

PROJECT PROFILE – SUMMARY SHEET

Project Introduction

1. Project Title: Degradable Polyethylene

2. Sector: Industry Sub-sector: Chemical

3. Products/Services: Packaging

4. Location: Sanandaj-Kurdistan Free zone ☐ Economic special zone ☐ Industrial Estate ☒ Main Land ☐

5. Project Description:

Unfortunately, despite the many benefits that nylon and nylon products present in human life today, their great disadvantage is the lack of renewing ability of these materials over time.

The widespread use of plastic for packaging has led to the growth and increase of waste and plastic waste. At present, about 30 percent of urban waste is made up of plastic waste that is used to pack food, health, medicinal and non-fermented food. The extremely long shelf life of plastics, which lasts about 300 years, in addition to environmental pollution, destroys the beauty of cities and nature. On the other hand, recycling has many problems and costs. For this reason, industrial and advanced countries have begun extensive research into the production of biodegradable plastics. These plastics, after being discarded, turn into water (H₂O) and carbon dioxide (CO₂) after one to two weeks and disappear. Biodegradable polymers include aliphatic polyesters, polyvinyl alcohol, cellulose esters, starch compounds, use of oxidizing additives in olefin plastics. Aliphatic polyester is biodegradable because of its sterile bonding ability (unlike aromatic polyesters) and has recently attracted the attention of the packaging industry. The benefits of this product are low prices, which is recommended for the development of the use of degradable plastics and the main application of the above product is in the packaging industry. According to the feasibility study of this project, it has a very low Payback Period and also has a high Internal Rate of Return, which is a good investment alternative.

Therefore, the degradable polyethylene production plan is suggested as an investment priority in Kurdistan province. The desired project is proposed on a plot of land with an area of 18,000 square meters and a capacity of 26,000 tons in the downstream petrochemical industrial town. Based on the comprehensive investigations, the planned plan has a return period of 4.54 years and its break-even point is 31.06%. Considering the country's need for the desired product and the prospect of export, the production of the desired product has a good potential for investment.

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: 26,000 Ton

Project Status

7. Local/internal raw material access 100 %

8. Sale:

- Anticipated export market 23 %

9. Construction Period: 1 year, 9 months

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	2,040,337	380,000	5,369,308	3,200,000	8,569,308
Working Capital	1,155,613	380,000	3,041,087	0	3,041,087
Total Investment	3,195,950	380,000	8,410,395	3,200,000	11,610,395

- Value of foreign equipment/machinery 3,200,000 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): 28,626,110 euro for 5 Year
- Return on Investment (ROI) 25%
- Payback Period (PP) 3.23 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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