



Investment proposal on creation of wood processing enterprise in Manturovo municipal district of Kostroma Region

Kostroma, 2014



Title: Creation of wood processing enterprise in Kostroma Region

Investment volume: 2 422,86 million rub.

Stage of implementation: investment proposal

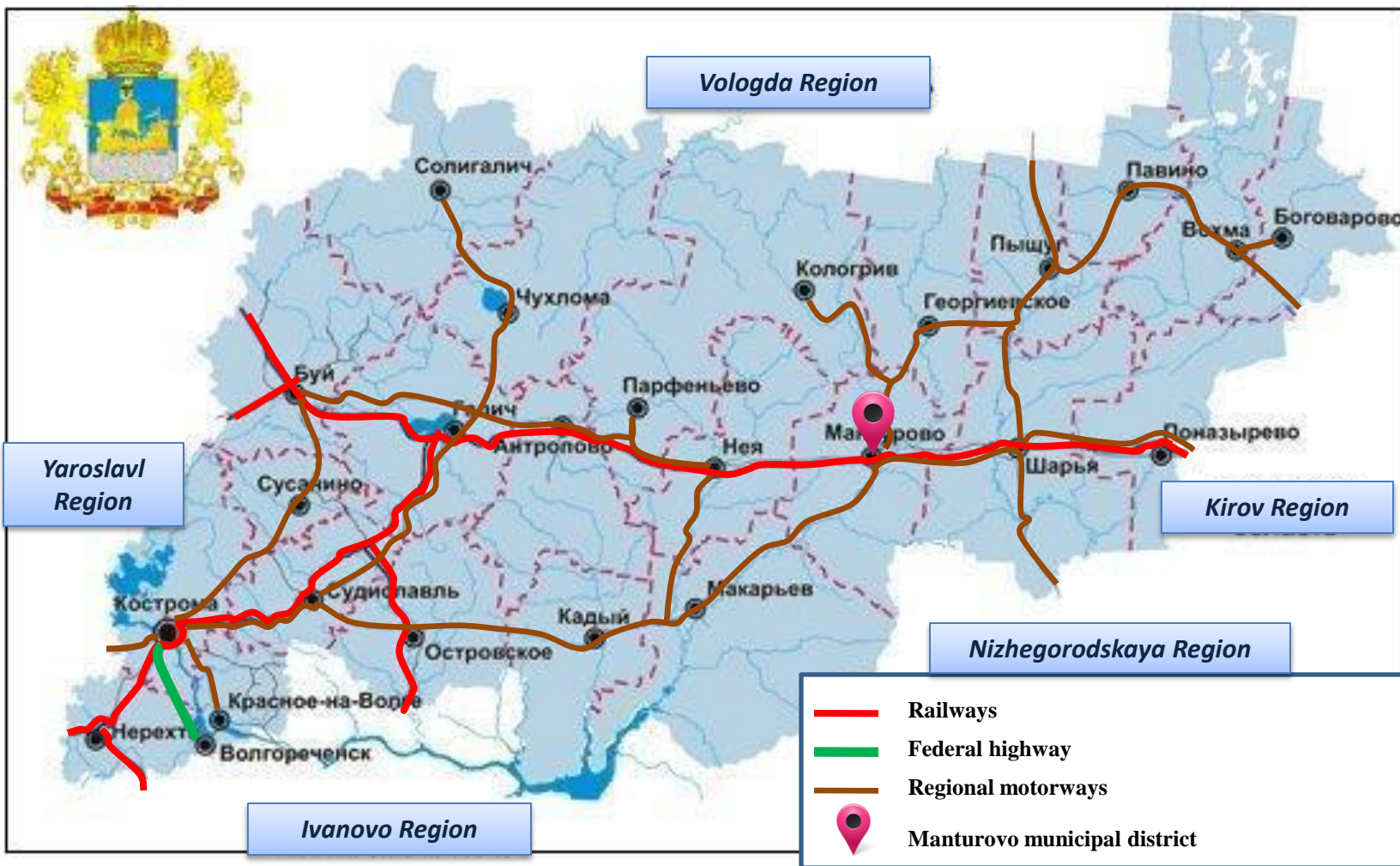
Project coordinator: The Department of investment and industrial policy of Kostroma Region Administration

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Manturovo municipal district

