

## INVESTMENT PROJECT #180

Completion of manufacturing facility for fabrication of wind turbine towers and installation of required equipment.

### Sector

MANUFACTURE

### Subsector

METALMECHANICS

### Brief description of the business opportunity

This is an investment project for the completion of a manufacturing facility and installation of equipment required for fabrication of wind turbine towers. Present initiative is being generated with the intention of participating in the official government policies encouraging a sustainable energy future as established by Law 26190 introduced in 2006. The strategic location of the industrial plant and expertise of existing labor force are remarkably competitive advantages that will contribute to the generation of future profits. Business success is based on standing public policies for the development of renewable power sources.

### Brief description of the product/service

Final product: Wind tower steel structures. Dimensions: a) Height: 80 to 120 mts; b) Diameter: 4 mts; c) Steel Weight per Unit: approx. 230 T. Estimated Annual Production Rate: 60 to 80 towers. Product Development Status: 30%. The vast past experience of the plant in the fabrication of heavy steel components will represent the strongest protection barrier against potential competitors.

### Brief description of the target market(s) of the product/service

Final product is targeted mainly at wind farm developers. In addition to the sustainable energy public program and related regulations as mentioned above, there is an interesting growth scenario considering that present 0.23% renewable energy share in the domestic power demand is expected to be increased to 8% in the following 10 years compliant with the provisions of Decree 562/2009.

### Brief description of the advantages of the company or cooperative to carry out the investment project

The industrial plant promoting this project has been dedicated to the shipbuilding industry and heavy steel component fabrication since 1953. Sixty LR and NKK classed naval and commercial vessels (720,000 DWT) have been delivered to their Owners to date. Fabrication of heavy steel units include components for Hydro and Thermo-electric Power Stations, Pressure Vessels and Heat Exchangers for the oil industry and Railway Rolling Stock, large Marine Diesel Engines, etc. It holds ISO 9000 certification. Existing facilities :a) 1000 mt long/ 31 feet deep quay served by 1 off - Stationary Crane. Lifting capacity: 250 T; b) Steel Stock Yard. Storage capacity: over 20 000 T; c) 250 qualified welders.

### Brief description of the context of the investment opportunity

Public encouragement policies established under the provisions of Law 26190 (2006) "Public Encouragement Programme for the Use of Renewable Energy Sources in Electrical Power Production" and corresponding regulations create the most excellent conditions for business success and market development. Additionally, products of this type are mainly developed in northern European countries and resultant freight costs render their importation uneconomical when compared to local production.

### More information about the investment project

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**City/Area:** Ensenada, Buenos Aires, Argentina

**Total amount of the Investment Project: US\$** 30,899,500.00

**Percentage of the investment contributed by the Company or cooperative submitting the project:**  
50% - 75%

**Minimum amount required from investor: US\$** 8,960,855.00

**Payback period:** 2-5 years

**Purpose of the Investment:** New productive unit

**Destination of the Investment:** Machinery and Equipment, Working Capital

**Investment Project's stage of development:** Advanced development - Work in progress. Main fabrication building is constructed. Work pending for completion: workshop flooring and gates, equipment foundations, renewal of existing toilets and offices, installation of bridge cranes and electrical, compressed air, gas and oxygen systems. Gritblasting and painting workshop to be built.

**Brief description of the main stages of the project:**

Year	Amount	Destination
1	8,960,855.00	Completion of main building and construction of grit-blasting and painting workshop
2		
3		
4		
Difference	21,938,645.00	
Total	30,899,500.00	

**Type of public incentives available for the Investment Project:** Tax breaks

**Type of investor required:** Irrelevant

**Preferred investment mode:** Irrelevant

### Information about the Company/Cooperative submitting the Investment Project

**Length of time in business:** > 20 years

**Annual sales of the Company/Cooperative (in US\$ millions):** 10-50

**Percentage of annual sales derived from exports:** > 50%

**Number of employees:** > 1000

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If you're interested in learning more about this project, send an email to [bapip@mrecic.gov.ar](mailto:bapip@mrecic.gov.ar)