



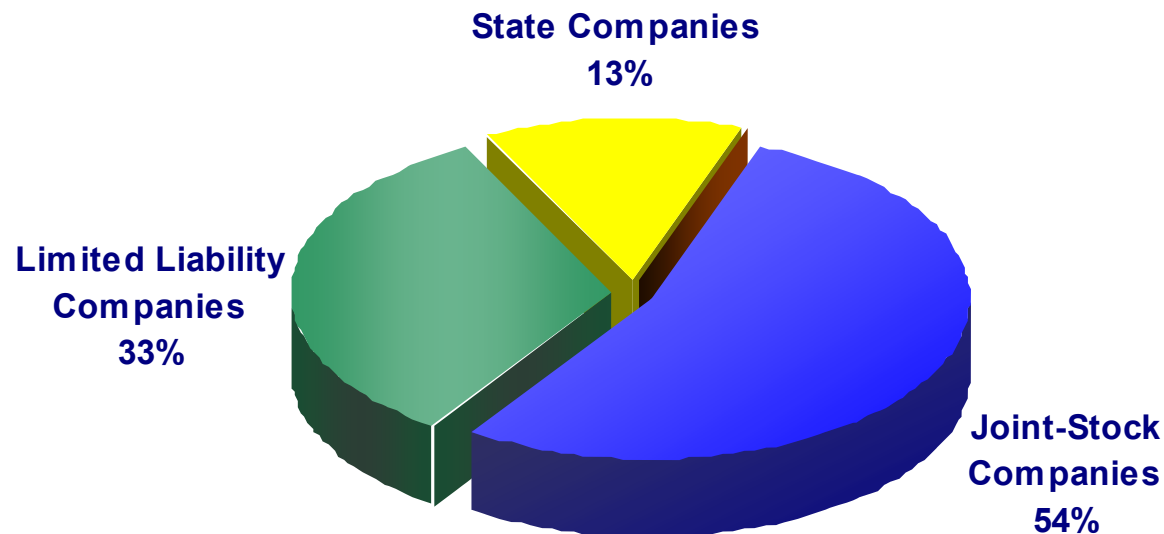
INVESTMENT OPPORTUNITIES OF ELECTROTECHNICAL INDUSTRY OF THE REPUBLIC OF UZBEKISTAN

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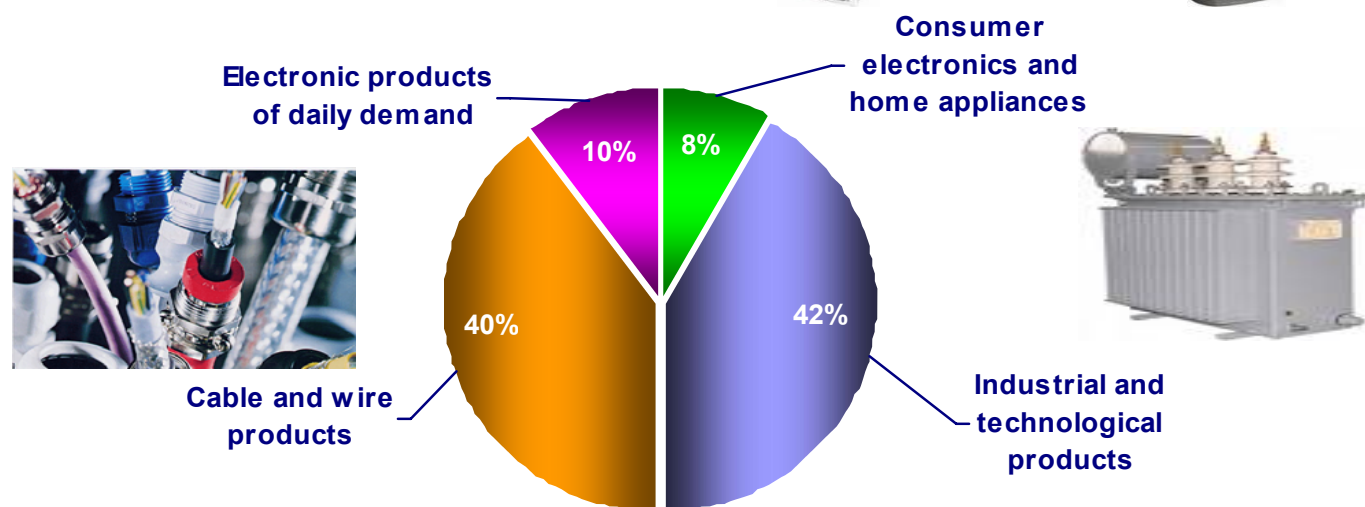
“UZELTEHSANOAT”

