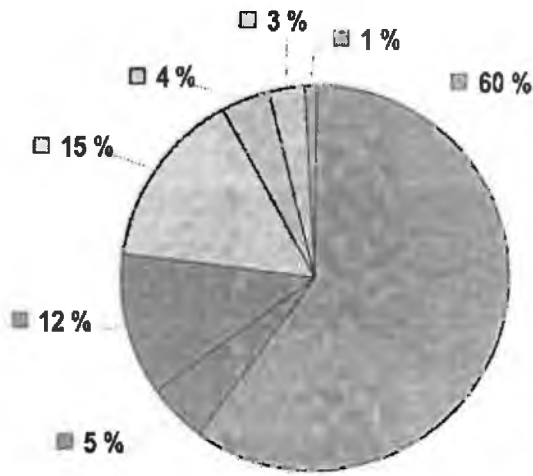
FORECAST VOLUME OF EXPORTS FOR 2018. - 150,0 mln.doll.US

FORECAST VOLUME OF EXPORTS FOR 2026. - 1 billion.doll.US

## GEOGRAPHY OF EXPORTS

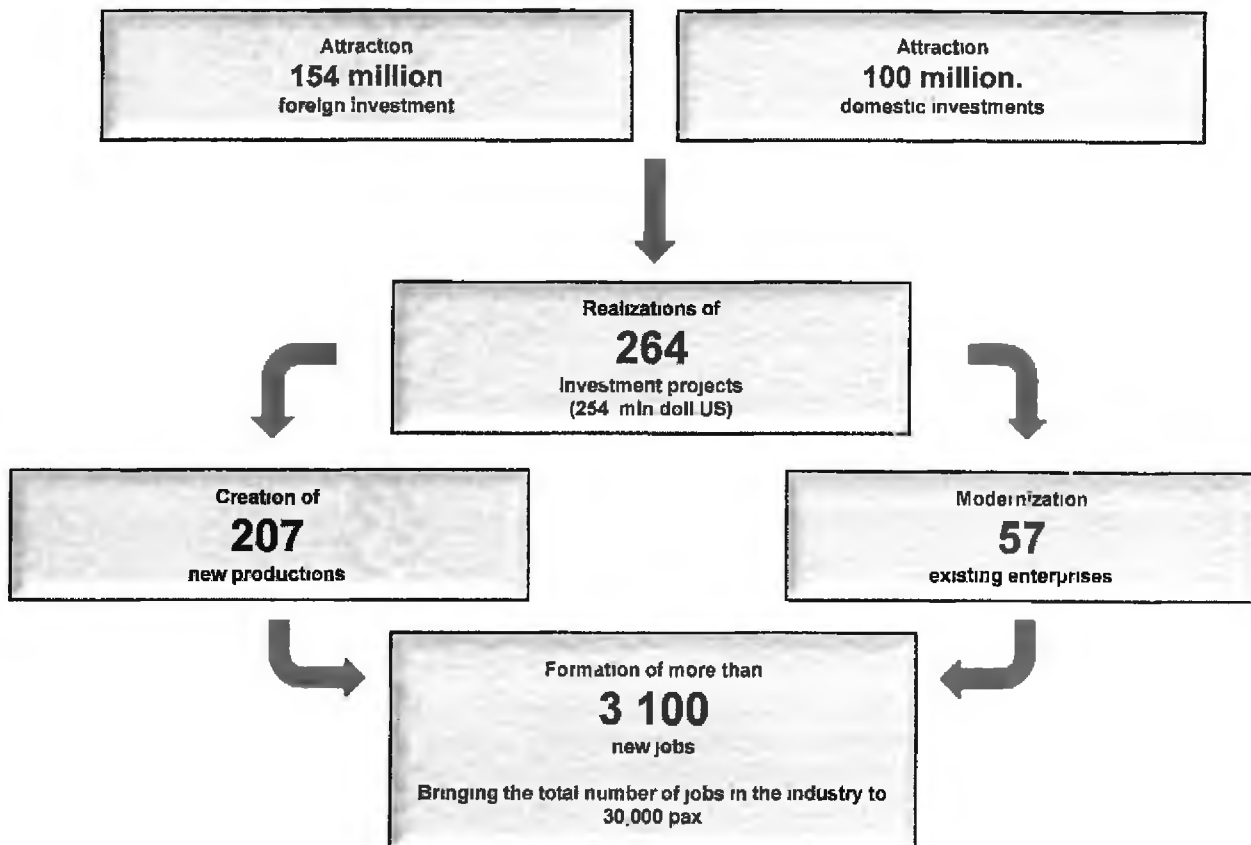
**2018**

**2026**



- |          |              |         |          |          |              |                  |          |
|----------|--------------|---------|----------|----------|--------------|------------------|----------|
| □ China  | ▨ Pakistan   | ● India | □ Turkey | □ China  | ▨ Pakistan   | ■ India          | □ Turkey |
| □ Russia | □ Kazakhstan | □ Korea |          | □ Russia | □ Kazakhstan | □ Korea          | ▨ Poland |
|          |              |         |          | ● Italy  | □ Spain      | ■ Czech Republic |          |

