

**MINISTRY OF INVESTMENT AND FOREIGN TRADE
REPUBLIC OF UZBEKISTAN**

Production of drip irrigation systems

**CENTER FOR DEVELOPMENT OF
INVESTMENT PROJECTS**

Socio-economic factors of Uzbekistan (2019)



Total Area

448,978 km²



Population

33,5 mln.

(average age - 29)



Income growth rate

7,1%



Urbanization

~50%

Growth in

Agriculture industry



Growth in 2017 %

Growth in 2018 %



GDP

50,5 billion USD 5,
1% annual growth



Public debt

21,8% from GDP, "Moderate"
by World Bank rating



Dynamic export growth*

Export 13.7 billion US dollars
(22% increase by 2018)



Stable fiscal position

- 1,1% from GDP 2018

- 1% from GDP 2019

In 2020, 69 position

In 2019, 76 position

In 2015, 141 position



* (for 9 months in 2019)

Project

«Creation of a tourist recreational cluster»

Goal:

Organization of production of modern drip irrigation systems using modern technological equipment. Development of our own base for the production of special and other materials, attracting investments in the region, creating new jobs and reducing social security by reducing unemployment.

Tasks:

- ✿ To organize the production of high-quality products in high demand in the markets;
- ✿ Introduce modern technology into production, while increasing labor productivity and providing consumers with products that meet international standards;
- ✿ Saturate the market with high-quality products of own production.

Effects:

The process of drip irrigation of plants makes it possible to simultaneously conduct soil cultivation, pollination and harvesting due to the dryness of the sections between the rows. Automatic drip irrigation is used to irrigate fields, greenhouses and other plantings. Attract industry specialists and create new jobs;

Market Position

Over the past 20 years, global consumption of fruits and vegetables has been growing at an average of 5-7% per year. Uzbekistan not only meets the needs of its population, but also exports agricultural products and has great potential in this area.

In Uzbekistan, more than 19 million tons of fruits and vegetables are produced annually, of which about 700 thousand tons are exported. Currently, over 160 thousand farms operate in the republic, which provide domestic and foreign markets with high-quality fruits and vegetables. The total volume of storage facilities in the republic is 975 thousand tons of products, including 502 thousand tons of modern cold rooms. This contributes to the uninterrupted supply of the main types of agricultural products to the population, and the expansion of its exports.

S

Significant water savings.
Saving of mineral fertilizers by 30-40%.
Higher yield and product quality.
Significant reduction in labor costs for irrigation and processing.

W

The disadvantage of drip irrigation is the systematic clogging of droppers. The short average life of such irrigation systems.

O

Tax incentives are granted to farms introducing drip irrigation and other water-saving technologies, in particular, they are exempted from paying land and other types of taxes for a period of five years.

T

Severe damage to the dropper in the complete unsuitability of rodents living on the site.

Main indicators of Project

 **Cost of project**
13,5 million USD

 **Capacity**
24,7 million m. of pipes per year

 **Machinery**
10 million USD

 **Construction and installation**
3,5 thousand USD

Aimed result (million USD)	1 year	2 year	3 year	4 year
Revenue	13,02	14,11	15,19	16,28
EBITDA	3,30	3,47	3,63	3,79

 **IRR**
24,53%

 **NPV**
14,2 million USD

 **Срок окупаемости**
10 years