

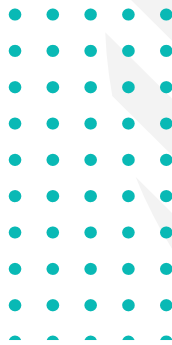


**Global**  
INNOVATION TRADE

# **Business project on the organization of furniture production**

June 2023.

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## 1. INTRODUCTION

### Brief content and purpose of the project

The main content of the project is to provide the population with quality furniture and to gain positions and competitive advantages in the commodity market, increase its financial potential and profit. The project is designed to clarify the economic efficiency of the organization and development of activities on the territory of Kamashinsky district and to raise funds for the implementation of these activities. The basics of opening this business. Firstly, there is a high demand for furniture in the region, especially domestically produced furniture, and the demand for the products produced is high. Secondly, it has been found that high profits can be achieved due to the fact that there is high demand and demand for these products in neighboring districts and regions and there is a steadily growing high demand in the product market. The project is mainly aimed at generating profits by meeting the demand for furniture products in our country, bringing the quality of the company's products to the level of world norms and standards, creating a working capital fund at the level of current demand and consumer demand. From a strategic point of view, the institution aims to achieve all of the above objectives, and in the project period, the creation of a continuously operating complex, creating the most comfortable and socially favorable environment for workers, creating a base for the production of high quality products for the population of the region. In order to achieve these goals the company plans to contribute to the development of production of furniture industry in our country and during this period to take one of the leading positions in the region, to become one of the leaders in the industry by increasing the volume of production in the future, and also by attracting additional investment to the industry. To achieve all goals set for the company in the future, to become one of the prominent enterprises in the products market as a large enterprise in the next five years, and to take 20-25% more market share. In ten years, this figure will attract additional investment; training mature and qualified personnel, using their experience and innovative technology, regularly studying consumer and market requirements and set it to 40% as one of the future plans.

The technical and economic basis of the Project was developed in order to justify the financial and economic efficiency and technical feasibility of the project Furniture Production Complex on the territory of the Republic.

#### The economic goals of the project:

- Creation of a furniture production complex and competitive enterprise; the formation of an economic basis that provides a guaranteed return on funds spent on the project;
  - development of the production center using funds generated from revenues;
  - benefit.

#### Strategic goals of the project:

- Creation of a large modern furniture manufacturing complex;
- to be the most reputable company in its geographic region, offering a full range of services to meet consumer needs.

The basics of opening this business.

First of all, there is a high demand on the domestic market for the types of products that are planned to be produced in the region when organizing this type of activity.

Second, it has been found that high profits can be achieved through the availability of sufficient raw materials for the production of these products.

Our products:

1. Closet
2. Kitchen set
3. Bed



**Priorities:**

- Creation of 13 new jobs by recruiting and training personnel;
- stimulate the growth of market power and attract some of our competitors' customers on the basis of long-term contractual relationships
- ensuring full use of the capacity of the furniture production complex at the expense of allocated funds;
- Formation of a positive image of the furniture production complex; taking its place in the market of the furniture production complex
- increase in size.
- To achieve these goals, it is necessary to solve the following tasks: lease of land plots;
- purchase, delivery and installation of equipment; technology development, personnel training;

**1.1 Advantages and benefits of the project**

1. Making a worthy contribution to the development of the furniture production complex, because today most of the furniture products manufactured in the republic does not fully meet the requirements of the time and most of the furniture products turn into waste.
2. Creation of furniture production complex demanded by the time and the sale of furniture products from 30% recycled materials to neighboring regions.
3. Creation of a modern complex line for the production of furniture products, providing 70% of the recycling of furniture products with quality goods, replacing imports and stimulating domestic production.
4. Reducing the cost of furniture products by more than 10 percent due to the introduction of vertically-integrated production technology.
6. Supply of cheap and high quality furniture products to entrepreneurs in the region, bringing a large amount of money into the Kashkadarya economy.

**1.2 The project introduces innovative technologies in the following areas:**

- \*Organization of production on the basis of European technologies and preparation of the highest quality products by means of production automation;
- \* Implementation of automation of all production cycles and accounting of material assets, operational control of compliance with production technology;
- \* Trains personnel who have completed internships in farms where the above technologies are applied.

### 1.3 Financial status of the project

#### Investment and financing

The total investment cost of the project is \$310,000.00.

As currency for settlements, sums and US dollars are accepted. The forecast period of financial and economic activity is 7 years. The normal payback period of the investment project is 5 years, and the discounted period - 5 years. The net present value of the project is 310,000.00 dollars. The internal rate of return is 18%.

We pay for the investment project and provide additional benefits to the project initiators; the cash balance throughout the planning horizon remains positive.

#### THE MAIN FINANCIAL INDICATORS OF THE PROJECT:

- ✓ **Project amount: \$310,000**
- ✓ **Average annual gross income: \$207,000**
- ✓ **Average annual income: \$100,000**
- ✓ **Average annual net profit - 50 thousand dollars (\$)**
- ✓ **Real payback period of the project based on net profit = 60 months**
- ✓ **Average project profitability = 50%**
- ✓ **Average net profitability of the project = 30%**
- ✓ **Number of jobs created: 13**
- ✓

IRR=	18,43%		
PERIOD	CFT	CONTACT	DOLL. IRR
0	-310 000	0,00%	18,43%
1	161 567,21		
2	79 249,30		
3	37 980,04		
4	49 617,22		
5	58 142,45		
6	63 071,73		
7	69 167,71		

PP=	4,96	years	DOLL.
<b>PERIOD</b>	<b>INVESTMENT COVERAGE</b>	<b>PV</b>	<b>REMAINING INVESTMENT</b>
<b>0</b>	-310 000		<b>-310 000</b>
<b>1</b>	-310 000	161 567	<b>-148 433</b>
<b>2</b>	-148 433	74 763	<b>-73 669</b>
<b>3</b>	-73 669	33 802	<b>-39 867</b>
<b>4</b>	-39 867	41 660	<b>1 792</b>
<b>5</b>	1 792	46 054	<b>47 847</b>
<b>6</b>	47 847	47 131	<b>94 978</b>
<b>7</b>	94 978	48 761	<b>143 738</b>
<b>Coefficient payback period, %</b>		-0,04	
<b>Coefficient payback period, months</b>		-0,47	
<b>Payback period, months</b>		59,53	
<b>Payback period, in years</b>		<b>4,96</b>	

## 2. APPLICABLE LAW AND THE CONTENT OF THE PROJECT

### 2.1 Applicable law

The main content of the project is to provide the population with qualitative furniture products and gain positions and competitive advantages on the commodity market, increase its financial potential and profit. The project is designed to clarify the economic efficiency of the organization and development of activities on the territory of Kamashinsky district and to attract credit and own funds to carry out these activities. Basics of starting this business. First of all, the organization of this type of activity noted the high demand for furniture products of the population of the region, as well as the high demand for manufactured products. Secondly, it was found that high profits can be achieved due to the fact that there is a high demand and demand for these products in nearby cities and regions, and there is a steadily growing high demand in the commodity market. The project is mainly aimed at generating profits by meeting the demand of enterprises for the production of furniture in our country, improving the quality of the enterprise to the level of world norms and standards, creating a fund of working capital at the level of current demand. and consumer demand. From the strategic point of view, the establishment aims to achieve all of the above objectives, and during the project period (5 years) to create a continuously operating complex, to create the most comfortable and socially friendly environment for workers, as well as to create a base for the production of high quality furniture products for the population of the region. To achieve these goals the company plans to contribute to the development of furniture production in our country and to take one of the leading positions in the region, to become one of the industry leaders by increasing production volumes in the future, and to attract additional investments into the industry. To achieve all the goals set for the future, to become one of the prominent institutions in the product market as a major institution in the next five years and take 20-25% market share. In ten years, this figure will attract additional investment; training mature and qualified personnel, using their experience and innovative technology, regularly studying consumer and market demands and setting it up to 40% as one of the future plans.

Taking advantage of a number of privileges granted by our government, our main goal was to create new jobs and further develop our economic potential by creating specialized slaughterhouses in our country through the development of entrepreneurship. We have been researching in this direction for two years.

