



**We invite you to invest in the expansion of profitable capacity.**

UZBEK NATIONAL INSTITUTE OF METROLOGY  
Investment Offer | May 2019



# Brief description of the project

## Site for the project

- The state enterprise "Uzbek National Institute of Metrology" is one of the largest enterprises of Uzbekistan

## Project components

- Modernization and re-equipment of the laboratory;
- Creation of a laboratory for the metrological control of medical equipment;
- Creation of calibration laboratories by type of measurement

## Financing

- **\$ 10.26 million**

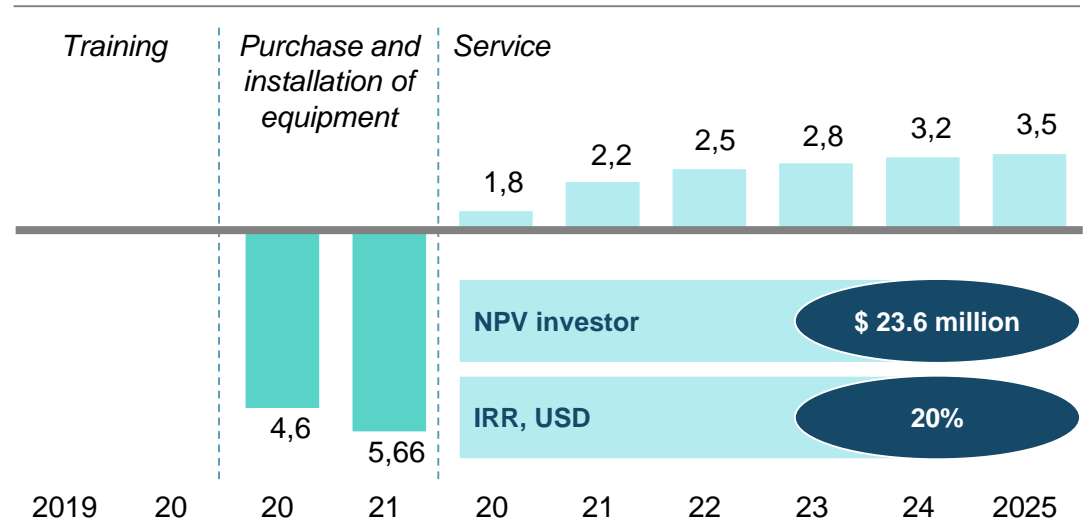
## Terms of implementation

- 2019-20 - preparation for project implementation
- 2020-22 - purchase and installation of equipment
- 2022 and further - reaching the design capacity and further provision of services

## Investment conditions

- The investor receives a share of ownership in the enterprise and the right to receive annual dividends from the net profit

Expected cash flow for the project for a foreign investor, million USD



# LIST

of projects for modernization and technical re-equipment of measurement and calibration laboratories of the State Enterprise "UzNIM"



Project Name

Implementation period


Amount



Modernization and re-equipment of the laboratory of the State Enterprise "UzNIM"

2019-2023 years


\$ 2.56 million



Creation of calibration laboratories by type of measurement (for the implementation of the form of a public private entrepreneur)

2019-2023 years

\$ 6.6 million









Creation of a laboratory for the metrological control of medical equipment \*

2019-2023 years

\$ 1.1 million

**Total amount: \$ 10.26 million**

# 1. Modernization and re-equipment of the laboratory of the state-owned enterprise "UzNIM", taking into account the expansion of the scope of accreditation and acquisition of the highest precision measuring instrument

