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

# Investment proposal:
# Organization of logistics and delivery service

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# Organization of logistics and delivery service

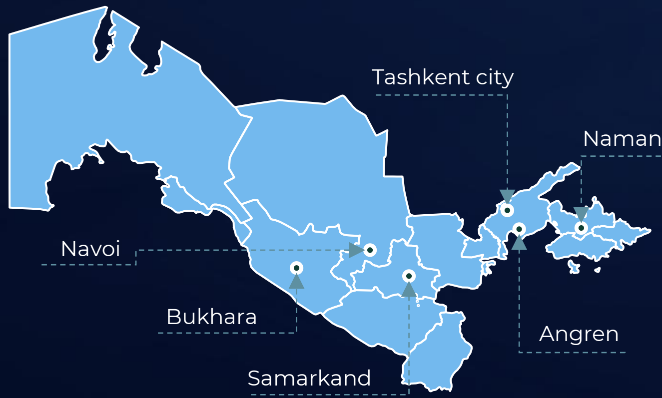
### Economic impact:

- Job creation: 900+ new jobs (fleet management, packaging, customs brokerage).
- Annual revenue: $50–65 million USD (storage fees, value-added services (e.g., labeling, cold chain)).
- Government revenue: $8–12 million USD/year (taxes, customs duties, SEZ fees).

### Social impact:

1. Automated warehouses: Robotics for sorting/picking (Tashkent, Navoi).
2. Cold Storage: 35% capacity in Samarkand/Bukhara (fruit, pharma exports).
3. Rail connectivity: Direct links to Navoi FEZ and Zarafshan mines.
4. Cross-docking, packaging, customs clearance.

### Location of the project




**Project description:**

**1. Core infrastructure:**

- automated warehouses: robotics for sorting/picking (Tashkent, Navoi).
- cold storage: 35% capacity in Samarkand/Bukhara (fruit, pharma exports).
- rail connectivity: direct links to Navoi FEZ and Zarafshan mines.

**2. Value-added services:**

- cross-docking, packaging, customs clearance.

**3. Technology integration:**

- AI inventory management, real-time GPS fleet tracking.

## Economic indicators:

- **Financing:** 125 million USD
- **Area:** 120 hectares
- **Revenue:** $65 million/year
- **ROI:** 19,2%
- **NPV:** ~ $51,3 million
- **IRR:** ~29,4%

## Strategic Advantages:

**First-mover edge:**

Navoi FEZ lacks modern logistics hubs; 40% gap in cold chain capacity.

**Market demand:**

E-commerce growth requires 500k+ sq.m additional warehousing by 2027.

**Seasonal balance:**

Q2-Q3: Cold storage for fruit exports (Samarkand, Namangan, Bukhara).

Q4: Mineral/coal transport (Navoi).,

# Logistics service chain & centers

## Key production stages

**1. Market analysis & site selection**

- freight corridor mapping (e.g., China-Europe routes)
- industrial cluster analysis (automotive, textiles, agri-exports)
- optimal hub locations near SEZs/transit nodes

**2. Hub specification & design**

- match warehouse type to regional goods (e.g., cold storage for fruit belts, automated racks for e-commerce)
- customized facilities (e.g., rail-linked mineral hubs in Zarafshan)

**3. Construction & commissioning**

- partnerships with local contractors (e.g., UzAuto for automotive logistics)
- compliance with int'l standards (ISO 9001, GDP for pharma)

## Rational location of logistic centers

| | Location | Hub type | Investment (USD) | Size ($m^2$) | Economic impact | Key performance driver |
|---|---|---|---|---|---|---|
| 1 | **Tashkent city** | E-commerce fulfillment | $35M | 25 000 | Retail supply chain | Last-mile delivery speed (sub-2hr) |
| 2 | **Navoi FEZ** | Mineral transport | $16M | 12 000 | Mining sector efficiency | Bulk loading rate (500T/hr) |
| 3 | **Samarkand** | Agri-export cold chain | $22M | 18 000 | Farm income growth | Cold storage capacity (35k pallets) |
| 4 | **Bukhara** | Textile logistics | $18M | 15 000 | Handicraft exports | Rail connectivity (daily EU/Asia) |
| 5 | **Namangan** | Agri-export cold chain | $20M | 15 000 | Farm income growth | Cold storage capacity (30k pallets) |
| 6 | **Angren** | Industrial machinery | $14M | 10 000 | Factory output | Heavy equipment handling |