### 2.3 Project content

For the implementation of the investment project, the company has chosen the markets of private and public services in the market of Uzbekistan. We also import the necessary tools and equipment from abroad.

The project will be implemented in the Kamashi district of the Kashkadarya region.





The area of the land plot of the project is 2000 sq.m.

Building area is 2000 sq.m. Landscaping area is 2000 sq.m. Parking is designed for 15 places. Register of buildings:

#### 1. Furniture production building

These departments cover the entire production process from growing and preparing raw materials to the final product.

The features, advantages and disadvantages of the equipment are discussed in the following sections.

#### Production

The choice of technology and equipment, advantages and disadvantages.

The production facility requires a total area of 2,000 square meters, of which 1,000 square meters are required for production facilities. This facility is divided into several zones.

The building of the preparation of raw materials, flour products;

Shop of the preparation of products;

Workshop for the preparation of finished products; place of finished products;

<b>ТЕХНИК КЎРСАТКИЧЛАРИ:</b>	
<b>Ишлаб чиқарилган жой:</b>	<b>Хитой Халқ Республикаси</b>
<b>Маҳсулот ўлчами:</b>	600-900мм
<b>Z йўналиши:</b>	0-120мм
<b>Максимал ишлаш тезлиги:</b>	8000мм/мин
<b>Нақш ўйиш максимал тезлиги:</b>	36000мм/мин
<b>Шпиндель тезлиги:</b>	24000марта/мин
<b>Шпиндель қуввати:</b>	1,5Квт
<b>Кучланиш:</b>	220В
<b>Компьютер дастурининг формати:</b>	DXF / PLT / AI / EPS



## ЁҒОЧЛАРГА УЧ ЎЛЧАМЛИ КОМПЬЮТЕРЛАШТИРИЛГАН ТИЗИМ ОРҚАЛИ НАҚШ БЕРИШ УСКУНАСИ



Ишлаб чиқарилган жой:	Хитой Халқ Республикаси
Резба диаметри:	200мм
Нақш бериш узунлиги:	1000мм
Нақш бериш максимал тезлиги:	6-8 м / мин
Нақшсиз максимал тезлик:	12 м /мин
Шпиндель қуввати:	6 * 1.5kw
Шпиндель максимал тезлиги:	24000марта/мин
Барқарорлик:	±0.02мм
Аниқлик:	±0.05мм
Узатиш вали:	Червячный редуктор
Х, Y, Z ўқи:	гибрид система сервопривод (4)
Вал ўқи тизими:	гибрид сервопривод (2)

## ЁҒОЧГА АВТОМАТЛАШГАН КОМПЬЮТЕР ЁРДАМИДА НАҚШ БЕРИШ УСКУНАСИ



### Communication systems

In the field of logistics, it was preferable to use the services of private freight carriers rather than cooperate with individual enterprises. The main reason for this is that the services of logistics enterprises established by legal entities are more expensive.

- ✓ Since the production building is located in an empty area, there are communication systems.
- ✓ There is gas, water, electricity.
- ✓ There is no sewage system in the area.
- ✓ Gas, water and electricity are supplied from a distance of 250 meters.
- ✓ For electricity conducted 3-phase line and installed a separate transformer.
- ✓ Cold water is piped to 150.

In the area, gas is pumped from a nearby location through a 50-meter pipe. And are placed with separate connecting devices.

### Terms of know-how transfer, employee training.

The established production uses the "know-how" and original technology of fish production, provided with technological equipment.

A request was made for training of personnel in the operation and maintenance of technological equipment under the contract with the supplier.

### Project Innovation:

- \* Organization of sales in their sales pavilions, taking into account the novelty of products and customer requirements;
- \* Automation of all production cycles and accounting of material values, control of compliance with production technology online;
- \* Trains employees who will receive internships on farms that use the above technologies.

Product compliance with international standards.

Technical characteristics of the manufactured product meet the requirements of GOST, international standards of Iso 9000 series as a natural product, which ensures its compliance with international standards.

Technological equipment, equipment for raw material processing and auxiliary equipment meet the world standards of high technology, and in some respects exceed them (level of compatibility with the microclimate of the southern climatic zone and the organization of bird migration), reduce energy consumption and feed losses, significantly reduce environmental pollution reduces. Processing of fodders allows to get fish products (in particular, meat, sausages, etc.), which meet the requirements of the European Union). Supply of equipment and equipment:

The supplier of equipment and technologies guarantees reliability of the equipment and obtaining quality products in compliance with all requirements of the technological process. All technological documentation is supplied together with the equipment, and workers are trained to work with the supplied technological equipment, including measuring and laboratory equipment.

The production equipment is made in China and is of the highest quality. The company purchases premium equipment.

The cost of stocks is included in the cost of production. Although these stocks are stocked seasonally each year, their costs during the year are equalized by the costs of fishery products, since the costs provided for in these costs are used to support the production of grain products.

The technology used in the processing plants makes it possible to produce quality products that meet the requirements of EU countries, according to halal technology.

### **3. MARKETING PLAN**

#### **3.1 General state of the market**

In the current context of further liberalization of economic reforms carried out in Uzbekistan, small and medium-sized businesses should have priority development. Today, small business occupies a decisive place not only in the production of gross domestic product. Perhaps the most important source of well-being and growth of incomes of the population is to ensure, in principle, solving the problems of employment, which are especially important in small towns and villages. Today the issue of financial support for entrepreneurs acquires a topicality. In addition, a robust institutional and legal framework has been created, a regulatory framework that serves as a foundation for the creation and development of small business and private enterprise in the country, and support for its investment, another important document has been adopted that has a direct bearing on the lives and activities of millions of citizens of our country. As a result it is aimed at increasing their level of well-being.

In 2020, the gross domestic product of the Republic of Uzbekistan in current prices will amount to 580,203.2 billion UZS. Compared with 2019, it increased by 1.6%. In 2020, GDP per capita amounted to 16,949.1 thousand soums (or the equivalent of 1,685.5 US dollars) in current prices.

By the end of 2020, 341,467.5 billion. 194,363.5 billion soums in the production sphere. gross added value is created in the amount of soums. Net taxes on products is 44,372.2 billion UZS.

According to preliminary data, Uzbekistan's gross domestic product (GDP) increased by 0.4% in the first 9 months of 2020 (5.9% in the first 9 months of 2019) compared to the corresponding of the period of the previous year.

In the current period, the contribution of agriculture, forestry and fisheries to GDP growth was the highest, the volume of production in this sector increased by 3.4% and provided GDP growth of 0.8% points.

While the construction sector had a higher growth rate of 8.6%, its contribution to GDP growth was 0.5%. Due to a 2.7% decline in production in the industrial sector, the volume of GDP decreased by 0.7 percentage points. Also, the 0.7% decline seen in services negatively impacted GDP growth by 0.2% points.

The 0.6 percent decrease in net taxes on products had no significant negative effect on GDP growth, amounting to -0.04% points.

According to the results of 9 months of 2020, what was the share of industries in the gross domestic product of Uzbekistan According to preliminary data,

In January-September 2020, the volume of gross domestic product (GDP) of the Republic of Uzbekistan in current prices is 408.3 trillion soums.

Compared to the months of January-September 2019, there were slight changes in the structure of the economy by industry.

In particular, the share of industry in GDP (GDP) decreased from 29.3% to 28.5%, the share of services decreased from 36.5% to 36.2%, the share of agriculture, forestry and fishing decreased from 27.3% to 27%. The profit of the construction industry increased by 9% from 6.9% to 7.4%.

#### 2020- yilning yanvar-sentabr oylarida YaIMning tarmoqlar bo'yicha tarkibi

(jamiga nisbatan % da)



In 2021, Uzbekistan's economy reached a record growth rate despite the ongoing pandemic and high turbulence in the global economy. At the end of the year, our country's gross domestic product grew by 7.4 percent amid average growth of 1.9 percent in 2020. The inflation rate in Uzbekistan continues to decline from year to year.

The consumer price index increased by 10% compared to 11.1% at the end of 2020. Prices for food products increased by 13% (15.3% in 2020), for non-food products - by 7.8%. The cost of services grew at a higher rate than last year, 7.7 percent compared to 7.1 percent in 2020.

