

Project title	WOOD PROCESSING COMPLEX
Project background	<p>In connection with market demand of wood and wooden products, currently 400 000-500 000 m³ woods are being prepared illegally.</p> <p>To increase export products through introducing the advanced and modern technology,</p> <p>To process raw materials domestically,</p> <p>A big market demand of wood products externally and domestically</p> <p>It is a right time to establish a complex.</p>
Production scale	<p>The complex will produce yearly 50.0 thousand m³ timber, 15.0 thousand sawn timber, 22778.0 thousand US dollar pure wooden piece.</p>
Market orientation and market analyses, market survey	<p>According to the scientific study of the year 2000, the area of forestry reserves was 18,3 million hectare. Forestry covered area is 12,9 million hectare and is 8,2%.</p> <p>The volume of forestry reserves is 1,4 billion cubic metre, its the average growth is 12,0 million cubic metre.</p> <p>Over 150 wood processing companies with approximately 4 thousand employees are running their activities.</p> <p>90 of them are situated in Ulaanbaatar and the rest is in the countryside.</p> <p>Over 100 are invested domestically and 40 are invested externally.</p> <p>In the latest years, the volume of wood factory consumption is decreased dramatically and became 39,5 thousand cubic metre.</p> <p>Production and selling volume of the wood and wooden products has reached 7 billion USD in 2005 and 1,1 million USD products were exported.</p> <p>The complex will create 626 new working places.</p>
Total investment	56 million USD
Requested investment from foreign partner	<p>52 million USD from foreign investor</p> <p>4 million USD from domestic investor</p> <p>Over 50 equipments are required totally</p>
Project venue and construction venue	<p>Ulaanbaatar, Choibalsan, Darkhan, Erdenet, Bulgan, Altai, Ulgii, Bayankhongor, Dalanzadgad, Buyant-Ukhaa, Dund-Uls</p>
Estimated economic benefit	<p>The average annual benefit of the complex is 5.5-6.5 million USD.</p> <p>80% of the products will be exported and the investment loan will be repaid from the profit.</p> <p>The complex will supply 20% of the products to the domestic wood processing factories and the profit will be dedicated for the salary of employees.</p> <p>If the complex works as well as planned, production and marketing of this sector will be increased 3 times than today and the exporting products will increase 19 times.</p>
Investment recovery period	<p>The loan will be repaid in 9 years.</p>
Construction and production conditions it can offer to the project	<p>The wood processing complex will consist of basic two, assistant five parts.</p>