Ministry of Investment,
industry and trade
of the Republic of Uzbekistan

Investment proposal:
Production of agricultural and specialized tractors

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Production of agricultural and specialized tractors

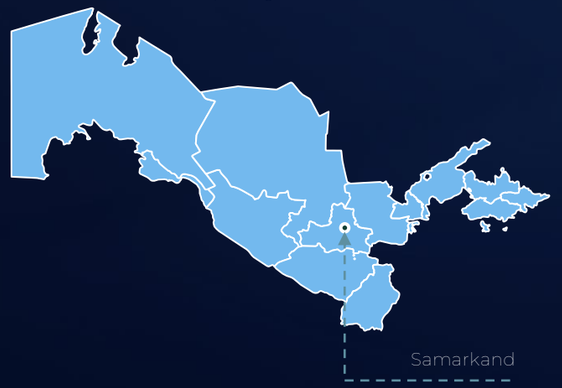
Economic impact:

- Import substitution: Reducing the purchase of tractors from abroad by ~130 million USD per year.
- Export income: 30-40 million USD / year (Kazakhstan, Kyrgyzstan).
- Localization: Development of the local industry by producing 40–60% of the components in Uzbekistan.
- Budget revenues: Annual revenue of 10–15 million USD to the state budget through taxes and customs duties.

Social impact:

1. Jobs: 800-1000 full-time workers at the plant, an additional 1,500-2,000 jobs in the service network and suppliers.
2. Regional development: Modernization of infrastructure (roads, power grids, water supply) in the area where the plant is located.

Location of the project



Project description:

1. Production capacity is 6 thousand units of tractor products annually.

2. Primarily universal agricultural tractors (80–100 HP) and heavy-duty tractors (120–150 HP).

3. The plant will be designed according to international standards, with advanced assembly lines, robotic welding, and automated painting facilities.

4. The production will meet domestic agricultural machinery needs, reduce dependence on imported tractors, and create export potential to Central Asia, Afghanistan, and other nearby markets.

Economic indicators:

- Financing: 100 million USD
- Area: 8 hectares
- Revenue: $165 million/year
- ROI: 49,4 %
- NPV: ~ $158,9 million
- IRR: ~26%

Production indicators:

Annual production:
6 thsnd units

- Universal tractor:
  3 thsnd units
- Specialized:
  1,8 thsnd units
- Heavy class:
  900 units
- Special modification:
  300 units

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Processing chain & product yield

Key production stages

1. Design and structural work - design through CAD / CAM systems
2. Metal processing - cutting, stamping, welding
3. Engine and transmission assembly - based on domestic and foreign components
4. Paint and coating line - for corrosion resistance
5. Assembly line - final assembly and testing
6. Quality control - compliance tests with technical standards
7. Warehousing and delivery of finished products

Types of tractors and annual production volume

	Product	Share	Annual
1	Universal tractor	50 %	3 000
2	Specialized	30 %	1 800
3	Heavy class	15 %	900
4	Special modification	5 %	300





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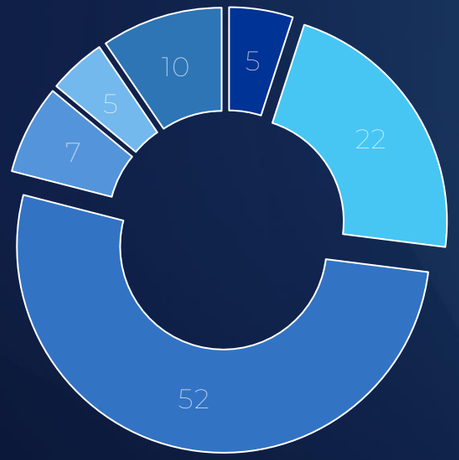
Project expenses

Initial Investment (CAPEX) *(mln dollar)*

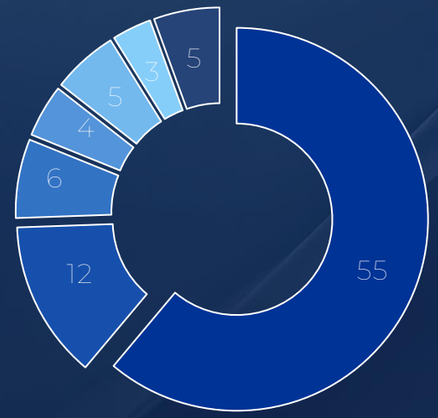
Total CAPEX: $100 mln



- Land
- Construction
- Technological equipments
- Logistics and transportation
- Project and engineering works
- Others

Operating Costs (OPEX) *(mln dollar)*

Total OPEX: $90 mln



- Raw materials
- Labor
- Utilities
- Maintenance
- Logistics
- Marketing
- Others

This financial overview outlines a comprehensive cost structure and strong profitability of the proposed tractors production project. The breakdown includes both initial capital investment (CAPEX) and annual operating costs (OPEX), alongside projected revenue and profit estimates.

Product	Volume	Price	Revenue ($)
Universal tractor (80–100 HP)	3 000 units	$25 000/unit	75,000,000
Specialized (cotton/garden-vine)	1 800 units	$28 000/unit	50,400,000
Heavy class (150 + HP)	900 units	$34 000/unit	30,600,000
Special modification (municipal, construction)	300 units	$30 000/unit	9,000,000
TOTAL			165 000 000

Annual EBITDA:
= $165 mln - $90 mln = $75 mln *(year 6)*

The project's strong profitability forecast is underpinned by efficient operations and high market demand, positioning it as a highly attractive investment.