Fixed-asset investment rose 5.2% in 2021, reversing a 4.4% decline in 2020. Decentralized investment increased by 7.4%, mainly due to foreign direct investment and loans, which increased by 18.4%. Also, the volume of investments at the expense of funds of the population increased by 4.5 percent.

At the same time capital investments of enterprises decreased by 3.6%. Centralized investments decreased by 3.6 percent, which was a sharp decrease in the attraction of foreign investments and state-guaranteed loans - by more than 30 percent. It should also be noted that such investments in the total amount of investments decreased from 11 percent in 2020 to 7.1 percent at the end of last year. At the same time there is a growth of investments, which increased by 36 percent at the expense of budgetary funds. As a whole by the results of 2021 the share of centralized investments in total volume of investments in fixed assets continued to decrease from 19.9 percent to 18.3 percent, accordingly the share of decentralized investments increased.

By the end of 2021, there was an increase in production in all sectors of the economy. The volume of industrial production increased by 8.7 percent (growth in 2020 was 0.9 percent). The highest growth rates are in the electricity, gas, steam and air conditioning sectors, which grew by 13 percent. The mining industry is recovering from a major downturn in 2020, with output up 10.7 percent from a 22 percent decline last year. The manufacturing sector continues to show strong annual growth rates, with output growing 8.2 percent in 2021 (up 7.9 percent in 2020). The industry leaders in 2021 are textiles (19.1 percent), apparel (18.7 percent), finished metal products excluding machinery and equipment (18.9 percent), beverages (17.7 percent), metallurgy (8.1 percent growth). chemicals (5.7 percent). At the same time there is production of cars (by 5.7 percent), electrical equipment (by 6.6 percent), coke and refined products (almost 30 percent).

The services sector is experiencing dynamic growth. By the end of 2021, market services output will average 3 percent in 2020.

increased by 19.2 percent on the back of growth. Growth was observed in all areas of service provision. The largest increases were in financial services (28.4 percent), communications and information services (21.8 percent), real estate and property (24.2 percent), education (28.7 percent), health care (26 percent), and rent and lease (21 percent).  
%).

The transportation sector, which experienced a slowdown in 2020 due to the pandemic quarantine, is showing double-digit growth in 2021, with transportation services growing at an annual rate of 16% and freight traffic increasing by the end of 2020. 10%, and passenger traffic increased by 9.5%. Retail turnover also showed dynamic growth - 12%. Construction growth slowed from 9.5% in 2020 to 6.8% in 2021.

In agriculture, on the contrary, despite the harsh natural and climatic conditions, the growth rate of production in 2021 dynamically increased to 4 percent (in 2020 - 2.9 percent). Crop and livestock production increased by 3.9 percent. The fish industry continues to grow at a rapid pace, increasing by 21.4 percent (17.9 percent in 2020).

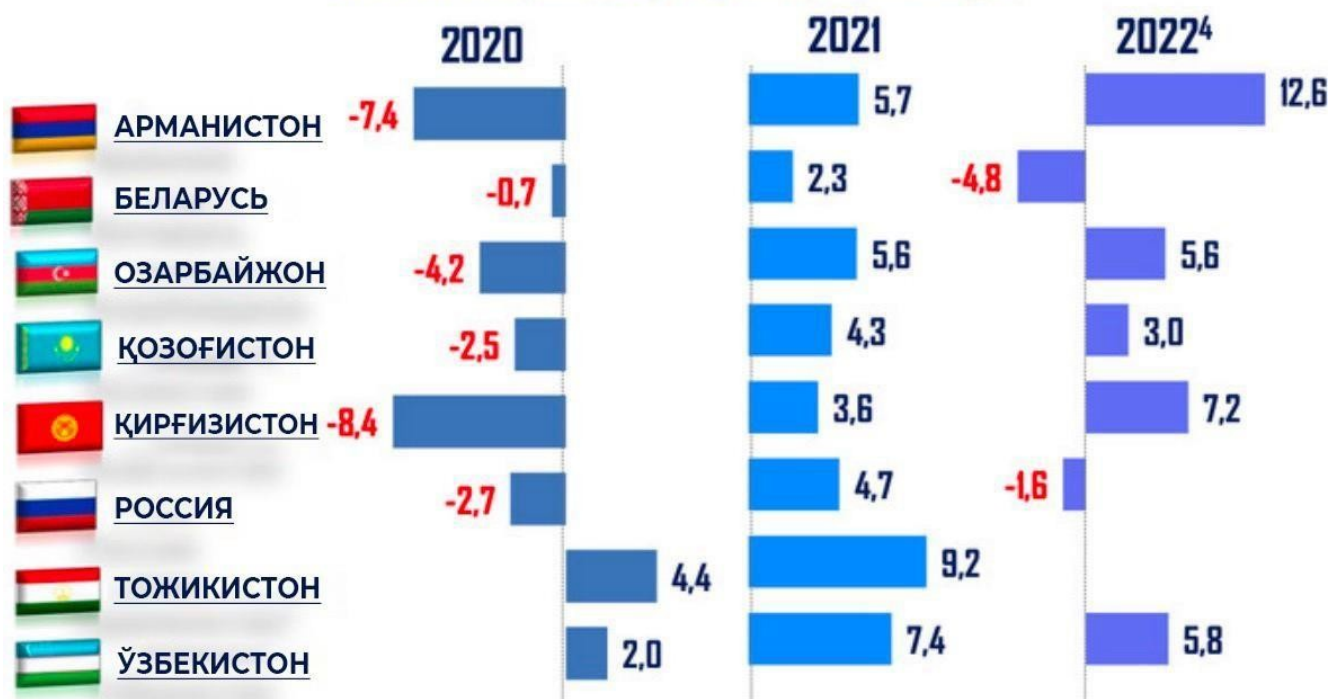


According to the results of 2021, it was possible to return to the positive dynamics of foreign trade. The volume of foreign trade turnover increased by 16% to \$42.1 billion and exceeded the figure for 2019 (\$41.8 billion). Exports increased 10% to \$16.6 billion and imports increased 20% to \$25.5 billion. The trade balance was negative and amounted to \$8.9 billion.

The State Committee reported that the volume of gross domestic product (GDP) of Uzbekistan in 2022 reached 888.34 trillion soums in current prices. The real growth rate compared to the level of 2021 was 5.7 percent. The share of industrial products in GDP increased to 484.7 trillion soums (+5.2 percent), services

- to 343.3 trillion soums (+8.5 percent), net taxes on products increased to 60.3 trillion soums. When calculating Uzbekistan's GDP at the average U.S. dollar exchange rate, nominal GDP was \$80.38 billion, which is \$11.18 billion more than in 2021.

### МДҲ ДАВЛАТЛАРИНИНГ 2020-2022 ЙИЛЛАРДАГИ ЯЛПИ-ИЧКИ МАҲСУЛОТИ ЎСИШ (ПАСАЙИШ) СУРЪАТЛАРИ ОЛДИНГИ ЙИЛНИНГ МОС ДАВРИГА НИСБАТАН % ДА



The sector of trade, accommodation and catering grew by 9.3%, transport, information and communication - by 14.7 percent. Relatively low growth rates were observed in agriculture, forestry and fishery (3.6 percent). GDP per capita increased in real terms by 3.5 percent, from 21.15 million soums to 24.91 million soums (\$2,254.9). By comparison, in 2021 the increase was 5.3 percent, and in 2020, the year of the pandemic, the increase was 0.1 percent. Uzbekistan's GDP is projected to grow 4.9 percent in 2023 and 5.1 percent in 2024.



**CONSUMER INFORMATION****Marketing matrix**

<b>Nº</b>	<b>Contents</b>	<b>Segment 1 (importers)</b>	<b>Segment 2 (Local entrepreneurs)</b>	<b>Segment 3 (Entrepreneurs, working in the regions)</b>
<b>1</b>	Description consumers	Foreign consumers	Local entrepreneurs	<b>Entrepreneurs working in the regions</b>
<b>2</b>	Volume consumption	0%	70%	<b>30%</b>
<b>3</b>	Geographical location of consumers	Foreign consumers	Local entrepreneurs	<b>Entrepreneurs working in the regions</b>
<b>4</b>	Decline, increase or stability product demand	multiplied by	multiplied by	<b>multiplied by</b>
<b>5</b>	The opportunity to purchase a product	Medium	above	<b>Medium</b>
<b>6</b>	<b>Attracting the product to the consumer</b>	<b>Affordable price Quality</b>	<b>Affordable price Quality</b>	<b>Affordable price Quality</b>

### **Uzbekistan's furniture industry: the world should bet on it**

For the period until January 1, 2023 a zero rate of customs duty applies on imports of raw materials, spare parts, fittings and accessories used in the manufacture of furniture.