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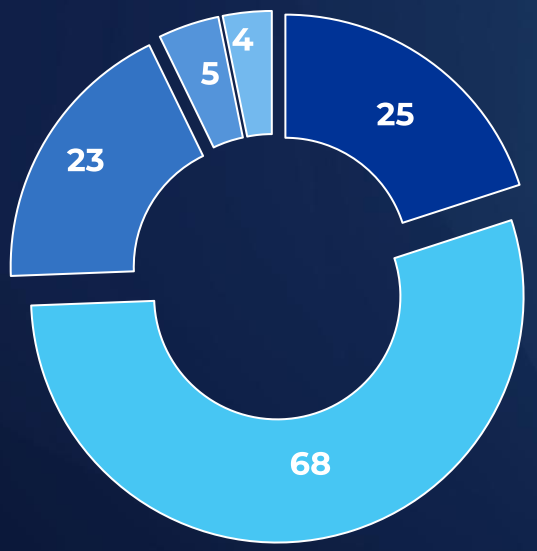
# Project expenses

## Initial Investment (CAPEX) *(mln dollar)*

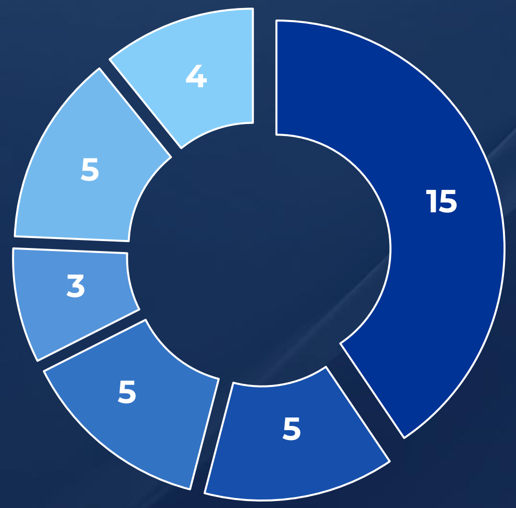
Total CAPEX: **$125 mln**




- Land acquisition
- Construction & hard costs
- Equipment & installation
- Pre-opening & training
- Licensing & brand compliance

## Operating Costs (OPEX) *(mln dollar)*

Total OPEX: **$37 mln**




- Labor
- Utilities & maintenance
- Marketing & distribution
- Management fees
- Supplies & services
- Property taxes & insurance

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

| **Service** | **% of total** | **Amount** (million USD) |
|---|---|---|
| Storage & warehousing fees | 55% | 35,7 |
| Transportation services | 25% | 16,2 |
| Value-added logistics | 15% | 9,7 |
| Other (consulting, rental) | 5% | 3,4 |
| **TOTAL** | | **65 000 000** |