Uzbekistan Association of Radio-electronics, Electro-technical
and Instrumentation Enterprises “UZELTEHSANOAT”
was established in 1994

Ownership forms of the “UZELTEHSANOAT” Companies



PRODUCTION STRUCTURE OF THE COMPANIES OF “UZELTEHSANOAT”



COMPANIES OF “UZELTEHSANOAT”

Cable and wire products:

- JSC JV “Deutsche Kabel AG Tashkent”
- JSC JV “Uzcable”
- JSC JV “Andijancable”

Low and high voltage equipment:

- JSC JV “Uzelectroapparat-Electroshield”
- JSC “Relay and Automatics”

Electro-technical and telecommunication products:

- JSC “Foton”
- JSC “Algoritm”
- JSC “Oniks”
- JV “UMT-Radio”
- JV “Uzglaszayden”
- SRI “Microelektronika”
- SPC “Kvark”
- EKB “Foton”
- LLC “RTO VT”
- LLC “Elxolding” & JSC “Kinap”



COMPANIES OF “UZELTEHSANOAT”



Power transformers, electrical products and elevators:

- JSC JV “Chirchik Transformer Plant”
- JSC “Uzelektroterm”
- JSC “Kokand teh-invest”
- JSC “Anzis”
- JSC “Samarkand Elevator Plant”



Consumer electronics and home appliances:

- JSC “Sino”
- JSC “Algoritm”
- JSC “Zenit Electronics”
- JV “Idas Electronics System”



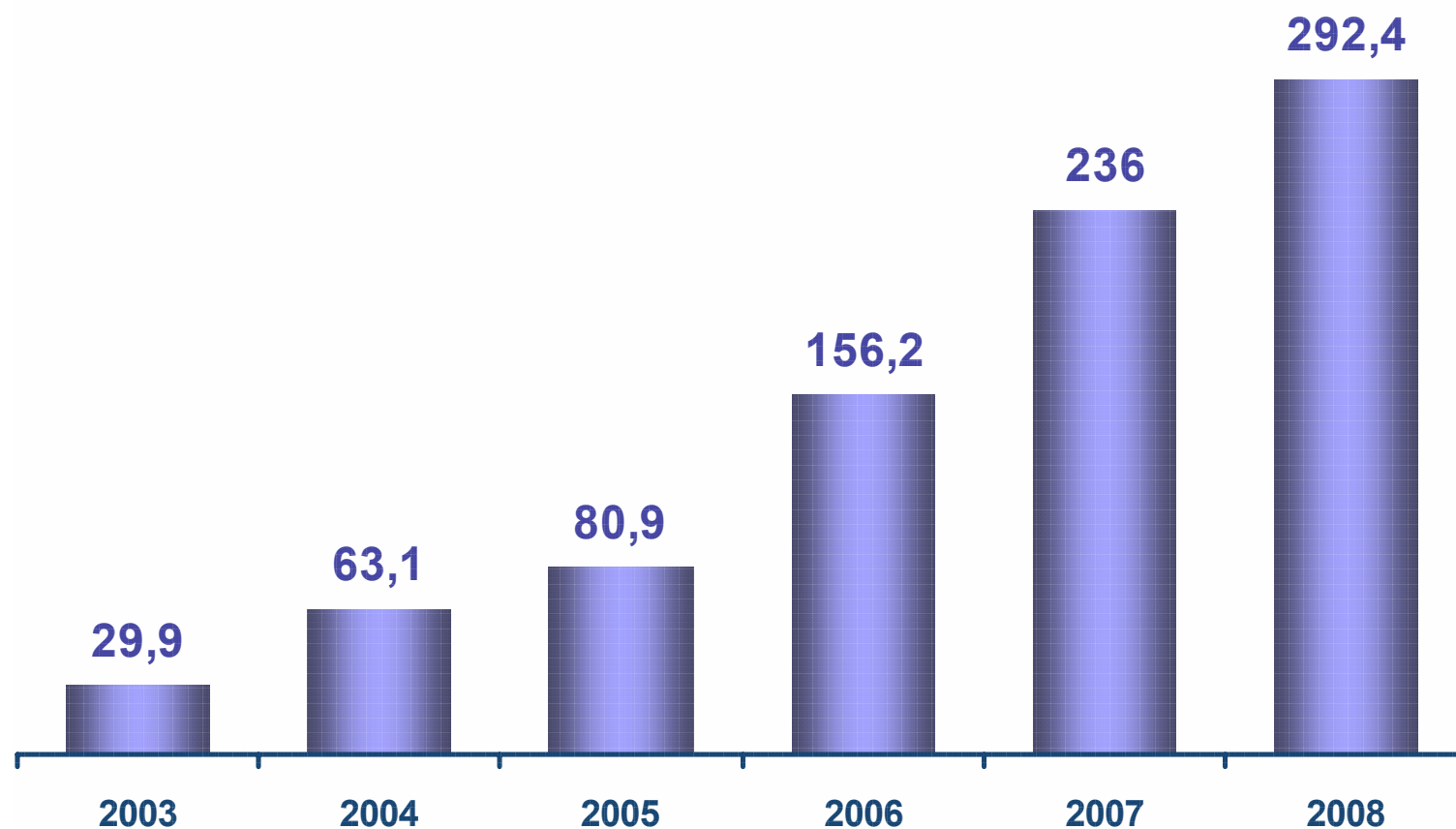
Service companies:

- LLC “Elektroremont”
- LLC “Elektronika”



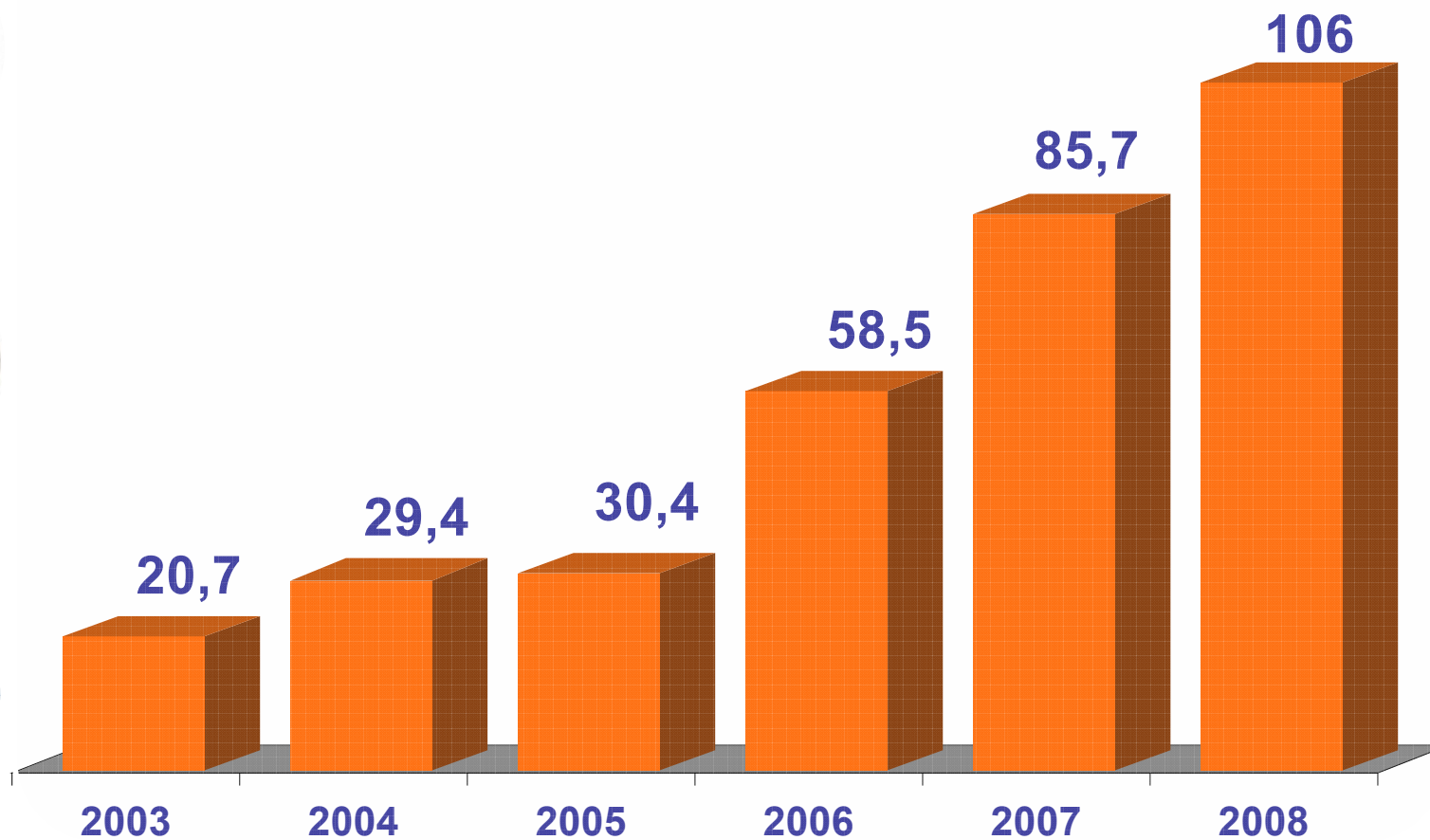
PRODUCTION GROWTH IN 2003-2008

million USD



EXPORT GROWTH IN 2003-2008

million USD



CONDITIONS FOR PRODUCTION DEVELOPMENT



+ Convenient geographical location of Uzbekistan in Central Asia with population more than 26,5 million

+ Quantity of households is more than 5,4 million families. About 250 thousand new households are created annually.



+ The region is rich with natural resources

+ Well developed industrial potential and inexpensive qualified human resources



+ Consumer electronics and home appliances market practically have not been yet possessed by local producers. Presence of huge demand for home appliances with well-known brands

+ Government of Uzbekistan provides a wide range of privileges and preferences for investors who produce consumer commodities and components for them

DEMAND FOR ELECTRONICS AND HOME APPLIANCES IN LOCAL MARKET



№	Products	Provision of 100 families in 2008, pcs	Rated quantity of appliances in families, thousand pcs	Period of substitution, years	Rated annual demand taking into account new created families, thousand pcs			
					2009	2010	2011	2012
1	Refrigerators and freezers	82	4428	12	370	377	385	393
2	TV-sets	98	5292	10	530	541	551	562
3	Computers	51	2776	3	930	949	968	987
4	DVD, CD-players	59	3159	5	630	643	655	669
5	Washing machines	55	2970	12	250	255	260	265
6	Air-conditioners	26	1404	7	200	204	208	212