The President [signed a decree](#) "On measures aimed at the development of the furniture industry in the regions of the republic.

To support furniture manufacturers, improve quality and competitiveness in the domestic and foreign markets, small industrial zones specialized in the production of furniture products by the cluster method will be created.

The authorities expect to sell production areas in the MPZ through an online auction on the basis of ownership.

Now the government of Uzbekistan is working on a program for the development of the industry for 2021-2024, which provides:

introduction of new types and packages of consumer credits to equip new apartment buildings with domestic furniture products;

Updating the furniture inventory of kindergartens, schools and hospitals;

cultivation of tree species used as raw materials for the furniture industry;

the launch of new facilities by foreign furniture manufacturers from China, Turkey and other countries;

implementation of regional projects for the production of MDF boards, HPL panels, raw materials, spare parts, fittings and accessories.

### **Subsidies and benefits**

From June 15, 2021, the Export Promotion Agency will begin to reimburse 50% of transportation costs for imports of raw materials (HS codes 4410 and 4411) of companies exporting at least 30% of finished furniture products.

In addition, up to January 1, 2024 enterprises-exporters of furniture will be reimbursed 50% of the cost of transportation by road and rail (not more than 5% of the cost of exports - by road, 7% - rail).

Until January 1, 2023 will apply a zero rate of customs duty on imports of raw materials, spare parts, fittings and accessories used in the manufacture of furniture.

Beginning in May of this year, the Uzbek International Furniture Fair is held annually in May in the capital.

The furniture industry is gaining momentum

Meanwhile, Uzbek furniture continues to actively enter the global market.

So, according to the State Statistics Committee, in 2020, the republic doubled its exports compared to 2019 - 3.5 million dollars worth of products were sent to 23 foreign countries.

The main exporter is Central Asia. The largest consumer of Uzbek furniture is Kazakhstan, where it exported products worth 1.5 million dollars in 2020.

Other countries of the region - Kyrgyzstan and Tajikistan - received \$917.1 thousand and \$458.7 thousand in shipments, respectively.

Meanwhile, one of the major markets for Uzbek furniture is Russia - in 2020 there were exported products worth 187.2 thousand dollars.

Popular domestic furniture and in foreign countries: Singapore, India, Turkey, Slovenia, Saudi Arabia, Germany and even the United States.

### **3.2 The basic strategy of the enterprise**

The goal of the marketing strategy of the enterprise is to increase the efficiency of production.

#### **Pricing strategy**

The Furniture Manufacturing Complex Price Strategist has considered the following measures and will continue to implement them:

- Study the pricing policy of competitors;
- The use of a discount system;
- pricing based on applicable law and cost recovery;
- ✓ Organization of a flexible payment system - the possibility of deferred payments.

The principle of price research is based on the reduction of fixed and variable costs, but should not be to the detriment of the services provided. A special discount program is used as a price incentive for regular customers.

If necessary, a policy of price discrimination is applied. The presented differential approach seems to be optimal when there are some changes on the market that can affect the production enterprise of the furniture production complex.

#### **Channels and methods of distribution. Sales promotion**

The price policy of this project is consistent with the high quality of services provided, and most importantly supports a positive opinion of the buyer. In this case, the adoption of the position leads to the conclusion. The main attention should be paid to differential pricing, the study of the price level of the middle echelon of services in the market.

#### **Dissemination strategy**

The activities of the enterprise furniture manufacturing complex is aimed at finding solvent customers in the market and the establishment of long-term contractual relationships with them.

### Promotion strategy

Achievement of the marketing objectives requires the company to implement comprehensive measures, direction, cooperation and development to implement the chosen feature of the location.

The company implements the following types of promotional activities.

- Advertising activities. specialized print publications; Own website;
- Outdoor advertising and more.
- Direct marketing.

In addition, in order to have effective advertising and a strong image, you need to pay a lot of attention to the following.

- Be flexible to customer needs and fully meet them; Be courteous to the customer with a high culture;
- Have a clear advertising and service program;
- Timely responding to needs и changes Customers; Providing impeccable products to customers;
- Clearly defined and fully fulfilled commitments; To be a constant observer in the marketplace;
- Be friendly with customers; Work with potential customers; Remember yourself;
- Clothing and shoes with a special logo; Mode of operation should be convenient for customers; Aesthetics should be above the level of customers; Comfortable and advanced structure;
- Organization of labels, advertising banners and indicators that attract customers;
- Availability of materials, letterheads, souvenirs and sweet booklets when clients show up;
- Participation in exhibitions and fairs.

The company constantly conducts promotions to increase the flow of customers, attract new customers, and retain regular customers. Advertising sector is in the first place for the development of modern business. Therefore, the enterprise is in the table below.

№	Project name	Plan	Assignments
1	Promoting the company's brand and increase in sales by 50%	Advertising in social networks	<b>Assembling an SMM team or finding an outsourcing firm to organize work in social networks</b>
		<b>Instagram, Facebook posting and targeting</b>	
		<b>Find Telegram channels in the regions and arrange cooperation</b>	
		<b>Development of promotional materials and tools</b>	
		Advertising in outdoor advertising media	<b>Search for external advertising media and coordination of cooperation</b>
		Handouts	<b>Development of leaflets and booklets</b>
		Advertising through the site	<b>SEO optimization</b>
		<b>Yandex, Google contextual advertising</b>	
		Advertising in social networks	<b>kun.uz.</b>
		Trading sites	<b>daryo.uz</b>
<b>olx.uz</b>			
<b>prom.uz</b>			
<b>glotr.uz</b>			
Increase the number of subscribers in social networks up to 15,000	<b>Posting posts and videos that gather followers on Instagram, as well as holding contests</b>		
2	Actions against competitors	Achieving customer loyalty	<b>Providing high-quality and customer-friendly products</b>
			<b>Engage potential customers with promotional tools and provide them with good deals</b>
			<b>Achieving lifetime customer value</b>
			<b>Use of promotions, skids and other sales promotion tools</b>
<b>Total</b>			

### Analysis of the project in market conditions.

All reforms carried out in the Republic of Uzbekistan are aimed at protecting the social and economic interests of the population and improving their way of life. Currently, the development of each industry and meeting the demand of the population for newspaper services is the main requirement of a market economy. The company plans to develop its production activities based on its capabilities and market requirements. For this purpose, it is supposed to conduct some research and study of requirements. The company strives to constantly analyze the market and introduces the following methods



### Competitor analysis

#### Manufacturers of furniture products in the Kashkadarya region



0.0 | 0 отзывов

#### MONDELUX Карши филиал

Офисная мебель, Мебель - производство и продажа, Мебель на заказ, Мебель для офиса

- 📍 Узбекистан, Кашкадарьинская область, 180109, Карши, КАРШИНСКИЙ РАЙОН, ул. ИСЛАМА КАРИМОВА,
- 📍 Ориентир: рынок "ФАРХАД"
- 🕒 Рабочий график: 09:00 - 18:00, перерыв 12:00 - 13:00, без выходных



## AVAN MEBEL MAGAZIN Карши

Мебель - продажа

📍 Узбекистан, Кашкадарьинская область, Карши, ул. УЗБЕКИСТАНСКАЯ, 291

📍 Показать схему проезда на карте



## EXPRESS-BUNYODKOR KTSICHK

Мебель - оборудование, Тяжелая промышленность, Строительство и ремонт

📍 Узбекистан, Кашкадарьинская область, Карши, м-в МУГЛОН,



## КАРШИНСКАЯ ТОРГОВО-ПРОМЫШЛЕННАЯ КОМПАНИЯ

Мебель - продажа, Поставка компьютеров, комплектующих, оргтехники

📍 Узбекистан, Кашкадарьинская область, Карши, ул. УЗБЕКИСТАНСКАЯ, 11



## ARSENAL MEBEL LYUKS OOO

Мебель - производство и продажа, Мебель на заказ

📍 Узбекистан, Кашкадарьинская область, Карши, ул. МУСТАКИЛЛИК, 3

Direct competitors		Indirect competitors
Strong	<b>These competitors pose a threat to the business. Strategies needed to protect current customers</b>	These competitors pose a threat to the business. Strategies needed to protect current customers
Weak	<b>These competitors are sources of business growth. We need programs aimed at attracting customers of these companies</b>	<b>These companies do not pose a threat to business, it is necessary to follow the actions of these players, however</b>

*4R MARKETING COMPLEX*

<p><b>Product-Product</b> Furniture product</p>	<p><b>Price-price</b> Pricing is based on consumer demand and market conditions. defined</p>
<p><b>A Place of Joy</b> Scope of activity - the company operates in the Kashkadarya region. does. Delivery of products from this address to neighboring regions and other regions and neighboring countries there is a possibility.</p>	<p><b>Promotion-movement</b> Attracts customers by advertising on posters, television, social media, and a number of other commercial sites.</p>



Corporate products are not monopoly products. The price of manufactured products is agreed upon.