| Type of measurement   | General          |                     | Expansion of Measuring Instruments |                     | Basic measuring instruments |                     |
|---|------------------|---------------------|------------------------------------|---------------------|-----------------------------|---------------------|
|   | Quantity, (pcs.) | Amount (thou.doll.) | Quantity, (pcs.)                   | Amount (thou.doll.) | Quantity, (pcs.)            | Amount (thou.doll.) |
|  Mass measure                         | 3                | 95,0                | 3                                  | 95,0                | 0                           | 0,0                 |
|  Radio Engineering                    | 27               | 1 467,4             | 14                                 | 508,4               | 13                          | 959,0               |
|  Geometry and Mechanics               | 9                | 186,0               | 6                                  | 181,5               | 3                           | 4,5                 |
|  Electricity and Magnetism            | 9                | 333,4               | 2                                  | 44,7                | 7                           | 288,7               |
|  Pressure and flow                   | 10               | 284,0               | 10                                 | 284,0               | 0                           | 0,0                 |
|  Physical chemistry and temperature | 36               | 197,0               | 4                                  | 173,0               | 32                          | 24,0                |
| <b>Total:</b>   | <b>94</b>        | <b>2 562,8</b>      | <b>39</b>                          | <b>1 287,0</b>      | <b>55</b>                   | <b>1 276,0</b>      |

TOTAL: 94 (pieces)  
Total amount: 2,562.8 (thousand dollars)

## 2. Creation of calibration laboratories by type of measurement (for the implementation of the form of a state-owned private enterprise)

In order to improve the accuracy of measurement results, as well as to achieve international recognition of the results of measurements and calibrations carried out by the Republic of Uzbekistan, the project "Establishment of calibration laboratories on types of measurements" was developed.

*Required funds for the project*

| Required components     | Quantity     | Estimated cost (million dollars) |
|-------------------------|--------------|----------------------------------|
| Basic measurement tools | 553          | 5,95                             |
| Auxiliary means         | 659          | 0,4                              |
| Staff training          | 74           | 0,2                              |
| <b>TOTAL</b>            | <b>1 286</b> | <b>6,61</b>                      |

*Of these, by type of measurement*

| Type of measurement                 | Basic measurement tools |                  | Auxiliary means |                  | Staff training |                  | Planned number of calibrations<br>(pieces in a year) | Total for this type of measurement |                  |
|-------------------------------------|-------------------------|------------------|-----------------|------------------|----------------|------------------|--|------------------------------------|------------------|
|                                     | pieces                  | thousand dollars | pieces          | thousand dollars | units          | thousand dollars |  | pieces                             | thousand dollars |
| Acoustics, Ultrasound and Vibration | 3                       | 80,9             | 7               | 48               | 4              | 20               | 11   | 14                                 | 148,9            |
| Chemistry and biology               | 44                      | 94,9             | 205             | 48,5             | 7              | 20               | 982  | 256                                | 163,4            |
| Electricity and magnetism           | 19                      | 314,9            | 4               | 8                | 8              | 17               | 2 042  | 31                                 | 339,9            |
| Ionizing radiation                  | 1                       | 68               | 7               | 48               | 4              | 20               | 29   | 12                                 | 136              |
| Length                              | 3                       | 1 900,00         | 9               | 100,2            | 4              | 20               | 1 800  | 16                                 | 2020,2           |
| Mass and related quantities         | 471                     | 3903             | 402             | 259,1            | 21             | 150              | 10 114   | 894                                | 4312,1           |
| Photometry and radiometry           | 3                       | 78               | 10              | 9                | 4              | 20               | 530  | 17                                 | 107              |
| Thermometry                         | 7                       | 225,5            | 12              | 8,6              | 8              | 40               | 450  | 27                                 | 274,1            |
| Time and frequency                  | 2                       | 88,1             | 3               | 6,5              | 4              | 7                | 13   | 9                                  | 101,6            |
| <b>TOTAL:</b>                       | <b>553</b>              | <b>6753,3</b>    | <b>659</b>      | <b>535,9</b>     | <b>64</b>      | <b>314</b>       | <b>15971</b>   | <b>1276</b>                        | <b>7603,2</b>    |

### 3. Creating a laboratory for the metrological control of medical equipment



**Ground of decision:** Resolution of the Cabinet of Ministers No. 112 No. 112 of February 15, 2017 "On measures to improve the metrological control of laboratory and diagnostic equipment used in medicine"

