

## Working capital financing for a manufacturer of heating equipment

The Belarusian-Italian joint venture Alfa-Kalor was founded in 2000. It is located in the capital of Belarus and is registered as a resident of the free economic zone Minsk. The company produces a wide range of heating equipment using modern European production machinery, advanced technologies and components supplied by Italian partners.

The produced equipment meets all the safety and reliability requirements, has modern design, it is easy to install and to use and saves energy resources.

The company estimates that currently more than 80.000 heating gas appliances made by Alfa-Kalor successfully work in Belarus. In addition, the company provides welding and installation works and integration of heating systems.

The company produces gas boilers, solid fuel boilers on pellets, water heaters, cascade systems of heating appliances and tubes and water/gas connecting devices.

Due to the increase in production volumes, the company requested additional working capital financing. The BelSEFF loan financed the production of gas boilers, solid fuel (pellet) boilers, heat exchangers and gas water heaters.

The working capital was used to pay the suppliers of components and materials for the production of the energy efficient equipment listed above. The main suppliers are Italian and South Korean companies.

Components for assembling of boiler



Gas boiler  
AOGV-24-OP



Production process



### Project highlights

<b>Location</b>	City of Minsk
<b>Type of project</b>	Loan for energy efficiency supplier The project focuses on the production of gas boilers, solid fuel boilers on pellets, heat exchangers and gas water heaters
<b>Project results</b>	Increasing the capacities of energy efficiency equipment manufacturer
<b>Total project cost</b>	USD 1.74 million
<b>Total loan</b>	USD 900 thousand (in 2013 from CJSC MTBank within BelSEFF)
<b>Savings</b>	Estimated energy savings on final consumers side: 20 percent or 108 TJ a year
<b>CO<sub>2</sub> emission reductions</b>	Estimated reductions on final consumers side: 5990 tonnes per year

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The technical assistance for the project included an analysis of the produced technologies and the working capital requirements. It was provided by the BelSEFF Facility consultant (a consortium of KPMG Česká republika, s.r.o. and ENVIROS, s.r.o., Czech Republic) and financed by the Ministry of Finance of the Czech Republic through the Official Development Assistance trust fund.