7	Stationary and mobile phones	290	15660	2	3900	3950	4030	4110
8	Electric kettles	20	1080	3	100	102	104	106
9	Electric irons	98	5292	5	400	408	416	424
10	Hair driers	12	648	2	130	133	135	138
11	Juice makers	8	432	5	100	102	104	106
12	Toasters & Mixers	20	1080	5	50	51	52	53
13	Vacuum cleaners	20	1080	8	300	306	312	318

DEMAND FOR ELECTRONICS AND HOME APPLIANCES IN LOCAL MARKET



№	Products	Provision of 100 families in 2008, pcs	Rated quantity of appliances in families, thousand pcs	Period of substitution, Years	Rated annual demand taking into account new created families, thousand pcs			
					2009	2010	2011	2012
14	Fans	60	3240	3	150	153	156	159
15	Electric heaters	20	1080	5	100	102	104	106
16	Gas and electric stoves	98	5292	15	70	71	73	74
17	Calculators	50	2700	3	50	51	52	53
18	Microwave ovens	7	378	7	150	153	156	159
19	TV antennas	98	5292	5	60	61	62	64
* Number of Households - 5,4 mln.								
** approximate number of annually created new families – 248 thousand								
*** 60% families (3,24 mln.) live in rural area, 40% families (2,16 mln.) are urban population								
**** Annual population growth - 2 %								



DEVELOPMENT STRATEGY FOR ELECTROTECHNICAL INDUSTRY FOR THE PERIOD 2009-2012

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ELECTROTECHNICAL INDUSTRY DEVELOPMENT STRATEGY



✚ At present the draft of the Electrotechnical Industry Development Strategy till 2012 has been prepared and submitted to the Government for endorsement.