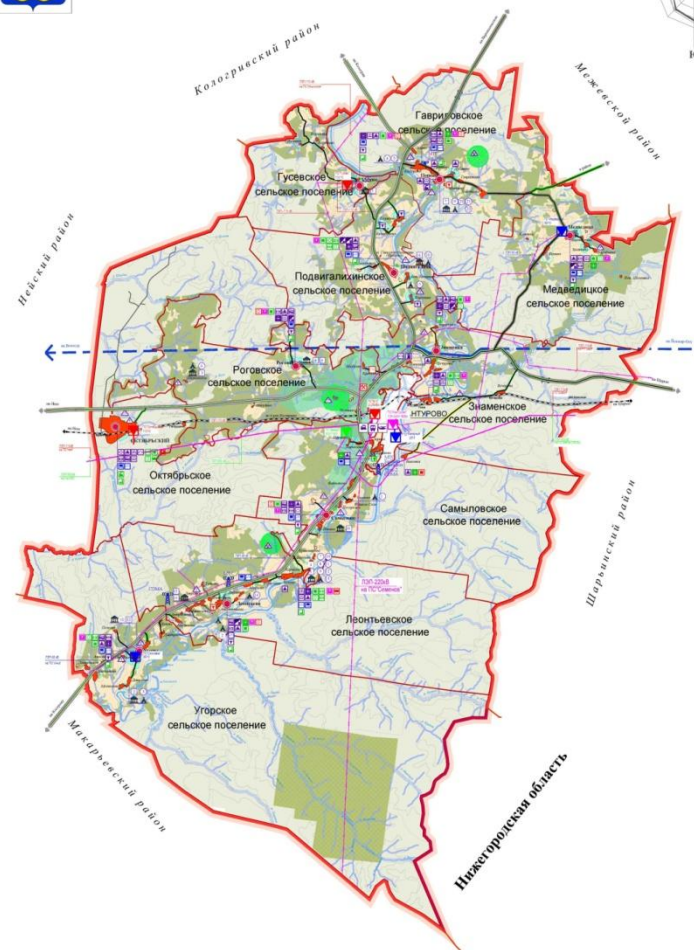
The district's territory includes:

- transport artery “St. Peterburg – Ekaterinburg” including the motorway “Kostroma – Sharya – Kirov – Perm”;
- Northern Railway – branch of OJSC “Russian Railways”

Distance to Kostroma City – 270 km



СХЕМА ТЕРРИТОРИАЛЬНОГО ПЛАНИРОВАНИЯ
МАНТУРОВСКОГО МУНИЦИПАЛЬНОГО РАЙОНА





Total area: 256,4 ha

Category of land: agricultural land

Engineering infrastructure:

- motorway Kostroma – V. Spasskoe (asphalt surface);
- gas pipeline (planned in 2015);
- railway (0,5 km);
- electric power supply from substation “Zvezda” (total capacity – 405 MW, unused capacity – 250 MW)





Kostroma Region has large wood reserves of more than 700 million cub. m. with total area of 4,5 million ha



Annual volume of cutting area is about 12 million cub. m



Volume of unused cutting area is more than 7 million cub. m



Information on unused forest resources in Manturovo municipal district and surrounding districts of Kostroma Region

Forestry area	Calculated cutting area, thousand cub.m	Actual use of calculated cutting area, thousand cub.m	Structure	Distance from investment site to area's border
Manturovo	404,20	163,80	4P1F4B1As	
Sharya	910,70	272,50	4B1As3P2F	26
Mezha	568,70	151,70	5B1As2P2F	37
Neya	554,90	134,60	4P2F3B1As	30
Makariev	459,40	162,20	6P1F3B	47
Kologriv	1 019,60	203,10	5B1As3F1P	44



Production volume and assortment

Economic sector: Added-value wood processing

Products: Pellets, black pellets, edged board, squared timber; unedged board; deciduous sawlog, pulp wood, firewood.

Annual productive capacity: Pellets – 100 thousand tons;
Black pellets – 35 thousand tons;
Edged board – 130 thousand cub.m;
Squared timber – 66 thousand cub.m;
Unedged board – 4 thousand cub.m;
Deciduous sawlog – 130 thousand cub.m;
Pulp wood – 140 thousand cub.m;
Firewood – 20 thousand cub.m.

Sales market: Europe, Russia





Project's financial indicators

Project's value:	2 422, 86 million rub.
Forms of investment:	Direct investments, delivery of equipment, long-term cooperation, share participation in construction
Net present value (NPV):	807 993 thousand rub.
Payback period (DPB):	6 years
Planning period:	8 years
Internal rate of return (IRR):	63,3%



Commodity prices

Pellets	3 814 rub./ ton
Black pellets	5 966 rub./ ton
Edged board	6 000 rub./ ton
Squared timber	6 100 rub./ ton



Financial support for investment activity in Kostroma Region

1.

- Reduction of profit tax rate (by 4,5 % maximum) during the payback period of project implementation

2.

- Exemption from property tax payment during the payback period

3.

- Creation of engineering infrastructure using the resources of Kostroma Region Investment Fund



Examples of mutually advantageous cooperation

“KRONOHOLDING AG” (Switzerland)

Wood boards production for furniture and construction industries



OJSC “Manturovo Plywood Factory”

Reconstruction of plywood production at “Manturovo Plywood Factory” in Manturovo municipal district of Kostroma Region

OJSC “Fanplit”

Large-scale plywood production





**We are ready for mutually
advantageous cooperation!
Thank you for attention!**