Pricing at the sale (contractual) price consists of the following steps: material costs per unit of production are determined, consisting of basic equipment, taking into account the cost of purchasing transportation, returnable waste, energy costs;

- a calculation is made, which includes predetermined material costs, the base wage of workers, accrual of wages, production costs (maintenance and repair of equipment), depreciation charges. All these (production costs) together with the costs of the period constitute the wholesale price of enterprises. Price is an important element of the marketing complex. The pricing process consists of several steps.

1. Identification of external factors affecting the price;
2. Determination of pricing goals;
3. The choice of pricing method;
4. Development of a pricing strategy;
5. Market price adjustment.

The pricing of the company's products is influenced by four main factors:

(a) Consumers, that is, the type and formation of demand. In this case, the demand for the Company's products is defined as satisfactory.

b) market price - the price of enterprise products is not controlled by the state.

c) participants of sales channels - the price of raw materials, semi-finished products, components is determined by the supplier.

d) the state - its role is reduced to establishing the "rules of the game", that is, the state introduces a number of prohibitions that should limit market participants from unfair competition.

The question of the pricing method is central to the formation of a marketing program. The calculation is based on the cost method, and the conflict method takes into account the internal costs of production, as well as the percentage of profit planned by the entrepreneur. Advantages of the cost method: producers always know more about their surplus than about consumer demand; mass use of the method leads to minimal price competition; Ease of pricing.

Development of pricing strategy is the entrepreneur's choice of the dynamics of possible changes in the price of goods in market conditions, the most appropriate to the purpose of the enterprise. It was reasonable to use the strategy of determining the prices of existing goods. The entrepreneur sets his prices as close to the market prices as possible.

Adjustment of the market price implies acceptance of the final producer's price taking into account the influence of the market. A system of product discounts is provided for: The cost pricing policy is based on the principle of covering all or at least a significant part of the costs. The necessary information is obtained from the data production accounting (cost calculation).

Costing is a methodological tool that links costing with pricing. According to the purpose and methods, there are two types of calculation:

- 1) calculation of progressive costs, i.e., a price that fully or partially covers costs on the basis of production costs. The disadvantage of the method is that it underestimates the market effect. A price calculated in this way does not guarantee that it will be accepted by the market;
- 2) The recalculation method is based on the sales price calculation and is aimed at controlling the market price in terms of costs. It is a verification of prices expected by consumers or set by competitors.

Direct cost-oriented pricing is not problematic unless price plays a major role for consumers. This method of pricing is inherently risky for enterprises whose cost structure is relatively unfavorable because of technological or organizational deficiencies. Cost-based pricing tends to perpetuate existing obsolete cost structures. On the contrary, this form of pricing is possible when there is fierce cost competition and rationalization and at the same time an agreement on the profits to be made by each business entity.

The subject of price analysis in this case is the willingness of consumers to pay a certain price (the upper price limit), the reaction of consumers to price changes (price elasticity) and the possibility of price differentiation. Barring the need to operate at prices above the lower price cap, there is no direct link between cost and pricing in consumer orientation. If consumers have a perception of the "right price," then pricing must take those perceptions into account. In contrast, consumers' perceptions of "fair" prices for many new products are shaped by the prices charged for them.

**SWOT ANALYSIS**

S Strengths	W - Weaknesses	Strengths
<b>Competing companies are not available+</b>	-Has a strong brand	<b>6 ta</b>
	not++	<b>Weaknesses</b>
<b>For the product, the presence of demand++</b>		<b>2</b>
		<b>S&gt;W</b>
<b>Most modern with technology provision+</b>		<b>++S</b>
		<b>2</b>
		<b>++W</b>
<b>In this type of activity</b>		<b>1</b>
<b>foreign experience</b>		<b>++S&gt;++W</b>

<b>learning++</b>		
<b>O Opportunities</b>	<b>T-Threats</b>	<b>Opportunities</b>
<b>Judgment rendered and Work in Decrees Note the zoom++ output</b>	-strong competitors appearance+	<b>5 Threats</b>
	-Purchasing power uncertainty++	<b>3 Q&gt;T</b>
<b>Product Type Expand+</b>		<b>++O 2</b>
<b>Non-standard products production capacity that it exists++</b>		<b>++T 1 ++O&gt;++T</b>

The domestic market was studied by Ltd. As a result, it was determined that there is a high demand for furniture production complex in the region. Since 100% of the project is focused on the consumers of Uzbekistan, the project is fully self-sustaining according to the table above. The fact that the project has 6 strengths, 2 weaknesses, 5 opportunities and 3 obstacles confirms the relevance of the project.

There are also plans to bring in and install a number of equipment technologies as a future investment project for 2023, once the community gets this project underway.

#### 4. INVESTMENT PERIOD

Pre-investment phase of the investment project - Q2 2023. The pre-investment phase includes the following activities:

study of markets for goods, products, works, services (hereinafter - products) and their segments, raw material zones, balances of production and consumption, identifying potential customers, creating a customer base;

preparation of preliminary data required for financial and economic calculations of the investment project;

scheme and sources of financing of investment projects to identify;

At the pre-investment stage, a final decision is made (by the customer, investor and other interested parties) on the feasibility of the investment project and the development of a business plan. Start of the project implementation - August

2023 (preparation of research work and design and estimate documentation).

Investment stage of the investment project: construction and installation works It is planned

to be implemented from February 2023 to August 2024.

Operational stage of the investment project: The start of the enterprise is planned from August 2024.

The company needs additional funds to further develop production, capture the market and attract new customers. The activity is organized at the expense of its own funds in the amount of 310,000.00 dollars allocated to the enterprise.

Nomi	VALUE	DOLL.	(%)
	DOLL.		
PROPERTY, PLANT AND EQUIPMENT (SALVAGE VALUE)			
BUILDING PREPARATION	30 000	30 000	9,68%
MACHINES AND EQUIPMENT	100 000	100 000	32,26%
FURNITURE AND OFFICE EQUIPMENT	40 000	40 000	12,90%
MACHINES	40 000	40 000	12,90%
TOTAL FIXED ASSETS	<b>210 000</b>	<b>210 000</b>	<b>67,74%</b>
WORKING CAPITAL	<b>100 000</b>	<b>100 000</b>	<b>32,26%</b>
working capital	100 000	100 000	32,26%
OTHER FINANCIAL EXPENSES	-	-	0,00%
Mortgage insurance (0.05% of the mortgage amount for 84 months)		-	0,00%
pledge agreement execution	-	-	0,00%
Other expenses (1.0% of the loan amount)		-	0,00%
LOYIXANING BOSHLANXICH KIYIMATI	<b>310 000</b>	<b>310 000</b>	<b>100%</b>

Title of work	2Q 2023	3 sq. 2023	4 sq. 2023	1Q 2024	2Q 2024	3 sq. 2024
Approval of the business plan with the local The credit agreement is signed by the authorities.						
Opening and funding an escrow account for payment audit and credit insurance						
Concluding contracts with equipment and technology suppliers						
Preparing a government decision, The decision of the government to local bodies are handled by the government.						
Opening of financing						
Provision of land for construction and lease for agricultural production						
Organization of equipment delivery						
Construction and installation and commissioning works						
Acquisition and transfer of technology						
Purchase and delivery of raw materials and replenishment of working capital						
Getting Started						

#### 4. ORGANIZATIONAL PLAN.

The company employs 21 employees for production and organization of production. They are the director, chief technologist, accountant, operator, etc. Working time is 8 hours. There are 300 days a year.

