

Accordingly, ensuring the economic security of enterprises in this industry is an important area of ensuring the economic security of the country as a whole.

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YANA V. KHRABTOVICH,

Belarusian-Russian University

EKATERINA A. KURZAKOVA

Belarusian-Russian University

PhD in Economics MIKALAI P. DRAHUN

Belarusian-Russian University

PhD in Economics IRYNA I. IVANOUSKAYA

Belarusian-Russian University

BUSINESS MODEL INNOVATION CANVAS FOR BELARUSIAN CHEMICAL INDUSTRY

Introduction. Chemical Industries are the prime factors to convert the raw materials into desired products that we use in our day-to-day life. This has brought a tremendous change in the way the things operate. It is very important for us to understand the importance of the chemical industry which has touched all our facets of life like Agriculture, Environment, Food, Hygiene, Transportation, etc. [1] The purpose of this report is to give some insight into JSC Mogilevkhimvolokno, focusing on some particular aspects of the development of innovative products. It contains the overview of the investment project which is to be implemented by the Company. In particular, the brief description of the innovative product is given. In conclusion, the economic effectiveness of the project is assessed.

Body. For over 50 years Joint Stock Company Mogilevkhimvolokno has been keeping its stable positions among leading manufacturers of polyester products. Its aim is to meet the demands of our customers while maintaining safe working conditions and reducing environmental impact.

JSC Mogilevkhimvolokno is an investment-attractive enterprise due to the availability of production territory located on the area of the free economic zone “Mogilev” with special tax regulations, developed utilities and transport infrastructure, highly experienced personnel, own power generating facilities, and large production areas. All that create attractive conditions for carrying out new production plants [2].

It is proposed that JSC Mogilevkhimvolokno to implement a project on developing hollow conjugated polyester fibres (HCS), the product which is innovative for European market. As a result of globalisation, working with international clients, customers and partners is more important than ever.

The three dimensional crimp, combined with the hollow, gives superior resilience and insulates the final product. Hollow conjugated polyester fibres are widely used in a number of applications.

It is mainly utilised for the production of nonwovens and for filling textiles (pillows, soft chairs, etc.).

Currently, in the sector of fibers of the ‘conjugate’ type, the most widespread fibers are 3 den, 7 den, and 15 den [3].

According to the Chemicals, Polymers and Fibres Research by PCI Wood Mackenzie (the UK), the consumption of polyester fibers will reach 300 thousand tons per year in the EU countries by 2025. According to the survey, the manufacturers in the Baltic countries import about 20 thousand tons of this type of fiber annually.

The main consumers of polyester fiber ‘conjugate’ in the EU countries are manufacturers of bulky nonwovens and quilted products, etc.

The potential competitors of JSC Mogilevkhimvolokno are some Asian manufacturers that produce relatively comparable types of fibers. Furthermore, one of the largest producers of polyester fibres is Sasa Polyester Sanayi AS (Turkey), the production capacity of which amounts up to 160 thousand tons per year.

During the analyses of competitors, it has been concluded that JSC Mogilevkhimvolokno has got more advantages among the competitors. The Company is distinguished by high quality products, its own raw material base, absence of customs barriers, as well as lower costs of logistic components (such as transportation costs). However, the Company needs to increase its production capacity since it is significantly less than the same indicator for the competitors.

To analyse the attractiveness of this project, it is necessary to determine its economic indicators and the effectiveness of investments.

Table 3.5 shows the economic indicators of the investment project.

Table 3.5 – Economic indicators of investment project

No.	Economic indicator	Value
1	NPV	65,570
2	IRR	10 %
3	PB	5.9
4	PI	1.17

Source: Business Plan of JSC Mogilevkhimvolokno

Based on the economic indicators presented in Table 3.5, it has been identified that the payback period for this project amounts to 5.9 years, the return on investment for the project is 117 %, and the internal rate of return is 10 %. The net operating profit (NPV) is positive; the income of the project will cover the required investment costs within 6 years.

The model has been proved to be reliable and cost-effective with the projected production volumes, tariffs and production costs. The applying of this project creates favorable prospects for the development of the enterprise.

Conclusion. The analysis undertaken has proven that this investment project is cost-effective and its implementation is expedient. The implementation of this project will open great possibilities for the development of both the enterprise and the country’s economy.

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