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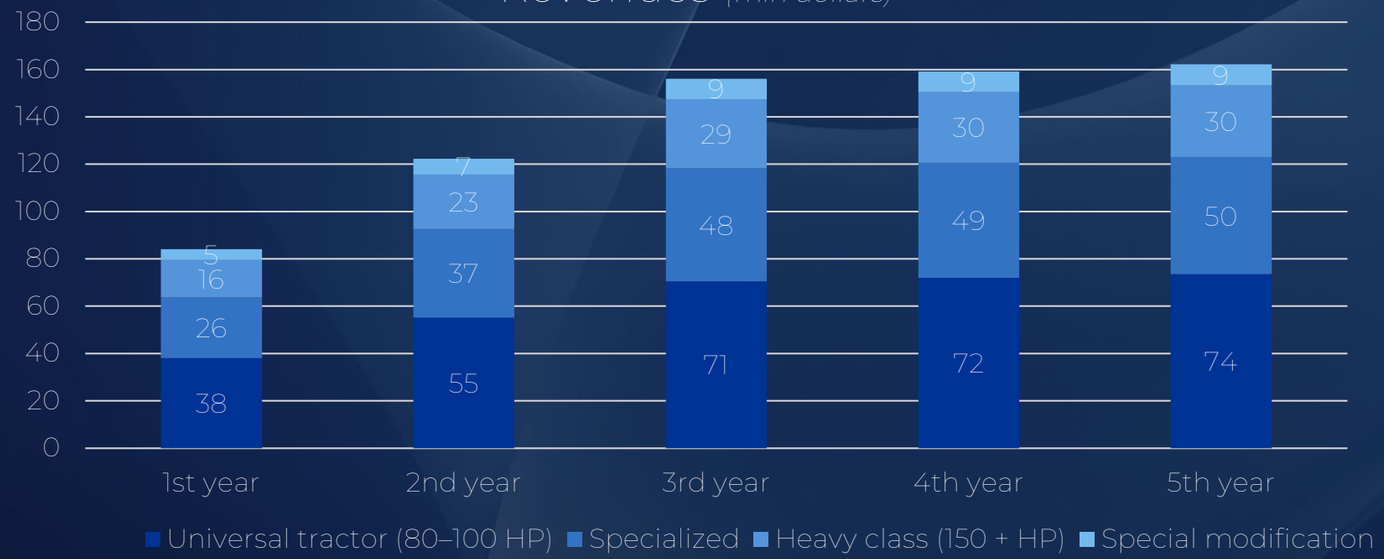
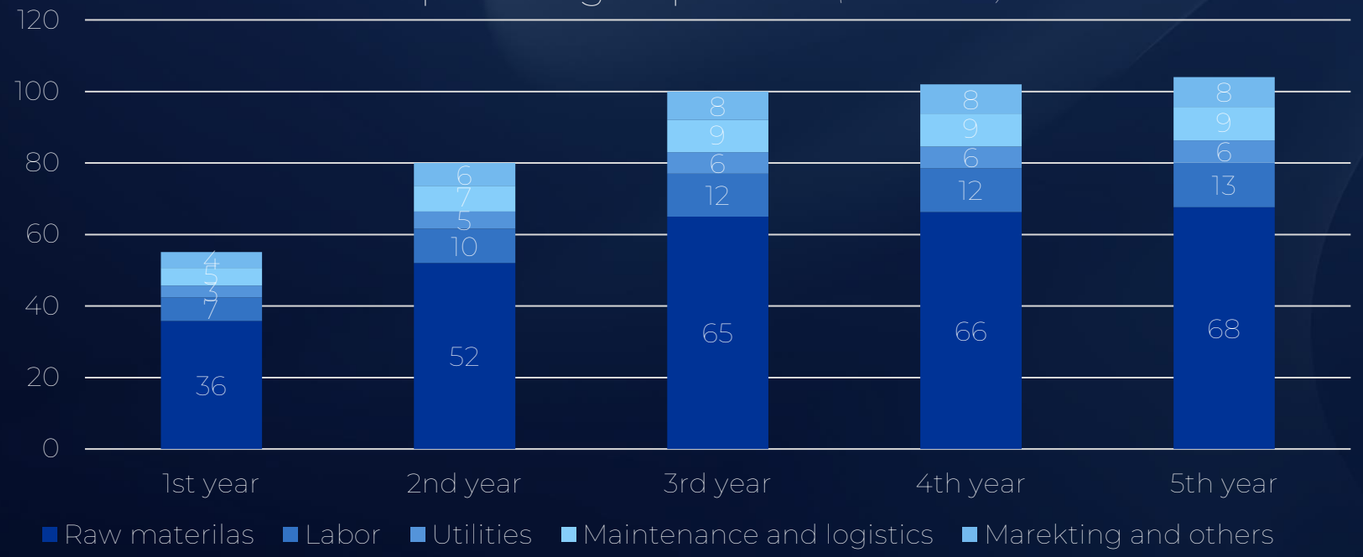
Financial indicators
(5-year projection)

Revenues *(mln dollars)*



Operating expenses *(mln dollars)*



Revenues increase steadily from $54,2M in year 1 to $165M in year 6. Growth is driven by all products.

Total expenses rise moderately from $55M to $106M, with raw materials being the largest cost component. The controlled growth in costs reflects operational efficiency and economies of scale.

Net profit grows from approximately $24,3M to over $50,7M over 6 years. Despite rising taxes and expenses, profitability improves due to stronger revenue and efficient cost management.

NPV (12% discount rate):

NPV = (-100) + 2,1 + 29,9 + 35,2 + 32 + 29,1 + 26,4 + 24 + 21,7 + 19,7 + 17,8 = 158,9 (Highly favorable!)

IRR (Internal rate of return): ≈ 26%

Payback period (PP):

=Payback = 3-4 years

Profitability index (PI):

=PI = 1+158,9 / 100 = 2.59