An individual employment contract is signed with each employee, which defines his or her rights and obligations, determines the internal order of the employee, and provides equipment for the day and the workplace. Personal protective equipment and social protection are guaranteed.

There is a system of work incentives.

The following is the structure of the company

It is possible to demonstrate experience in similar projects, as the right approach to project implementation can have significant benefits:

##### **1. Improvement by creating a single "management tool" to improve the proper management of the business:**

- Monitoring the activities of the enterprise;
- Remote management of enterprise activities from the office;
- Providing reliable information about enterprises, increasing the efficiency of processing;

##### **2. To increase competitiveness:**

- Increase the speed of response and management to market changes;
- increase the efficiency of production and sales;
- The use of various flexible schemes to work with clients "within the law and decency".

##### **3. To improve business efficiency:**

- Increasing the efficiency of employees;
- Reducing costs in the implementation of enterprise services, reducing the impact of the human factor;
- Accelerate the production process for customers, simplify commercial accounting and exchange of documents;
- The developed marketing strategy allows the enterprise to meet the marketing objectives objectives and strengthen its positions at market.







## 6. DEVELOPMENT PLAN.

### 6.1. The degree of supply of raw materials

There is enough raw material in the territory of the Kamashi district. Wood and MDF are purchased at local markets. Raw materials are mainly imported from Russia.



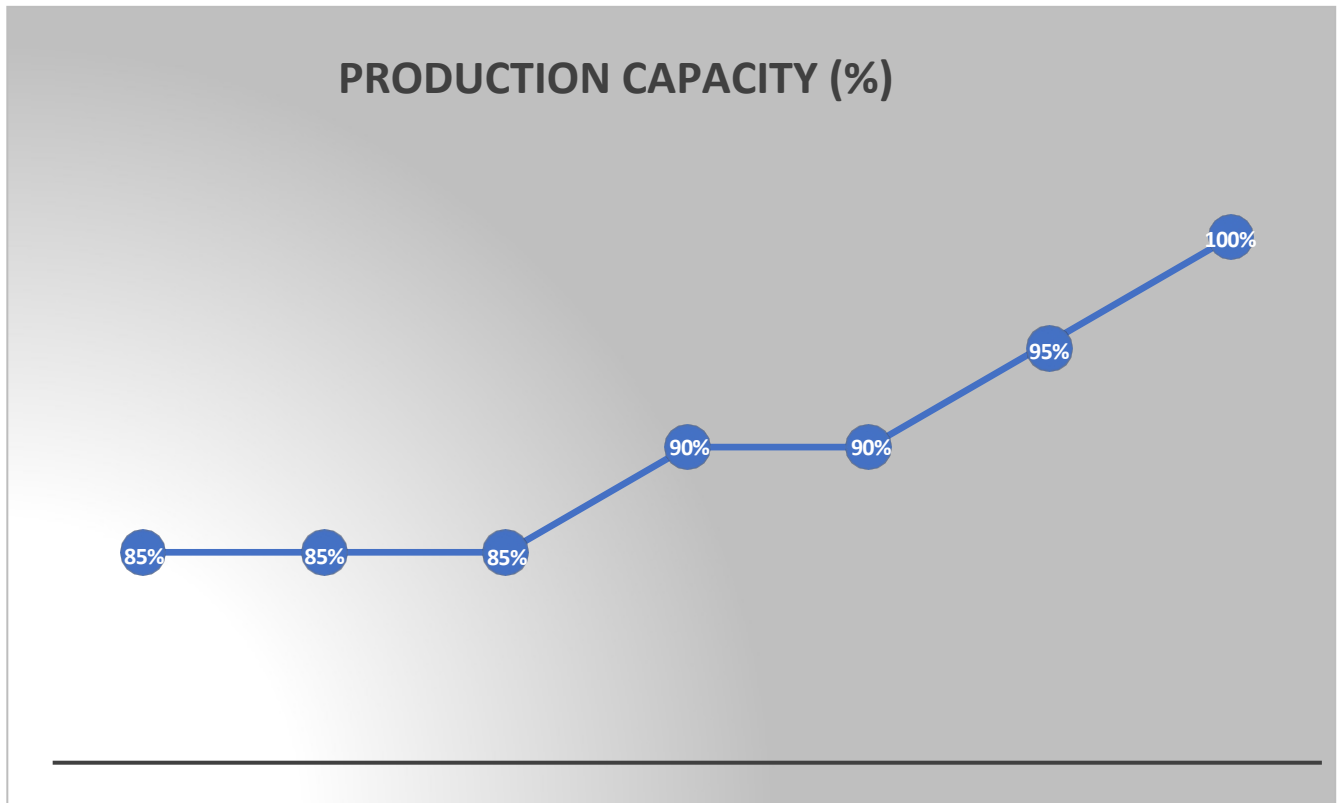
### 6.2. Production capacity

The tables imported by the community are of high quality and comfort. The peculiarity of furniture production is that we need to procure raw materials in batches to order and process each of them in a special way. In order to find buyers for our products, we need to create a customer base. Ideally, we need a marketing department that works closely with the sales department. Customers will be sent a commercial offer showing all the capabilities of the company. It is good if product samples are already available. We can organize a production tour for customers. Standard methods of promotion in the market, such as TV, Internet, billboards and public transport advertising will not be effective. However, we can advise you to create a website with all the information about the enterprise and maintain pages in social networks. In the V2V sector, the search for clients is done directly. Once we start working with a client, we need to create all conditions, so that the flow of orders does not stop. Based on the results of the review we form the competitive advantages of the workshop and the product:

- Guaranteed supply volumes; quality of slicing and freezing;
- free delivery from a certain volume; flexible pricing policy.

#### Reaching the planned production volume

A gradual increase in production volumes is planned. The company is expected to reach project production volume within 7 years from project production date. Annual production volume from 85% starts and is expected to increase later.



## RISKS AND INSURANCE VALUATION

Types of risk	Danger level	Types of risk insurance
<b>Changes, negatively market influencers</b>	The Inevitable	<b>1. In-depth market research is regularly conducted; 2. Advanced methods of production.</b>
<b>Resistance of the participants, true competition</b>	That's right.	<b>1. 1. Application of judicial measures; 2. 2. the use of market conditions; 3. 3. the use of marketing tools.</b>
<b>Inflationary process</b>	That's right.	<b>Conducting a moderately rational pricing policy: price increases do not lags behind the rate of inflation.</b>
<b>Commitment force majeure</b>	Perhaps	<b>Property and consumer insurance</b>
<b>Financial risk</b>	<b>The Inevitable</b>	<b>High financial status</b>

Technological risk (technology development, availability of equipment, availability and maintainability; availability of spare parts, additional equipment and fixtures; equipment with tools; training of operating personnel; availability of qualified personnel, if provided for by the project; installation and training of foreign specialists).

Organizational and managerial risk (guarantee of availability and implementation of the plan schedule; interest of all participants in the implementation of the plan schedule; possibility of recurrence of organizational violations; availability of qualified management personnel (certification of managers); relations with local authorities) .

Logistics risk (analysis of information about suppliers of basic production resources; alternative raw materials, assessment of permeability; the level of organization of control of the input quality of raw materials). Financial risk (evaluation of the current financial position; probability of non-payment by the project participants; credit and interest risks). Economic risks (sustainability of the economic situation of the claimant to changes in the macroeconomic situation in the country; assessment of the consequences of an increase in tariffs and prices for strategic resources; possibility of a decrease in demand for products in the Kashkadarya region and the country as a whole; availability of alternative markets; consequences of deterioration of the tax climate). Environmental risks (possible fines and their impact on the economic situation of the claimant)

## SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACT

### Socio-economic importance of the project

The impact of this project on the social sphere is reflected in the following indicators; the number of jobs created;

- satisfying consumer demand - through the presentation of the project's products;
- tax payments

### *Environmental factors*

At the stages of the project there is no harmful impact on the environment, the project ensures production. The enterprise has developed regulatory documents to ensure the safety of production and labor protection. The enterprise operates in compliance with the norms contained in the Law of the Republic of Uzbekistan "On Nature Protection". The project will be implemented taking into account the existing environmental factors in the area. The nature is not affected.

