



Aras Free Trade - Industrial Zone Organization

Technical and Economic Feasibility Form for Production Projects (Industrial - Agricultural)

1. Project: Production plan for diesel and naphtha from gas condensates.

2. Project Presentation: Production of various types of diesel and naphtha from gas condensates.

3. Description of the Project:

a. Necessity of the Project: The desired product holds the status of an intermediate commodity and plays a pivotal role in supplying energy to various industries, as well as both heavy and light transportation systems. Given the advancements in this field, population growth, and the export potential, the domestic and international market for this product is expected to witness substantial growth compared to previous years.

b. Mainland Privileges (Raw Material – Market): The availability of gas condensates as the primary raw material, along with cost-effective energy and labor resources, coupled with the existing potential in both domestic and international markets, makes the production of these products a viable proposition.

c. Market Potentials: Considering the significance of diesel production as a strategic fuel on a global scale, there is a favorable market and demand for the mass production of this product.

d. Added Value: By leveraging innovative technologies to optimize the utilization of available resources, the production process can generate significant value-added.

4. Market Feasibility; Economic – Financial:

a. Annual Demand for the Product (Domestic – Countries of the Region – World Demand):

There exists a significant annual demand for this product in Iran, as well as in regional countries and worldwide, given the competitiveness of production costs. The global production of millions of vehicles annually further contributes to the consumer demand for diesel.

b. Raw Materials Provision Potential (Domestic – Countries of the Region):

The procurement of essential raw materials for production is predominantly achievable domestically. However, in the event of a requirement, investors and applicants have the option to explore sourcing raw materials from international markets.

c. Local and Regional Markets:

Apart from the domestic market, the target markets for these products encompass countries in the Persian Gulf region, CIS countries, and European countries.

5. FS Components:

a. Fixed Capital: 36,753,189,000,000 rials

Working Capital: 2,025,179,000,000 rials

b. PBP: 4.11 years

c. IRR: 23.2

d. Land Area: 50,000 m²

Built-up Area: 3,000 m²

c. Direct Employment: 160 individual

6. Technical Specs:

a. Table of Raw Materials and Estimated Consumption:

Gas condensates

b. Table of Products and Estimated Production:

Types of diesel and naphtha

c. Table of Machinery and Production Line Equipment

- 1- Refining and desulfurization unit
- 2- Oxygen production unit
- 3- Gas center production unit
- 4- Hydrogen production unit
- 5- Others

c. Schematic Diagram of the Production Process: Refining and desulfurization - Oxygen production - Gas center production - Conversion of gas center to liquid hydrocarbons - Hydrogen production

d. Table of Energy and Labor Costs

Cost: 26,457,826 million IRR	
Energy:	129,426 million IRR
Work force:	506,924 million IRR

7. Risks of the Project:

a. Existing Risks in case of Losing Potential Market:

Exchange rate risk, inflation risk, liquidity risk, and business risk.

b. Risk of Rising Raw Material Price:

In the event of an increase in the exchange rate, the cost of imported raw materials also rises, which directly affects the overall cost of the product.

c. Risk of Currency Fluctuations and Inflation:

Financial provision based on the national currency, Aligning liabilities or assets with a specific unit of currency, Presenting financial reports and statements in the currency without conversion, Participating in derivative market contracts, Conducting compensatory transactions, Engaging in purchase and sale contracts for products based on the national currency.