**Investment amount:** 1.1 million.

**Purchase of equipment:** 18 units. high-precision measuring and testing instruments.

**Sources of financing:** no source

**Necessity of implementation:** from the operated 41,896 units of medical equipment subject to metrological control, control covered only 12,491 units of equipment or 29.8%

**The effect of the project:** improving the quality, efficiency and safety of the provision of medical services to the public on the basis of improving the quality of laboratory and functional research, the development of metrological support of therapeutic, diagnostic, medical and rehabilitation medical equipment, improving the system of maintenance and testing of medical equipment operated in medical institutions

**Profitability:** the approximate cost of measuring one instrument is 300 thousand sum.

According to the Ministry of Health of Uzbekistan, more than 40,000 units are exploited in the Republic. MTMF

With full coverage of metrological control, the planned payback period is 2 years.

**Project Duration:**  
2018 – 2019 years





**Required investment amount:**  
\$ 1.1 million USD

**Objective of the project:**  
improving the quality, efficiency and safety of medical services to the population

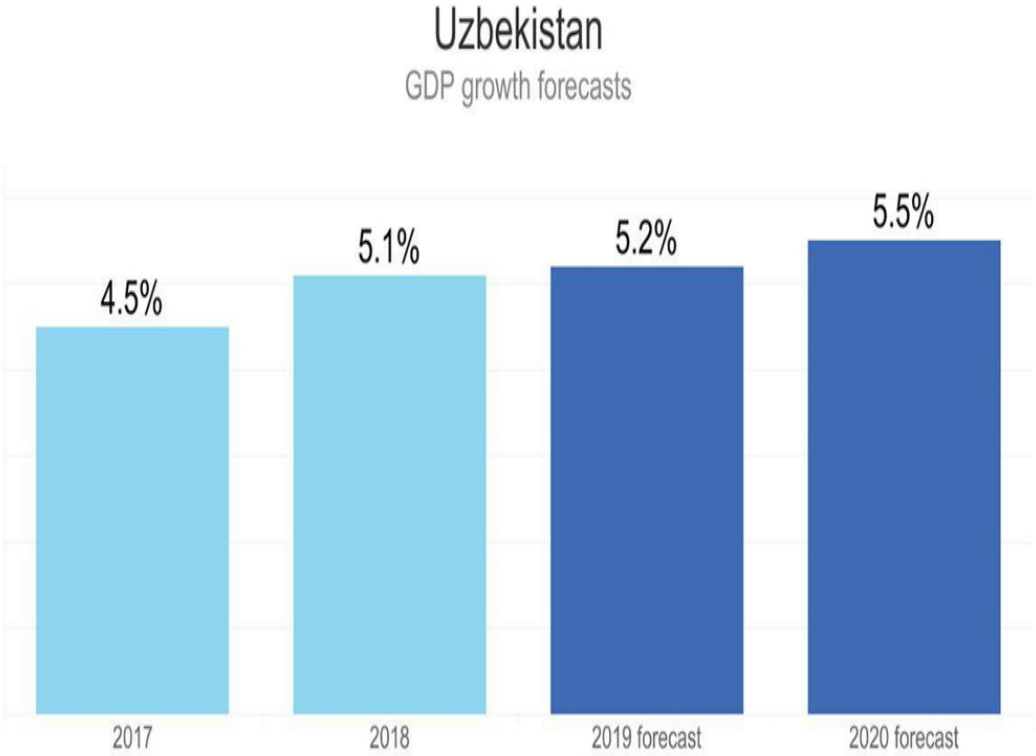
Increased production capacity and coverage of operated measuring instruments

# Domestic demand: end-use service industries are growing steadily



| Services provided                        | Spheres of application  |
|--|---|
| Measurement of mass                      | Agriculture   |
| Radio Measurement                        |    |
| Measurement of geometry and mechanics    | Light industry  |
| Measurement of electricity and magnetism |    |
| Pressure measurement                     | Engineering   |
| Temperature measurement                  |   |
|  | Medicine and Pharmaceuticals  |
|  |  |