## FINANCE DEPARTMENT ACTIVITIES

### Total cost of investment

2023 (preparation of research work and design and estimate documentation). Investment stage of the investment project: construction and installation works will be performed since August 2023 till July 2024. Operational stage of the investment project: The start of the company's operations is scheduled for August 2024. The company needs additional funds to further develop production, capture the market and attract new customers. Activities are organized on the basis of its own funds and an investment of \$310,000.00 allocated to the enterprise. Commercial activities include ongoing financial and monetary transactions for the purchase of raw materials, preventive maintenance and repair of equipment, payroll and settlements with the state. When writing a business plan for meat production, the total amount of these costs should be clearly defined and their structure should be described in detail.

need to be obtained, because they mainly make up the characteristics of the profitability and self-repayment of the project.

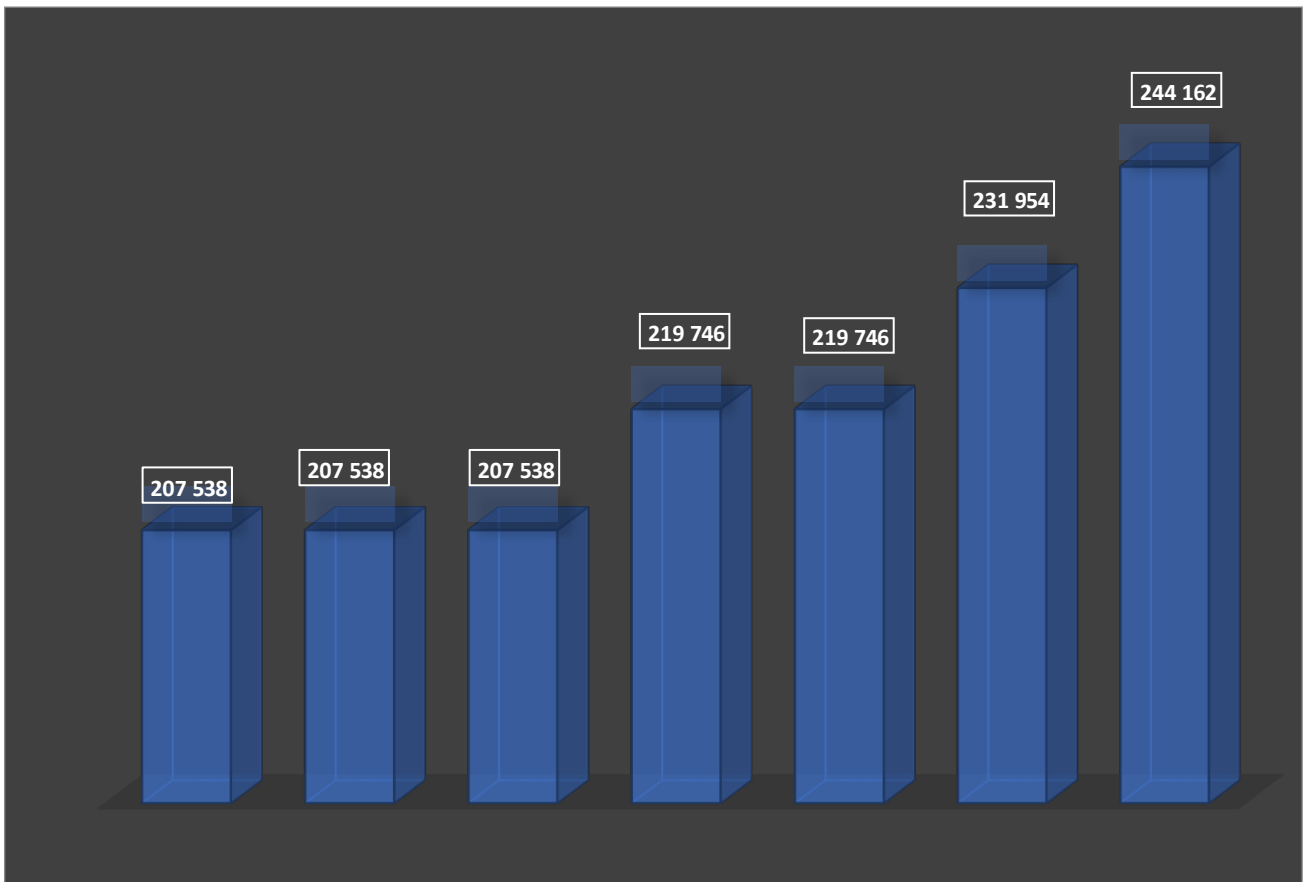
NAME	VALUE
	DOLL.
<b>FIXED ASSETS (RESIDUAL VALUE)</b>	
<b>BUILDINGS AND FACILITIES</b>	<b>30 000</b>
<b>MACHINES AND EQUIPMENT</b>	<b>100 000</b>
<b>FURNITURE AND OFFICE EQUIPMENT</b>	<b>40 000</b>
<b>VEHICLES (CARS)</b>	<b>40 000</b>
<b>TOTAL FIXED ASSETS</b>	<b>210 000</b>
<b>WORKING CAPITAL</b>	<b>100 000</b>
<b>working capital</b>	<b>100 000</b>
<b>OTHER FINANCIAL COSTS</b>	-
<b>Collateral insurance (0.05% of the collateral amount for 84 months)</b>	
<b>pledge agreement</b>	-
<b>Other expenses (1.0% of the loan amount)</b>	
<b>INITIAL PROJECT COST</b>	<b>310 000</b>

### 6.1 Income from production

Companies must enter into long-term supply contracts that stabilize the production and financial performance of enterprises. But we conclude long-term contracts only with the B2B segment. We create our own website with product descriptions and commercial offers, and we organize the work process with the understanding that it is useful to use advertising methods on the Internet. It is useful to attend various exhibitions, where you can find potential clients and conclude large contracts.

Due to the high demand for the service provided by the society in the future, this will lead to a soon to be established society.

#### Income from production



### 6.1 Production costs Full cost table

Loyixani tashkil qilish uun asociy harajatlar uun xam, xam harajatlar uun xam harajatlarni talab kilish kerak, bu esa nahrnin şrnım şir keladı. The product is not a product of the same type as the one you want to use, but a product of the same type.

## Utility costs

DOLL.

NAME	Q/y	PRICE FOR UNIT OF MATERIALS	UNIT MONTHS	MONTHLY	YEARLY
				CONTRIBUTION	CONTACT
<b>ELECTRICITY</b>	kW	0,037	46 000	1 702	<b>20 424</b>
<b>WATER</b>	m3	0,084	300	25	<b>301</b>
<b>GAS</b>	m3	0,040	1 000	40	<b>480</b>
<b>TELEPHONE</b>	min			100	<b>1 200</b>
<b>CANALIZATION</b>	m3	0,2	150	30	<b>360</b>
<b>WASTE</b>	m3	0,1	20	2,00	<b>24,00</b>
<b>TOTAL</b>				<b>1 897</b>	<b>22 405</b>

