

PROJECT PROFILE – SUMMARY SHEET

Project Introduction

1. Project Title: Autoclave Aerated Concrete (AAC) Light Concrete Blocks

2. Sector: Construction **Sub sector:** Construction Materials

3. Products/Services: Light Concrete Blocks

4. Location: Dhegihan -Kurdistan

Free zone ☐ Economic special zone ☐ Industrial Estate ☒ Main Land ☐

5. Project Description:

Autoclave Aerated Concrete (AAC) or autoclave foamed concrete is a high-tech concrete which was innovated in Sweden in the first decade of the 20th century. In recent years, more than 450 producers over 41 countries have produced AAC and offered it to markets. AAC is a member of preformed light weighted building materials which supplies building body (skeleton), insulation and resistance against fire very easily. In recent two decades, ACC was a successful instance of mass construction operations with modern materials in Emirates, Turkey and China. Autoclaved aerated concrete is a very light concrete (its weight is 1/4 of pressed brick). It is a perfect sound and thermal insulator and exhibits excellent resistance against water and humidity as well as excellent stability against fire, very rough surfaces and superior adherence with all types of mortars. It is a very good material for high-speed construction purposes as well as constructing light weighted prefabricated buildings up to four stories with no metal skeleton. It exhibits high resistance against stresses generated from intense earthquakes and is introduced as green material in scientific environment conferences in Europe and U.S. It could be produced by cheap primary materials. Low use of energy, imposing no damage to nature and generating the minimum level of pollution are from its important advantages. The applications of this product are for Ceiling insulation, Roof insulation, Building, Geotechnics, Yard making (with prefabricated pieces or in situ concrete), Fencing, Decorative Blocks and similar items. Raw materials for this project are found in Kurdistan province. And given the low working capital for this project, the very low return on capital and the high Internal Rate of Return, the project is highly attractive for investment.

Lightweight concrete is mainly used in construction and road construction industries. Also, due to its lighter weight compared to other similar products, this product provides easier transportation to different markets, and therefore, the market of Iraq, Eastern Turkey, and neighboring provinces can be envisioned for it, in addition to the domestic consumption of the province. This product is used in domestic consumption and is generally used in building construction, which has been noticed by mass builders, contractors and individual builders due to its ease of implementation and its advantages and economic efficiency. The production plan of aerated concrete and lightweight concrete parts (AAC) is used for building construction, roof insulation and floor insulation, considering the domestic target market. The place of implementation of this project is considered to be Dehgan city located in Kurdistan province. The main raw material for the production of this product is silica sand, which is sourced internally. The break-even point is 55.7% and the investment return period is 3.77 years. Considering the right market, the right outlook for export and the right financial conditions, this plan is economical.

Also, there are many investment incentives for investors. For example, "Preparation of land for the implementation of industrial plans and completed plans following technical and engineering principles and modern settlement methods", "Availability of infrastructure facilities in industrial areas", "Allotment of industrial land with suitable conditions", "Remission of 40 to 45 percent of the land price in industrial towns, especially for units that are put into operation faster than the schedule and have continuous production".

6. Annual capacity: 90000 m³

Project Status

7. Local / internal raw material access: 100 %

8. Sale:

- Anticipated export market 45 %

9. Construction Period: 1 Year

10. Project Status:

- Feasibility study available?	Yes ☒	No ☐
- Required land provided?	Yes ☒	No ☐
- Legal permissions (establishment license, foreign currency quota, environment, etc.) taken?	Yes ☒	No ☐
- Partnership agreement concluded with local/foreign investor?	Yes ☐	No ☒
- Financing agreement concluded?	Yes ☐	No ☒
- Agreement with local / foreign contractor(s) concluded?	Yes ☐	No ☒
- Infrastructural utilities (electricity, water supply, telecommunication, fuel, road, etc.) procured?	Yes ☒	No ☐
- List of know-how, machinery, equipment, as well as seller / builder companies defined?	Yes ☒	No ☐
- Purchase agreement for machinery, equipment and know-how concluded?	Yes ☐	No ☒

Financial Structure

11. Financial Table

Description	Local Currency Required			Foreign Currency Required Euro	Total Euro
	Million Rials	Rate Rial	Equivalent in Euro		
Fix Capital	780,715	380,000	2,054,513	1,013,158	3,067,671
Working Capital	74,480	380,000	196,000	0	196,000
Total Investment	855,195	380,000	2,250,513	1,013,158	3,263,671

- Value of foreign equipment/machinery 1,013,158 euro
- Value of local equipment/machinery 0 euro
- Value of foreign technical know- how 0 euro
- Value of local technical know- how 0 euro
- Net Present Value (NPV): 6,007,495 euro for 5 Year
- Return on Investment (ROI) 19%
- Payback Period (PP): 3.77 Year

General Information

12. Project Type: Establishment ☒ Expansion and completion ☐

13. Company Profile:

-Name (legal /natural persons):

-Company Name:

-Address:

-Tel: Fax:

-E-mail: Web site:

-Local entrepreneur: private sector ☐ public sector ☐ other ☐

Please attach follow documents if available

- Pre-feasibility study ☒
- Feasibility study ☒
- Legal permissions (establishment license, foreign currency quota, environment, etc.) ☐

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