

## 1- Introducing Arvand Free Zone:

Arvand Free Zone is one of the best free zones in the country for the activities of domestic and foreign investors with features such as those described below:

- Very wide geographical area
- Located in the focal center of markets with a population of over 50 million people at a land distance of less than 500 km
- The existence of airport Abadan International Airport, Khorramshahr Railway, the country's largest sea travel terminal and suitable hotels within the region.
- The existence of two vast industrial sites and cheap labor for domestic and foreign investors
- The existence of Khorramshahr port as the second container port of the country, Abadan port and Shalamcheh dry port
- The existence of fresh water rivers of Karun, Arvand and Bahmanshir with navigability capability
- Having abundant fertile land along the aforementioned rivers to expand agricultural productions
- Enjoying legal capacities and benefits of free zones such as customs exemptions, tax exemptions, cheap land, necessary infrastructure for investment, etc.

## 2- Description of the project



Paper production from lime or stone in Iran is an emerging industry that preserves water resources and the environment. Nowadays, the increasing consumption of paper in the country and the consequent excessive pressure on the forests and the environment in the world has become a proof of the financial burden on the governments, that attention and effort should be paid to saving and modifying the pattern of paper production to moderate the trend. Extreme uses and contrary to the goals of sustainable development are necessary.

Among the negative consequences that will arise in case of lack of attention and fundamental changes in this area, considering the consumption of more than two million tons of paper in the country, more than 80% of which is done through imports and at a high cost. It is possible to point out the excessive destruction of forests by consuming 3 to 6 cubic meters of tree trunks for each ton of paper pulp production and the harmful and destructive economic and environmental effects. Therefore, it is undeniable and necessary to create useful infrastructures and provide more useful solutions in order to deal with this excessive consumption trend in future macro-planning.

### **3- The capacity and facilities of the project**

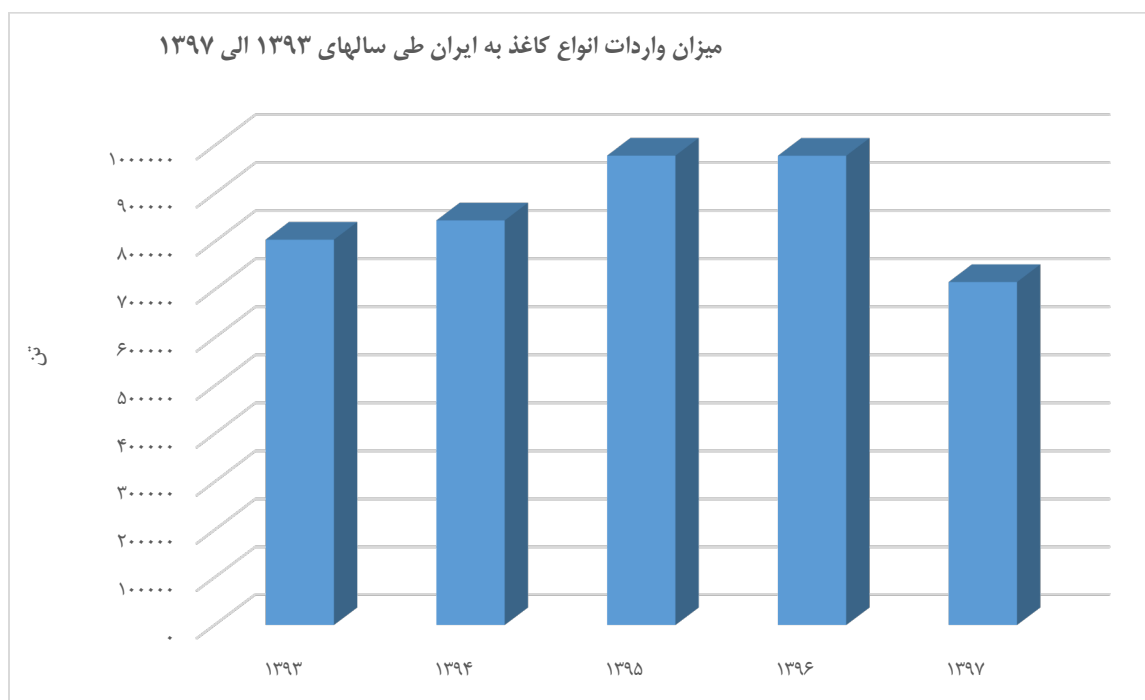
Arvand Free Trade Zone is perhaps the fastest growing economic zone in Iran. Due to the availability of the required and sufficient space in Arvand Free Zone for the construction of industrial units, the construction of industrial units and the conversion of raw materials into products and the creation of added value will be an

appropriate measure. The purpose of this plan is to build a calcium carbonate paper factory with a capacity of 10,000 tons per year.