GDP growth in Uzbekistan, in percent



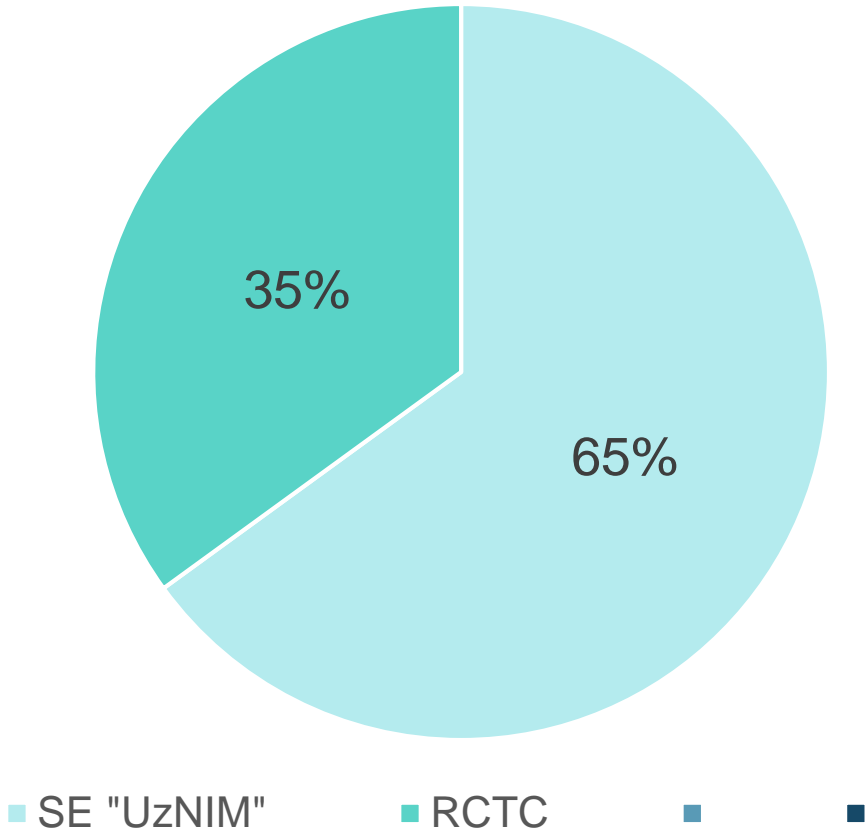
Source: Asian Development Bank. *Asian Development Outlook 2019*

**Domestic demand:** The share of metrological services provided by SE UzNIM leaves considerable room for future demand growth