✚ The major purpose of the Strategy is a creation of new enterprises and modernization of technological equipment for production of high-quality consumer electronics and home appliances.

✚ The Strategy aims at attracting to the country leading world-wide producers of consumer electronics and home appliances.

✚ Companies included in the Strategy will be provided with tax and customs privileges and preferences.

MAIN DIRECTIONS OF THE STRATEGY



+ Production of Electro-technical consumer products (refrigerators, TV-sets, computers, washing machines, gas and electric stoves and others)



+ Production of Cable and semi-conductor products (wires, LAN-cables, communication cables, high-voltage cables, isolated wires, household wires)



+ Production of Industrial and technological products (transformers, elevators, low-voltage equipment, photo-electric stations, electrical heaters)

+ Production of Electro-technical products of daily demand (lighting devices, high-quality ware, paints, wiring products)

PRIVILEGES AND PREFERENCES PROVIDED BY ELECTROTECHNICAL INDUSTRY DEVELOPMENT STRATEGY

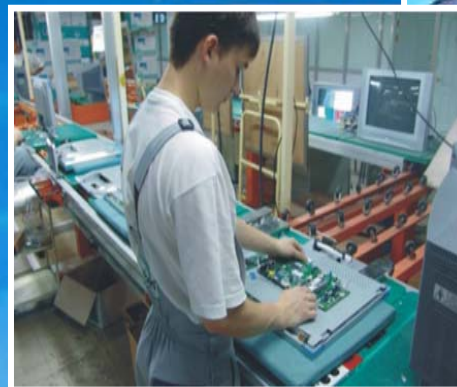
**Companies with projects included in the
Electrotechnical Industry Development Strategy
are exempted from:**



**+ customs duties for importing equipments,
parts and components for manufacturing
products**

+ income tax

+ property and land taxes



PERSPECTIVE INVESTMENT PROJECTS

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CONSUMER ELECTRONICS AND HOME APPLIANCES PRODUCTION PROJECTS



On the basis of the companies
of “UZELTEHSANOAT”

- ✚ “SINO” JSC
- ✚ “ZENIT” JSC
- ✚ “FOTON” JSC
- ✚ “ONIKS” JSC
- ✚ “ALGORITM” JSC



“SINO” JSC



■ Main products:

**Refrigerators,
Freezers,
Air-conditioners,
Shop equipment**



■ Location:

Samarkand city

■ Total area:

6,92 hectares

■ Production area:

32 thousand sq.m.

■ Number of employees:

450

■ Total production
volume in 2008:

12,85 mln. USD





“SINO” JSC



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“SINO” JSC

PROPOSED PROJECT:

Production of:

- + refrigerators,
- + freezers,
- + air-conditioners,
- + washing machines,
- + gas and electric stoves.



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“FOTON” JSC



■ Main products:

Radio electronic equipment,
TV-sets, cash registers,
semiconductors,
photoelectric stations



■ Location:

Tashkent city

■ Total area:

8,3 hectares

■ Production area:

28,74 thousand sq.m.

■ Number of employees:

420

■ Total production
volume in 2008:

8,6 mln. USD





“FOTON” JSC





“FOTON” JSC

PROPOSED PROJECTS:



Production of:

- + LCD and CRT TV-sets,
- + Audio and video players
- + Electric and gas stoves
- + Computers
- + Microwave ovens



Manufacture of photo-electric stations

Total project cost – 3,2 mln. USD

Estimated capacity – up to 500 kW per annum
(equivalent 500 pcs per 1 kW)



Production of energy saving and luminescent lamps

Total project cost – 3,5 mln. USD

Estimated capacity – 500 thousand pcs per annum





“ONIKS” JSC



■ Main products:

Crystal wares and products,
Crystal chandeliers,
Household and office lamps,
Other household products



■ Location:

Tashkent city

■ Total area:

17,6 hectares

■ Production area:

70 thousand sq.m.