### PLAN OF MEASURES AND REFORMS FOR 2018.

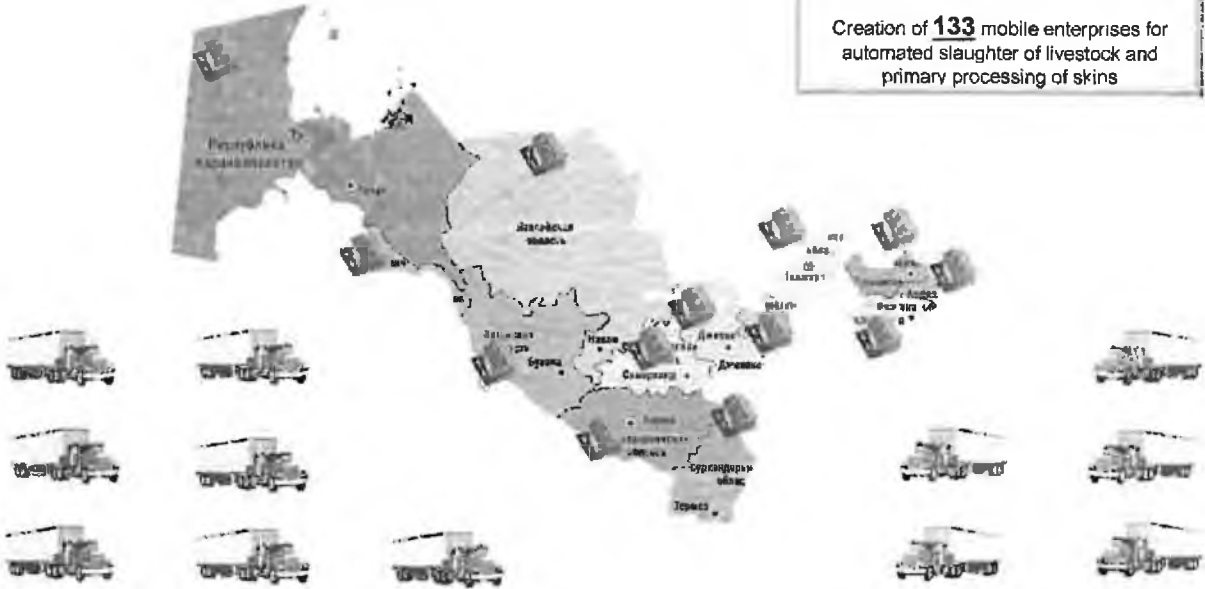


# Improved technology and formation of the primary processing of hides In 2018-2020

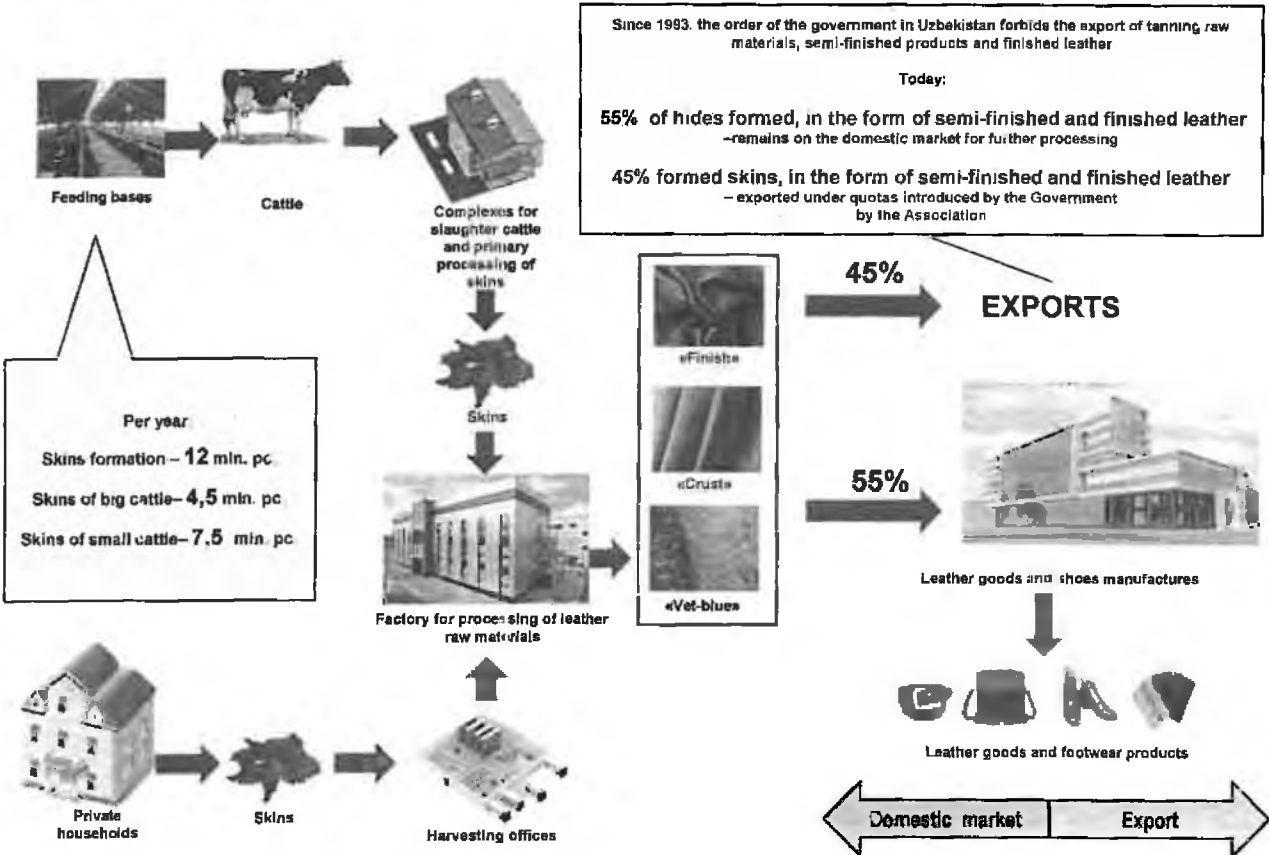
**In 2018-2019**  
Creation of **50** large complexes for automated slaughter of livestock and primary processing of skins by regions of the republic

---

**In 2019-2020**  
Creation of **133** mobile enterprises for automated slaughter of livestock and primary processing of skins



## The integrated production chain in the industry



## FACTORS FORMING A LOW COST OF UZBEK FOOTWEAR AND LEATHER GOODS

### State support in the form of tax preferences:

#### Income tax, single tax payment, land taxes, property tax, Deductions to off-budget funds

Exemption of the created enterprises from all types of taxes (except deductions from the FOT) for a period of **5 years** since inception

Exemption of operating enterprises from all types of taxes (except deductions from the WFP) **Until 2023**

#### Value Added Tax

VAT refund on export operations

Import of technological equipment without charging VAT

Applying a zero VAT rate when exporting goods of own production

Import of raw materials, materials and blanks for use in own production without charging VAT



## FACTORS FORMING A LOW COST OF UZBEK FOOTWEAR AND LEATHER GOODS

### State support in the form of customs privileges :

Exemption from payment of customs duties for the import of raw materials and materials not produced in the republic, used for the production of non-food consumer goods

Exemption from customs payments (except customs clearance fees) for more than 120 types of imported chemicals and components



Proximity and availability of simplified customs regulations with CIS countries, whose population is more than 280 million people



