



Ministry of Investment,  
industry and trade  
of the Republic of Uzbekistan

# **Investment proposal: Organization of a medicinal plants cluster**



# Organization of a medicinal plants cluster

## Economic and Social Impact

- Creation of over 400 direct jobs and 1,200 indirect jobs.
- Empowerment of local farmers through contract farming.
- Contribution to export growth and import substitution of essential oils.
- Promotion of green agriculture and environmental sustainability.
- Support for pharmaceutical, cosmetic, and food industries with local raw materials.

## Environmental sustainability

- Organic farming methods with no synthetic pesticides.
- Zero-waste processing (use of residues for biofertilizer or biomass fuel).
- Integration of solar and biogas energy in operations.

## Location of the project



## Project description:

The proposed project aims to establish a Medicinal Plants Cluster dedicated to the cultivation, processing, and commercialization of high-value medicinal and aromatic plants — namely Ferula, Shimmery, Lavender, Chamomile, Rose Hips, and Flax.

The cluster will integrate agriculture, processing, research, and marketing in a unified ecosystem, creating a sustainable value chain from raw plant materials to finished herbal and cosmetic products.

## Project objectives

Develop a regional hub for medicinal and aromatic plant production. Promote value-added processing (essential oils, extracts, herbal teas, cosmetics, and pharmaceuticals). Create employment and export-oriented production. Support sustainable agriculture and biodiversity conservation.

## Economic indicators:



**Financing:** 48 million USD



**Area:** 4 020 hectares



**Revenue:** \$44,4 million/year



**ROI:** 26,9 %



**NPV:** \$26,3 million (5 years)



**IRR:** ~27%

## Production indicators:



**Total annual industrial output:** USD 44–50 million



**Export share:** ~40–45%



**Domestic share:** ~60–55%

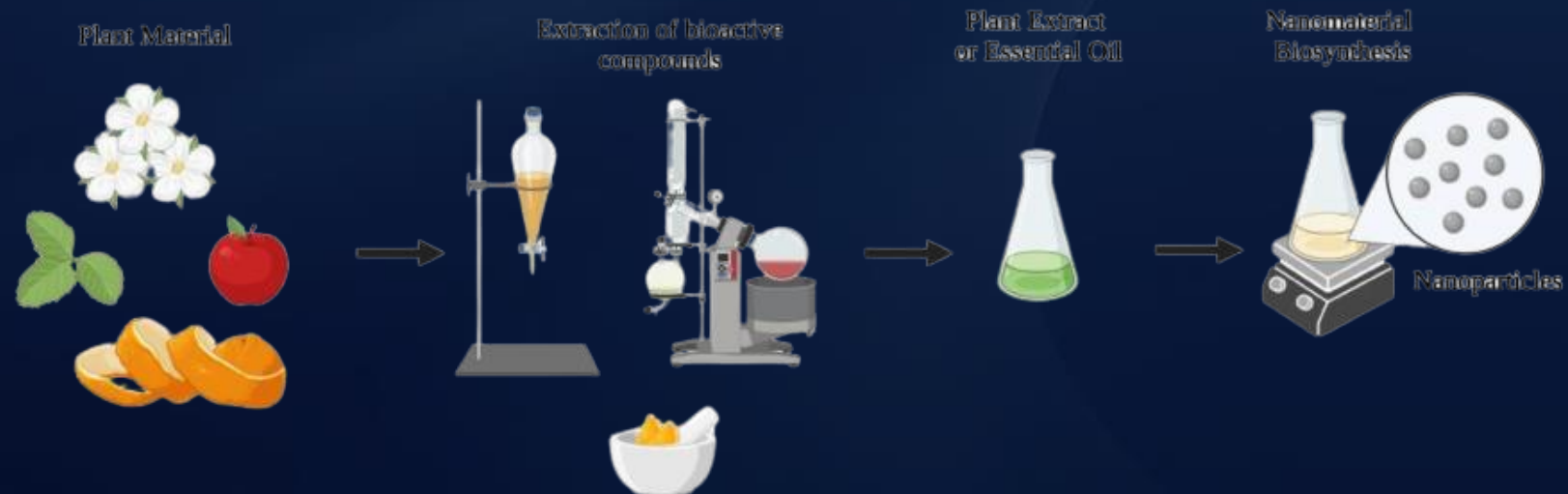


**Job creation:** ~400 direct jobs



# Processing chain & product yield

	Plant	Area (ha)	Key Use	Yield (tons/year)
1	Ferula	1 000	Resin, medicinal extract	2 400
2	Shimmery	600	Herbal oils, cosmetic use	1 600
3	Lavender	800	Essential oil, perfume	2 000
4	Chamomile	600	Tea, extract	1 400
5	Rose hips	500	Vitamin C products, cosmetics	1 200
6	Flax	500	Oil, fiber, supplements	1 600