■ Number of employees:

950

■ Total production
volume in 2008:

21,86 mln. USD





“ONIKS” JSC



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“ONIKS” JSC

PROPOSED PROJECTS:



Production of:

- + Electronic measuring devices
- + Water purifying and water heating filters
- + Stationary and mobile phones
- + Mixers, kitchen machines, juicing machines



Modernization of production of lighting appliances, crystal products, glass wares, improvement of quality and enhancement of products assortment

Project cost – 10 mln. USD

Estimated capacity – 4 mln. pcs per annum



Completion of construction of the plant for production of fiber glass (roving)

Project cost – 7 mln. Euros

Estimated capacity – 9,4 thousand tons per annum





“ZENIT” JSC



■ Main products:

LCD and CRT TV-sets,
DVD-players,
Air-conditioners



■ Location:

Tashkent city

■ Total area:

12,1 hectares

■ Production area:

26,5 thousand sq.m.

■ Number of employees:

350

■ Total production
volume in 2008:

15,3 mln. USD





“ZENIT” JSC



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PROPOSED PROJECT:

Production of:

- ✚ Audio and video players
- ✚ Washing machines
- ✚ Building kitchen appliances
- ✚ Refrigerators
- ✚ Microwave ovens
- ✚ Vacuum cleaners
- ✚ Hair dryers, electric irons, electric kettles





ОАО Алгоритм

“ALGORITHM” JSC



■ Main products:

Television sets,
DVD-players,
Air-conditioners



■ Location:

Tashkent city

■ Total area:

22,93 hectares

■ Production area

76,32 thousand sq.m.

■ Number of employees:

530

■ Total production
volume in 2008:

5,7 mln. USD





ОАО Алгоритм

“ALGORITHM” JSC



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ОАО Алгоритм

“ALGORITHM” JSC

PROPOSED PROJECT:

Production of:

- ✚ LCD and CRT TV-sets
- ✚ DVD-players
- ✚ Washing machines
- ✚ Refrigerators
- ✚ Gas and electric stoves
- ✚ Microwave ovens and other kitchen appliances



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PROPOSAL FOR JOINT ACTIVITY: THREE VERSIONS

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1ST OPTION FOR COOPERATION



JOINT ACTIVITY ON THE BASIS OF:

- + The brand licensing (license agreement);
- + Production on the basis of franchising;
- + Rendering technical support;
- + Training of personnel;
- + Support of the export of products.

It is known that during period of global financial crisis many companies have suspended the activity of their plants that manufacture electronics and home appliances. Existing equipment within those plants could be purchased, transferred and installed in Uzbekistan with a view of entering Uzbek market and deep localization of production of consumer electronics and home appliances.

2ND OPTION FOR COOPERATION



JOINT ACTIVITY IN TWO STAGES:

1ST STAGE:

- + The brand licensing (license agreement);
- + Production on the basis of franchising;
- + Rendering technical support;
- + Training of human resources;
- + Support of the export of products.

2ND STAGE:

Establishment of Joint Venture with bilateral investment for deep developing of production of consumer electronics and home appliances.

3RD VERSION OF COOPERATION



Establishment of Joint Venture with investment of both parties for production of consumer electronics and home appliances with the brand licensing, with initial phase of the project based on SKD-production and involving technical support, training and capacity building, support in export promotion and etc.

CONTRIBUTION OF THE UZBEK SIDE ON THE 1ST STAGE OF HOME APPLIANCES PRODUCTION PROJECT



THE ASSOCIATION AND COMPANY FROM THE UZBEK SIDE ARE READY TO PROVIDE :

- ✚ Production facilities and infrastructure;
- ✚ Qualified human resources for the project implementation;
- ✚ Administrative and legal support to the project, including assistance in securing privileges and preferences envisaged by the legislation;
- ✚ Organization of sales network and centers for warranty and after-sale service of electronics and home appliances products;
- ✚ Timely payments for the equipment and parts, supplied for production of consumer electronics and home appliances.

EXPECTED CONTRIBUTION OF THE PARTNER COMPANY ON THE 1ST STAGE THE JOINT PROJECT



- ✚ Signing a License agreement for use of the brand (trademark) with the company of “Uzeltehsanoat”;
- ✚ Providing on commercial basis the equipment for assembling and testing of consumer electronics and home appliances;
- ✚ Providing experts for qualitative installation and launching the equipment and production lines;
- ✚ Supply of parts and components on commercial basis;
- ✚ Supply of press-tools for production of body parts and other spares on commercial basis;
- ✚ Cost-sharing for advertisement and promoting products with the brand of the company.



**WE ARE READY FOR
COOPERATION WITH YOU!
THANK YOU FOR ATTENTION!**

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