	1 year	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Raw Material</b>	51 881	55 586	59 292	62 998	66 704	70 409	<b>74 115</b>
<b>Customs fees</b>	-	-	-	-	-	-	-
<b>Auxiliary materials</b>	15 683	16 803	17 924	19 044	20 164	21 284	<b>22 405</b>
<b>Production Salary</b>	28 907	28 907	28 907	28 907	28 907	28 907	<b>28 907</b>
<b>Social security contributions</b>	3 469	3 469	3 469	3 469	3 469	3 469	<b>3 469</b>
<b>Depreciation</b>	29 900	29 900	29 900	29 900	29 900	21 900	<b>14 900</b>
<b>Transportation costs (1% of the amount of raw materials)</b>	519	556	593	630	667	704	<b>741</b>
<b>FACTORY VALUE</b>	<b>130 358</b>	<b>135 221</b>	<b>140 084</b>	<b>144 947</b>	<b>149 810</b>	<b>146 673</b>	<b>144 536</b>
<b>INVENTORY VALUE AT THE END OF THE YEAR</b>	<b>3 514</b>	<b>3 514</b>	<b>3 514</b>	<b>3 721</b>	<b>3 721</b>	<b>3 927</b>	<b>4 134</b>
<b>FACTORY VALUE</b>	<b>126 844</b>	<b>131 707</b>	<b>136 570</b>	<b>141 227</b>	<b>146 090</b>	<b>142 746</b>	<b>140 402</b>
<b>Administration Salary</b>	12 000	12 000	12 000	12 000	12 000	12 000	<b>12 000</b>
<b>Social security contributions</b>	1 440	1 440	1 440	1 440	1 440	1 440	<b>1 440</b>
<b>PRODUCTION COST</b>	<b>140 284</b>	<b>145 147</b>	<b>150 010</b>	<b>154 667</b>	<b>159 530</b>	<b>156 186</b>	<b>153 842</b>
<b>Marketing costs (0.1% of sales)</b>	208	208	220	220	232	244	<b>208</b>
<b>Loan repayments</b>				-	-	-	-
<b>Financial costs</b>	-	-	-	-	-	-	-
<b>TOTAL PRODUCTION COST</b>	<b>140 492</b>	<b>145 355</b>	<b>150 230</b>	<b>154 886</b>	<b>159 762</b>	<b>156 430</b>	<b>154 050</b>
<b>Other expenses (bank expenses, administrative expenses, etc.)</b>	5 000	-	-	-	-	-	-
<b>PRODUCT VALUE</b>	<b>145 492</b>	<b>145 355</b>	<b>150 230</b>	<b>154 886</b>	<b>159 762</b>	<b>156 430</b>	<b>154 050</b>

	1 year	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b><u>VAT</u></b>							
<b>Taxable base (local sales)</b>	161 522	161 522	161 522	171 024	171 024	180 525	<b>190 026</b>
<b>Tax rate</b>	12%	12%	12%	12%	12%	12%	<b>12%</b>
<b>Amount</b>	<b>19 383</b>	<b>19 383</b>	<b>19 383</b>	<b>20 523</b>	<b>20 523</b>	<b>21 663</b>	<b>22 803</b>
	<b>1 year</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
<b><u>Income tax</u></b>							
<b>Taxable base</b>	81 428	81 565	76 702	85 382	80 519	97 199	<b>112 878</b>
<b>Tax rate</b>	12,0%	12,0%	12,0%	12,0%	12,0%	12,0%	<b>12,0%</b>
<b>Amount</b>	9 771	<b>9 788</b>	<b>9 204</b>	<b>10 246</b>	<b>9 662</b>	<b>11 664</b>	<b>13 545</b>
	<b>1 year</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
<b><u>Property tax</u></b>							
<b>Taxable base</b>	210 000	180 100	150 200	120 300	90 400	60 500	<b>38 600</b>
<b>Tax rate</b>	0,0%	0,0%	0,0%	2,0%	2,0%	2,0%	<b>2,0%</b>
<b>Amount</b>	-	-	-	<b>2 406</b>	<b>1 808</b>	<b>1 210</b>	<b>772</b>



### 6.5 Forecast of financial results

To organize the project, it is necessary to collect the costs of both basic costs and additional costs, which leads to an increase in the price. The calculation is based on the average cost based on the monthly volume of goods turnover.

The company has calculated all the costs of organizing the production and sale of products, and all of its information is presented in the table below.

#### Calculation of break-even point

##### Enter the raw data

Revenue (USD\$)	275 600,00
Sales (pcs.)	
Fixed costs (US DOLL.)	48 340,00

##### Calculated values

Unit price	
The average variables from the hold	
Break-even point (USDOL)	95 178

35%

Issue volume	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Revenue	-	27 560	55 120	82 680	110 240	137 800	165 360	192 920	220 480	248 040	275 600
Permanent costs		48 340	48 340	48 340	48 340	48 340	48 340	48 340	48 340	48 340	48 340
Variable costs	-	13 563	27 125	40 688	54 250	67 813	81 375	94 938	108 500	122 063	135 625
Gross costs		61 903	75 465	89 028	102 590	116 153	129 715	143 278	156 840	170 403	185 965

	1 year	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b><u>Total revenue from sales of products</u></b>	<b>207 538</b>	<b>207 538</b>	<b>207 538</b>	<b>219 746</b>	<b>219 746</b>	<b>231 954</b>	<b>244 162</b>
12% VAT on local sales+	19 383	19 383	19 383	20 523	20 523	21 663	<b>22 803</b>
Cost price	126 844	131 707	136 570	141 227	146 090	142 746	<b>140 402</b>
<b>Gross profit</b>	<b>100 076</b>	<b>95 213</b>	<b>90 350</b>	<b>99 042</b>	<b>94 179</b>	<b>110 871</b>	<b>126 563</b>
<b>Expenses of the period:</b>	<b>18 648</b>	<b>13 648</b>	<b>13 648</b>	<b>13 660</b>	<b>13 660</b>	<b>13 672</b>	<b>13 684</b>
<i>1.Sales Expense:</i>	<i>208</i>	<i>208</i>	<i>208</i>	<i>220</i>	<i>220</i>	<i>232</i>	<i>244</i>
Marketing costs (0.1% of volume sales)	208	208	208	220	220	232	244
<i>2. administrative costs:</i>	<i>13 440</i>	<i>13 440</i>	<i>13 440</i>	<i>13 440</i>	<i>13 440</i>	<i>13 440</i>	<i>13 440</i>
Administration Salary	12 000	12 000	12 000	12 000	12 000	12 000	<b>12 000</b>
Social security contributions	1 440	1 440	1 440	1 440	1 440	1 440	<b>1 440</b>
<i>3.Other operating expenses:</i>	<i>5 000</i>	-	-	-	-	-	-
Other expenses (bank expenses, administrative expenses, etc.)	5 000	-	-	-	-	-	-
<b>Operating profit</b>	<b>81 428</b>	<b>81 565</b>	<b>76 702</b>	<b>85 382</b>	<b>80 519</b>	<b>97 199</b>	<b>112 878</b>
Interest on the loan				-	-	-	-
<b>Financial costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit before tax</b>	<b>81 428</b>	<b>81 565</b>	<b>76 702</b>	<b>85 382</b>	<b>80 519</b>	<b>97 199</b>	<b>112 878</b>
Taxes	29 189	29 206	28 622	34 458	33 277	35 820	<b>38 404</b>
<b>Net income</b>	<b>52 239</b>	<b>52 360</b>	<b>48 080</b>	<b>50 924</b>	<b>47 242</b>	<b>61 378</b>	<b>74 474</b>
<b>Cumulative profit</b>	<b>52 239</b>	<b>104 599</b>	<b>152 679</b>	<b>203 602</b>	<b>250 845</b>	<b>312 223</b>	<b>386 698</b>

## 6. PROJECT EFFICIENCY

The discounted cash flow remains positive, indicating that the project is feasible. The cumulative discounted cash flow for the projection period is \$1.5 million. The total discounted cash flow for the forecast period is \$1.5 million (data as of the end of 2030).

The internal rate of return (IRR) is high - 18.43% per year. These are assets that allow generating a large amount of cash flow due to high profitability of trade turnover and relatively low investment costs.

The payback period of the project without discounting is 5 years, and with discounting - 5 years, which is a very high indicator of the effectiveness of the project.

The analysis of the investment efficiency indicators of this project allows. With the projected sales volume, capital expenditures, price of finished products and production costs, the project is reliable and profitable.

Favorable prospects will be created for the successful implementation of this project.

There are opportunities to strengthen the company's position in the market by key indicators, to obtain and further increase the amount of net profit. Marketing research shows that convenience exists. As well as trends in the development of the furniture market, which allows the initiator of the project. These are measures to achieve the planned financial and economic indicators as soon as possible. Through the implementation of the project, the company will create 13 jobs. It also pays annual tax payments to the state budget. The services provided by the company are distinguished by their quality.

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**Prepared by Global Innovation Trade**

This project was performed by the research agency Global Innovation Trade. All our specialists have impressive experience in developing studies and business plans, supported by deep knowledge in various spheres of economics and business, and a strong information base.

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