



Construction of a melon processing plant

Product

Annual capacity: fresh melons - 10,000 tons, fresh-frozen melons - 6,000 tons, dried melons - 1,000 tons, melon juice - 2,678 tons, watermelon juice - 2,678 tons.

Investment attractiveness of the project:

Capital expenditures: US\$ 4,802 thousand
 NPV – US\$ 6,477 thousand
 IRR – 35.7%
 Payback period – 4 years

Project

The aim of the investment Project (“Project”) is to build a melon processing plant in Turkestan Oblast’s Arys. The area of the plant will be 10,000 m².
 A 3.7 ha site has been registered and may be used for 7 years with the option to extend.

Company

The Project initiator is Tansari Trading A LLP. The company was registered in 2018 to operate in the wholesale trading of a wide range of goods without specific categorisation (CCEA 46909). The Project Initiator receives production advice from the VitAl GmbH to launch production in good time and establish a production process

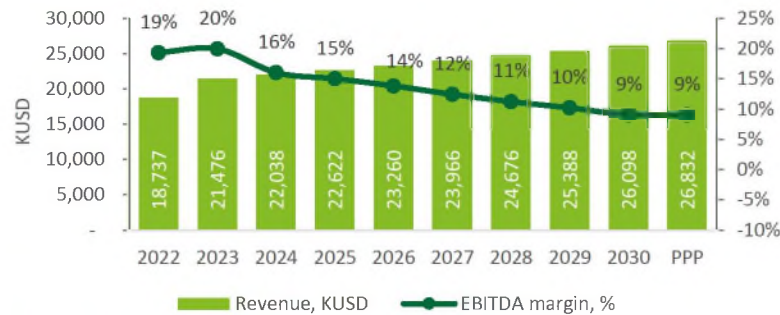
Market

- The world has seen organic product consumption growth. The global organic fruit and vegetable market was worth 30.8 billion USD in 2019 and, according to forecasts, will reach 55.9 billion USD by 2027 (CAGR 7.9%).
- Fruit consumption in Kazakhstan increased in 2020 to 78.8 kg per capita per year (CAGR for 2015-2020 – 4.34%).
- In Kazakhstan in 2020, the total harvest of melons amounted to 1,165 thousand tons and watermelons - 1,260 thousand tons. The main crop of melons and gourds falls on the Turkestan region - 59% of the total harvest.

What is the attractiveness of the project?

- **Modern technology used in freezing and storage.** The Project’s uniqueness is its year-round product through a single summer harvest, and which can be stored using shock freezing therapy. Fast cooling and shock freezing slow down post-harvest ripening processes, extending the storage period (up to 2-3 years).
- **Favourable climate.** Turkestan Oblast is traditionally Kazakhstan’s melon-growing area, where the combination of a warm climate, fertile soil and special irrigation system aid effective plant growing development and, correspondingly, high crop yield. Roughly 37% of melon growing areas are in Turkestan Oblast. Turkestan (59% of the total for the country) and Dzhambul (17%) Oblasts are responsible for the country’s main melon yield.

Project profitability



Location of the project





Bottled drinking water production

Product

Annual capacity: 72 million bottles (or 72 million liters)
Export: entire volume will be sold in China

Investment attractiveness of the project:

Capital expenditures: US\$ 9,980 thousand
NPV – US\$ 10,589 thousand
IRR – 33.2%
Payback period – 5.1 years

Project

Within the framework of the Project, it is planned to build a plant for the production of bottled water with a capacity of 72 million bottles annually in Semey, East Kazakhstan region.

Natural water is a water, ready for use without additional purification with filters and additives, which significantly reduces the cost of bottled water production.

The land plot is 2 hectares, a water well with a depth of 30 m with artesian water reserves. The area of office and warehouse premises will be 4.5 thousand square meters. m.

Within the framework of the project, it is planned to sell products for export to the nearby provinces of China

Company

The Project initiator is Siteco LLP. The company specialises in the construction of telecommunications and communication lines, civil construction, the production of frameless hangars and has Category III construction license.

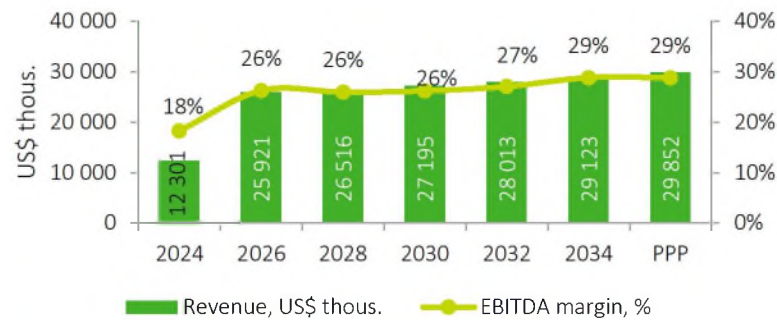
Market

- According to Fitch, the mineral and spring water market in 2019 was estimated at USD 69.1 bln. It is expected to reach USD 89.9 bln by 2024 (CAGR for the forecast period 5.4%).
- Also, according to Fitch, the market for the mineral and spring water in the China will grow over the forecast period and in 2024 will reach USD 2.8 bln (3.1% of the world market). CAGR for the forecast period will be 9.4%, which is 4% higher than the CAGR of the world market.

What is the attractiveness of the project?

- **Demand growth.** Fitch Solutions forecast positive dynamics of demand for the mineral and spring water in Kazakhstan over the next 5 years, with CAGR of 8.9%.
- **Favourable production location.** The considered location of the plant in Semey city, East Kazakhstan region will make it possible to derive such benefits as the proximity of raw materials to production facilities and access to a developed transport hub with directions to all regions of the country and neighbouring countries of border trade (Russia and China). This will significantly reduce transport costs and ensure prompt delivery of products.

Project profitability



Location of the project