**Annual EBITDA:**
= $65 mln - $37 mln - $2 mln =
**$26 mln**

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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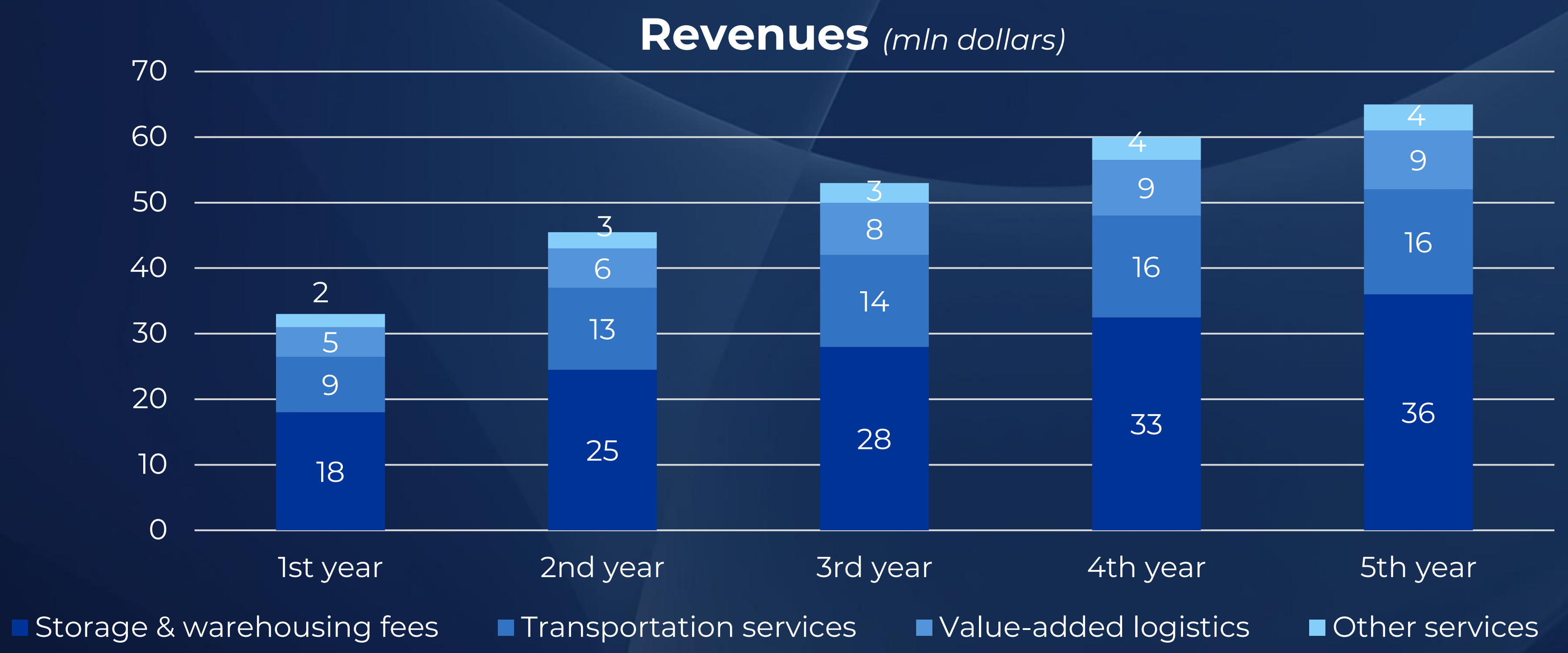
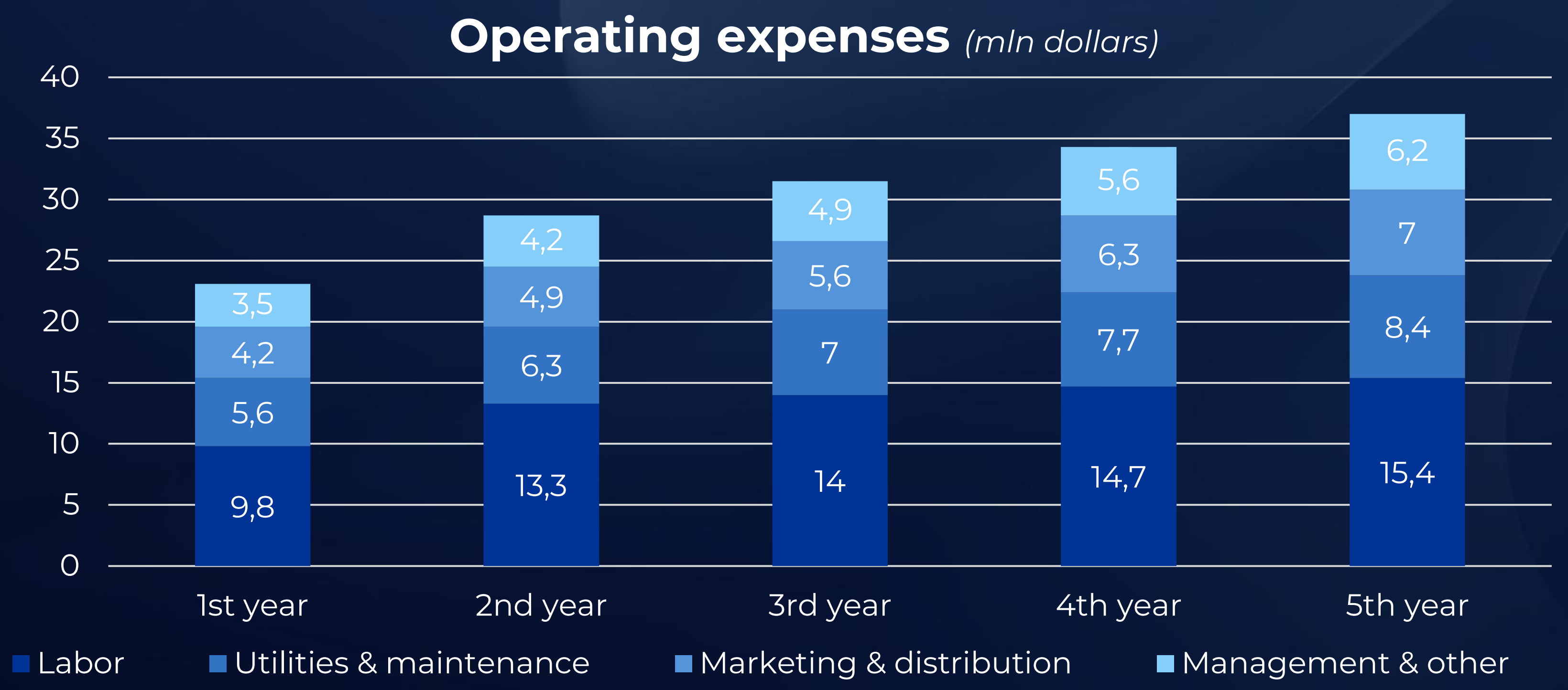
# Financial indicators
*(5-year projection)*




**Breakeven:** Achieved in year 4,4

**Total 5-year cash flow:**
$164,8M after full CAPEX recovery

**EBITDA growth:**
**5%** CAGR, reaching $63,7M by Year 5.

**NPV (10% discount rate):**
NPV= **$51,3 million** *(Highly favorable!)*

**IRR** (Internal rate of return): ≈ **29,4%**

**Payback period (PP):**
= **4,9 years**

**Profitability index** (PI):
=(NPV+CAPEX)/CAPEX=($51,3M+$125M)/$125M= **1,4**