## FACTORS FORMING A LOW COST OF UZBEK FOOTWEAR AND LEATHER GOODS

A special program of preferential crediting

Issuance of loans at a preferential rate of 3-4% per annum in foreign currency

Market rates on commercial loans are 14-18% per annum

Presence of the grace period for a period of 6 to 24 months

The loyal attitude of credit institutions and the ability to carry out restructuring of loans issued on the basis of market conditions

An alternative method of lending through financing of enterprises through the Fund for the Development of the Leather and Footwear Industry

Sources of Fund replenishment:  
Loans of banks at a rate of 2/3 of the refinancing rate;  
Deductions of enterprises (with a decrease in their taxable base);  
Other sources



## FACTORS FORMING A LOW COST OF UZBEK FOOTWEAR AND LEATHER GOODS

High-quality raw materials



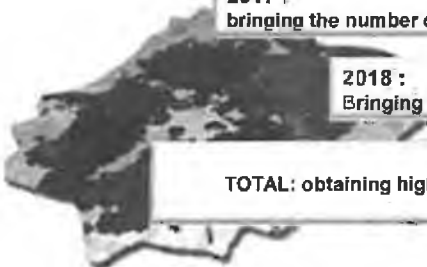
**Creation of modern complexes for automated slaughter of livestock and primary processing of skins**

**2016 :**  
17 exemplary complexes in all regions of the republic

**2017 :**  
bringing the number of complexes and mini-complexes (including mobile ones) to 150 units

**2018 :**  
Bringing the number of complexes and mini-complexes to 190 units in the republic

**TOTAL:** obtaining high-quality raw materials by using modern technologies at the initial stage of production



# FACTORS FORMING A LOW COST OF UZBEK FOOTWEAR AND LEATHER GOODS

## Low cost of energy resources



**SECURITY AND LOW PRICES ON ENERGY RESOURCES**

# FACTORS FORMING A LOW COST OF UZBEK FOOTWEAR AND LEATHER GOODS

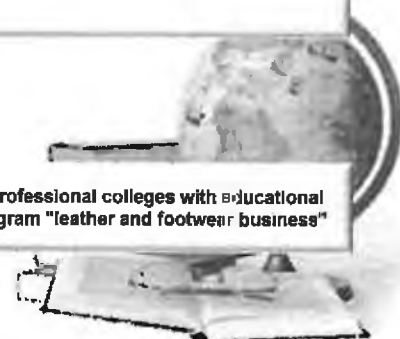
## Highly skilled and relatively cheap labor force

### Specialized secondary technical education

Professional colleges  
of light industry  
48 units



Creation of new professional colleges with educational  
specialization program "leather and footwear business"



### Higher specialized technical education

Tashkent Institute  
Textile and light industry  
(Department of leather and footwear business)



Creation of department  
«Leather and footwear business»

### Training of specialists and teachers

Association «Uzbekcharpoyabzali»



Industry Training Center at "Uzbekcharpoyabzali" Association on  
the basis of the Tashkent Institute of Textile and Light Industry

Tashkent Institute  
Textile and light industry



**PROPOSED DIRECTIONS FOR CREATION OF NEW PRODUCTION IN FORM JV, FE, JSC**

**Organization of footwear production**

- Creating a new production of men's shoes - 4 mln pairs per year;
- Creating a new production of women's shoes - 4 mln pairs per year;
- Creating a new production of kid's shoes - 6 mln pairs per year;
- Creating a new production of sport's shoes - 2 mln pairs per year.

**Organization of production of leather goods**

- Creation of new manufactures of women's bags (bags, wallets, etc.)
- Creation of new productions for children's bags (briefcases, backpacks, etc.),
- Creation of new manufactures of men's leather goods (purses, purses, belts, etc.) -10 million pieces.

**Creation of new production, expansion and modernization of existing enterprises for finished leather**

20,0 million square meters of finished leather for shoes, leather goods, etc.

**PROPOSED DIRECTIONS FOR CREATION OF NEW PRODUCTION IN FORM JV, FE, JSC**

**Create a new production of leather garments**

**Creation of a new production facility for the production of rubber and TIC soles**

Production capacity up to 1 million pairs.

The proposed investment amount is up to \$ 2 million.

**Creation of a new manufacture for the production of accessories for footwear and leather goods**

Production capacity up to 100 ton.

The proposed investment amount is up to \$ 1,0 million.

**THANK YOU FOR YOUR  
ATTENTION**