Product	Capacity
Paper and cardboard from calcium carbonate	10,000 tons

#### 4- Target market

According to the statistics published by the Tehran Chamber of Commerce, the import of all kinds of paper and cardboard to the country in 2018 was equal to 716 thousand tons.



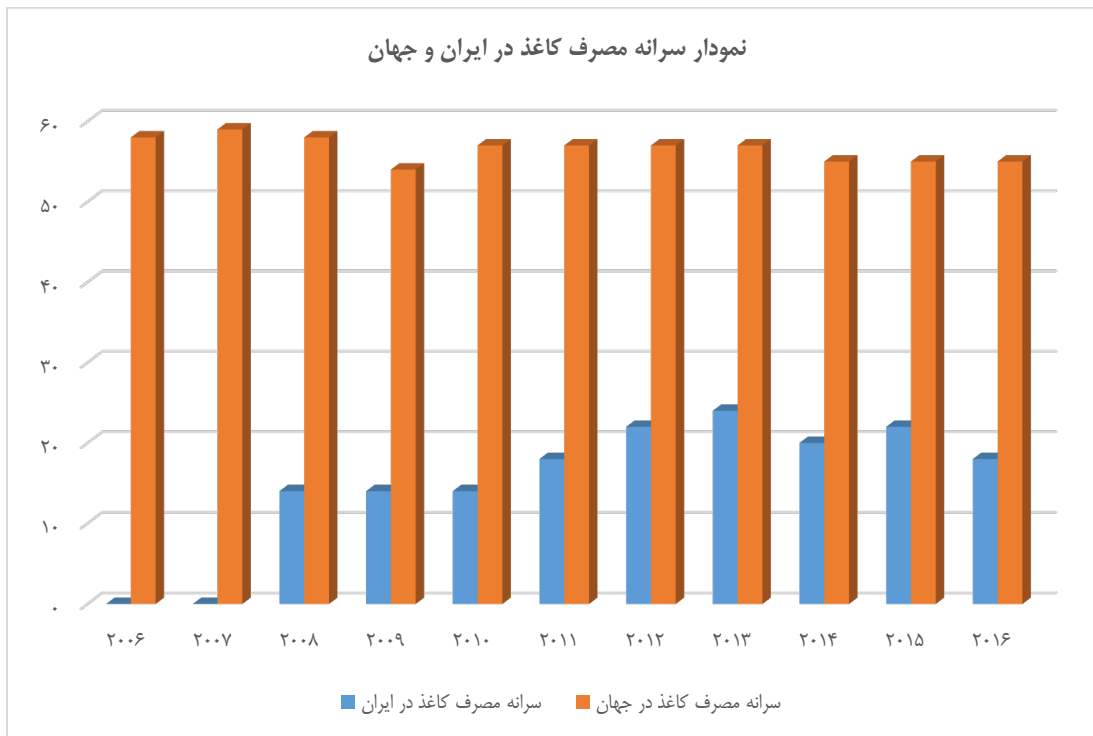
The nominal capacity of calcium carbonate paper producing units in the country is about one million tons, while the total practical capacity of these units is equal to 700 thousand tons. The reason for not reaching the nominal capacity inside the country is mainly the lack of raw materials and environmental issues and the lack of proper access to technology.

Reports indicate that the consumption of printing and writing paper and newsprint is decreasing in the world as well as in Iran, while the consumption of packaging paper and cardboard has grown by 25% in the last 10 years. Iran consumes an average of 780,000 tons of packaging paper and

cardboard per year, and the consumption of paper and cardboard used in cartons and packaging is on the rise and has increased approximately 5 times in the last 10 years.

According to the available statistics, it costs the country one billion dollars a year to supply the required paper through imports. In fact, the only way to cut the need for imports is to change the technology in paper making and to produce paper from calcium carbonate.

The limestone paper production line has the capacity to produce 11,200 tons of paper in the nominal capacity. If the stone paper production system is installed and launched in the country, a significant amount of paper import and foreign exchange outflow will be reduced. Also, forest resources are not destroyed.



### 5- The benefits of Arvand Free Zone for the current project

Arvand Free Zone is located in the northwest of the Persian Gulf with an area of 34,700 hectares at the confluence of the Arvandroud and Karun rivers and has a common border between the neighboring countries of Iraq and Kuwait. Chenare mine, located 45 km from Andimeshk, is the largest and best limestone mine in Khuzestan, which has 80 million tons of pure limestone, which is one of the advantages of the project in terms of access to raw materials.

## 6- Timing / useful life:

Construction period: 2 years, exploitation period: 10 years

## 7- Project requirements

<b>Description</b>	<b>Amount</b>	<b>Unit</b>
investment cost	3.5	million dollars
Working capital	1	million dollars
Employment	60	person
Capital return period	3	Year
Land	5000	Square meters
internal rate of return	33	Percent