**Share of SE "UZNIM", in percent**

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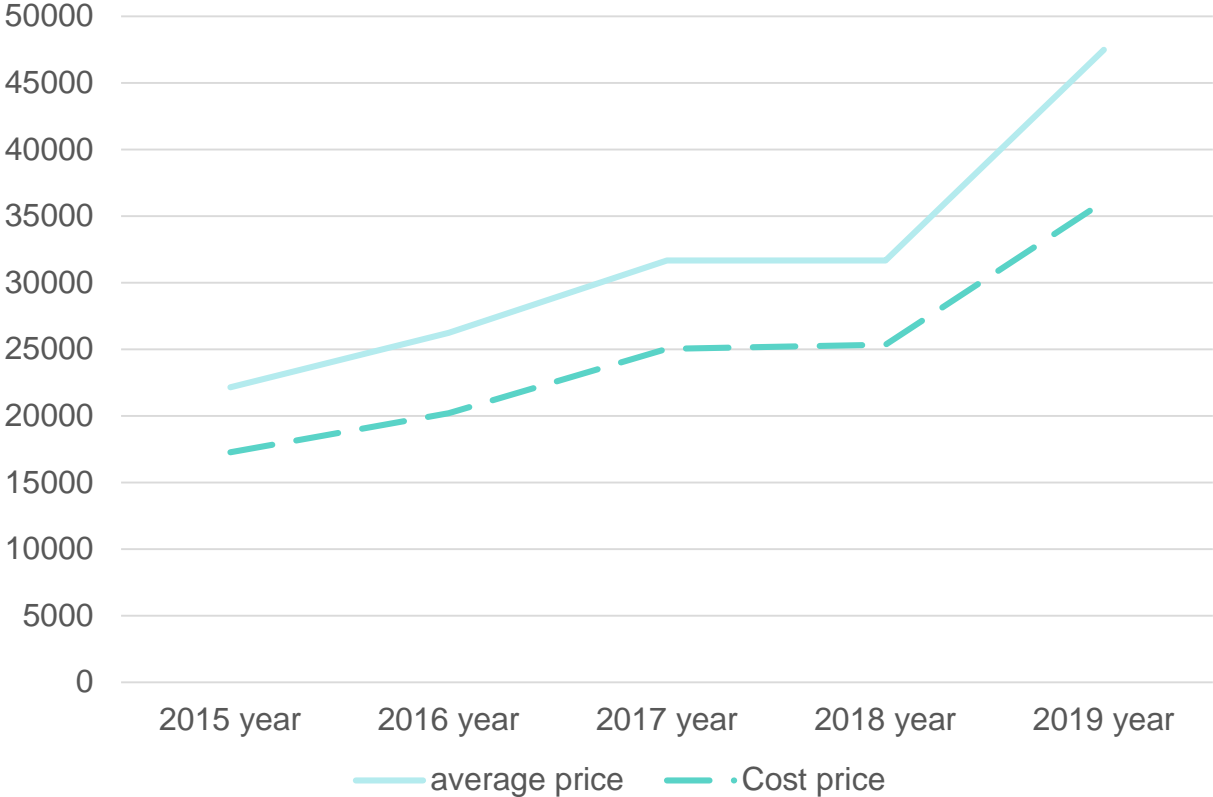




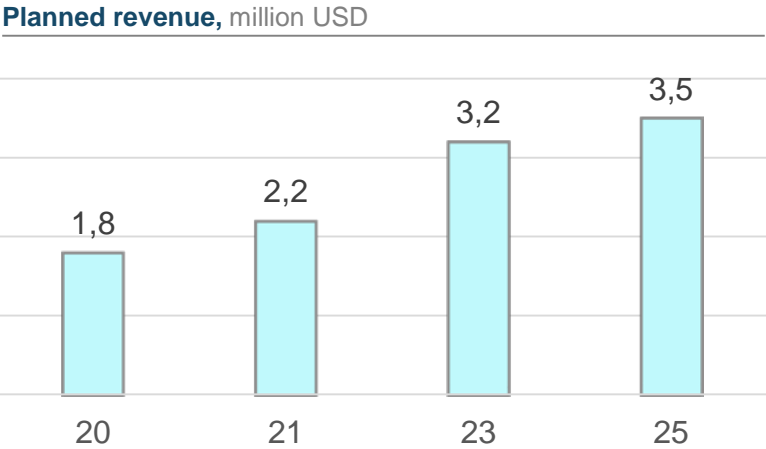
# Prices and cost: Average prices for the provision of services, however, is expected to recover

— Average price for metrological services rendered      - - - Self cost

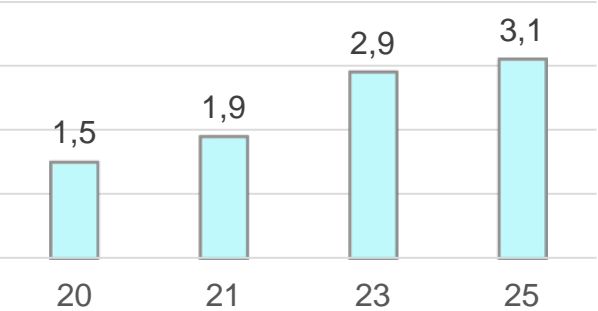
## Average prices for metrological services rendered