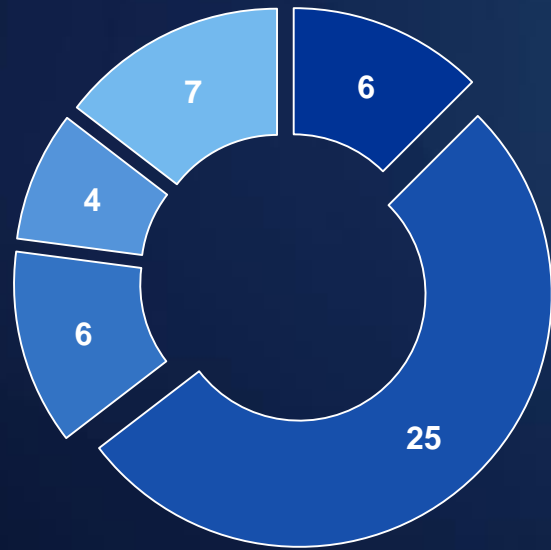




# Project expenses

## Initial Investment (CAPEX) (mln dollar)

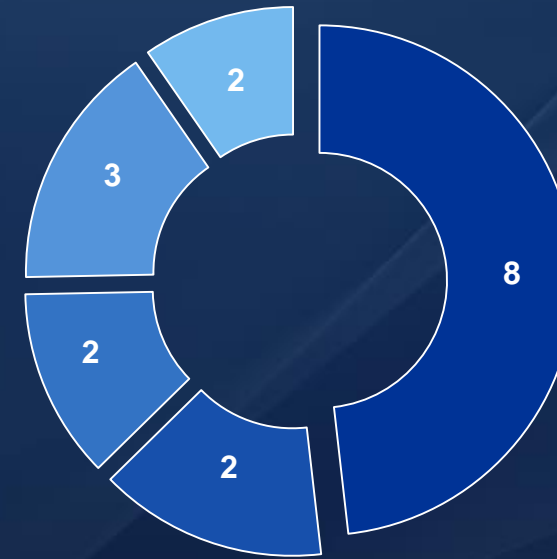
Total CAPEX: \$48 mln



- Land and preparation
- Machinery & processing
- Irrigation and greenhouse
- Laboratory & R&D center
- Vehicles & logistics

## Operating Costs (OPEX) (mln dollar)

Total OPEX: \$16,6 mln



- Raw material cultivation & harvesting
- Labor
- Utilities & maintenance
- Sales & distribution
- R&D and certification

This financial overview outlines a comprehensive cost structure and strong profitability of the proposed medicinal plants cluster project. The breakdown includes both initial capital investment (CAPEX) and annual operating costs (OPEX), alongside projected revenue and profit estimates.

The project's strong profitability forecast is underpinned by efficient operations and high market demand, positioning it as a highly attractive investment.

### Annual EBITDA:

$$= \$44,4 \text{ mln} - \$16,6 \text{ mln} = \mathbf{\$27,8 \text{ mln}}$$



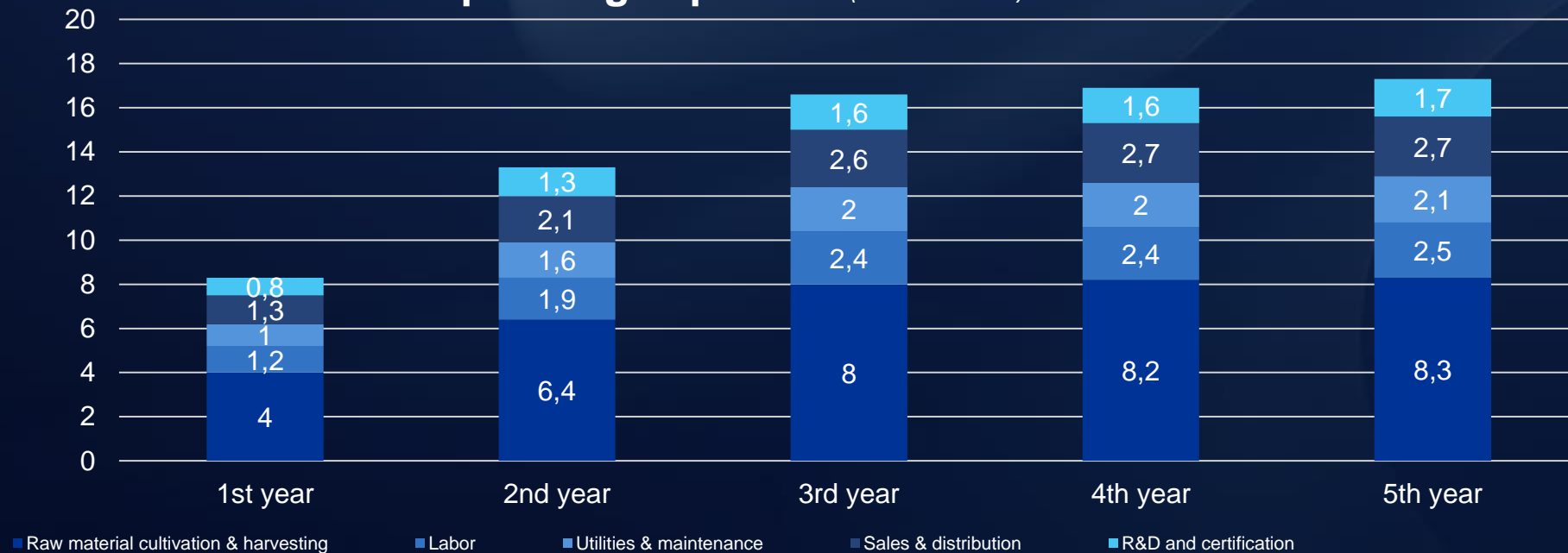
# Financial indicators

(5-year projection)

## Revenues (mln dollars)



## Operating expenses (mln dollars)



**Total 10-year cash flow:**

\$80,9M after full CAPEX recovery

**NPV (12% discount rate):**

NPV= **\$26,3 million** (Highly favorable!)

**IRR (Internal rate of return):** ≈ 27%

**Payback period (PP):**

= 3,2 years

**Profitability index (PI):**

$= (NPV + CAPEX) / CAPEX = (\$26,3M + \$48M) / \$48M = 1,55$

**Return on investment (ROI):**

= 26,9