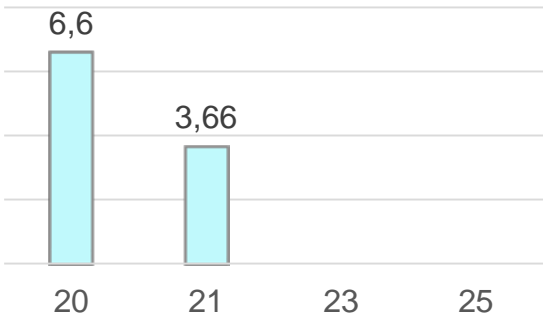
# Project Economics: The project will bring NPV in the amount of \$ 23.6 million for a foreign investor.



**Planned operating costs, mln.**



**Expected capital expenditures, mln.**



**Expected financial indicators for a foreign investor**

|                |                 |
|----------------|-----------------|
| NPV            | \$ 23.6 million |
| IRR, USD       | 20%             |
| Payback period | 8 years         |

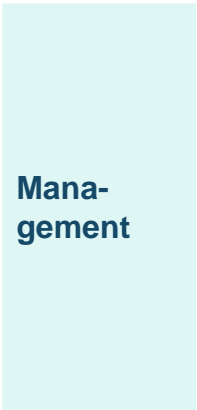
**Company Profile:** The State Enterprise "Uzbek National Institute of Metrology" is a dynamically developing enterprise with a rich history.



**History of the company**

- 1923 y. ● The Turkestan bureau of weights and measures was established under the Committee for the regulation of domestic trade
- 1924 y. ● Renamed the Central Asian Chamber of Weights and Measures
- 1930 y. ● The Committee for Standardization was formed under the Council of People's Commissars of the Uzbek SSR and merged with the Chamber.
- 1945 y. ● Formed state control laboratories (FKL).
- 1966 y. ● The Uzbek Republican Laboratory of State Supervision over Standards and Measuring Equipment was organized.
- 1979 y. ● Transformed to the Uzbek Center for Standardization and Metrology.
- 1992 y. ● Transformed into the Uzbek State Center for Standardization, Metrology and Certification under the Cabinet of Ministers of the Republic of Uzbekistan
- 2002 y. ● The Republican Center for the provision of metrological services agency "Uzstandart".
- 2017 – present tense ● The State Enterprise "Uzbek National Institute of Metrology" (SE "UzNIM") has been reorganized.

**Management and ownership structure**



**Saidoripov Lazizbek Furkatzhonovich**  
*A. Director*



**Rakhmatillaev Nodirzhon Yuldashvayevich**  
*Deputy Director of Finance*

**Ownership structure**

- Agency "Uzstandart" – 100,0%

**Location**



100049, Tashkent.  
Underground: Beruniy station.  
Buses: 14,10,88,131.  
St. Farabi, 333 «A»  
Tel: (998-71)150-26-03  
Al. Post office: info@nim.uz

# Investment attractiveness:

## Why is Uzbekistan the right country for investment?

(1/2)

### Permanent work on the business climate

- 1** President called attraction **foreign direct investment** key **country priority** and created **dedicated committee** to implement the strategy
- 2** We focus on **housekeeper liberalization** and implemented a series **attractive for investment** initiatives (eg free economic zones)
- 3** Our efforts bring results: **Uzbekistan climbed more than 60 positions in the Doing Business ranking** (World Bank) for the last 5 years and we continue to work

### Growing Diversified Economy

- 4** **Fifth economy in the world in terms of growth (8%)** with a diversified structure
- 5** We have **significant natural and labor resources** (the third economy in the CIS) and thoughtfully use them to avoid the "resource curse"
- 6** Our political, economic and investment environment **stable and predictable**

#### Benefits for the investor during project implementation:

- Exemption from income and property taxes
- Guaranteed supply of raw materials, gas and electricity
- Summing up all necessary infrastructure

## Investment attractiveness:

Why is Uzbekistan the right country for investment?  
(2/2)

**Contact details:** For any questions you can contact the contact person at the State Enterprise "Uzbek National Institute of Metrology"



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