



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION

REPUBLIC OF BELARUS

INVESTMENT OPPORTUNITY

PRODUCTION OF ORGANIC MINERAL SOILS AND FERTILIZERS BY
PROCESSING PEAT

REPUBLIC OF BELARUS

Business Environment

EURASIAN ECONOMIC UNIT



512 mln
consumers

EAEU



183 mln consumers in the EEU

10 mln consumers in Belarus

INVESTMENT LEGISLATION

70 agreements on
avoidance of double
taxation

**The Republic of Belarus is a member of
the Multilateral Agency for Guarantees
and Investments**

66 agreements on assistance
in the mutual protection of
investments

Law on investment

1. Protection against nationalization
2. Unhindered transfer of profit (income) abroad
3. Equality and non-discrimination of investors

VISA REGIME

In 2018, Belarus extended the visa-free stay for foreigners to 30 days. Visa-free visits are provided on condition of the entrance through the National Airport Minsk for citizens of 74 countries, including European countries, as well as Brazil, Indonesia, the United States, Japan and other countries.



ABOUT THE PROJECT

THE INVESTMENT PROJECT AIMED AT THE SETTING UP THE ENTERPRISES IN ORDER TO PRODUCE ORGANIC FERTILIZERS BASED ON PEAT BY USING MODERN PROCESSING TECHNOLOGIES

PROJECT DESCRIPTION



The project's implementation will allow to drill peat deposits, to create one or more enterprises as well as to purchase of necessary equipment for the production of fertilizers with a production capacity of at least 2 000 tons per year on the territory of Sharkovschina area Vitebsk region. The products will be used for agriculture.

ABOUT THE PRODUCT



Organomineral fertilizers - are a combination of organic and mineral fertilizers that consist of organic matter, phosphorus, potassium, nitrogen, various trace elements and humic compounds based on peat and sapropel.

ADVANTAGES OF APPLICATION



- duration of application
- good digestibility (90-95%)
- cost-effective use
- improved crop quality

- high resistance to diseases
- improves soil structure and its quality
- increase crop productivity by 10-30 %
- rising profits

ADVANTAGES OF THE PROJECT IMPLEMENTATION:

- ✓ Availability of qualified and cheap labor resources;
- ✓ Guaranteed sales markets on the territory of the Republic of Belarus and abroad;
- ✓ Benefits and preferences at investment project implementation;
- ✓ Possibility of further production expansion and setting up of additional capacities;
- ✓ Access to the raw material base;
- ✓ Possibility to export products to the EEU countries (more than 180 million consumers) without paying customs duties and payments.

9 200 PEAT DEPOSITS

3 BLN TONS – PEAT RESERVE IN BELARUS

ABOUT SHARKOVSKINA AREA:

The territory of the area is located in the Western part of the Vitebsk region, bordering with Braslavsky, Miorsky, Postavsky and Gluboksky districts.

The area of the district is 1.1 thousand km².

Minerals: clay, sand and gravel material, peat.

Population is 14.6 thousand people.

The number of people employed in the economy is 5.8 thousand.

The nominal charged average salary is 304 USD.

THE PROJECT IN NUMBERS

PROJECT'S COST

The cost of the project implementation at one site is estimated at 1.1 million USD.

INVESTOR'S PARTICIPATION

Contribution of assets to the statutory capital of a new company.

PRODUCTS

- Organomineral soils;
- The humic product "Tosagel".

PROJECT'S EFFICIENCY

Approximate calculation of efficiencies :

Annual revenue (excluding VAT)	450 th. USD
Time to reach design capacity	3 year
Simple pay back period	5 year
Dynamic pay back period	6 year
Net present value (NPV)	1,6 mln USD
Internal rate of return (IRR)	17 %
Profitability of sales	20 %

In the case of products export, a significant improvement in the project's economic indicators is expected due to the high sales price.

MAIN CONSUMERS

Domestic market:

Professional market - supplies to public and private enterprises in Belarus (greenhouse and vegetable farms, forestry enterprises with a large volume of forest plantations, etc.).

Private market - retail, sale of fertilizers to rural cooperatives in the area of Mogilev, Bobruisk, Borisov, Osipovichi.

Foreign market:

Organic farming products are in demand in the EU countries (Germany, France, Poland, the Baltic countries), as well as in the CIS countries (Russia, Kazakhstan, Azerbaijan, Armenia, Uzbekistan and others).

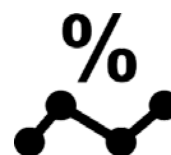
DISTRIBUTION OF SALES BY MAJOR REGIONS

EEU countries – 80%

Belarus – 70 %

EU countries – 10 %

Other countries – 10%



ORGANIC FERTILIZERS MARKET OVERVIEW

GLOBAL TRENDS

According to Market Publishers data, the global organic fertilizer market is expected to grow by **12 %** from 2017 to 2022. By 2022, the market volume will exceed **11 billion USD**.

The main growth factors are:

- increasing of the organic farming area;
- improving of the organic fertilizers quality;
- growing demand for organic products.

Over the next five years, the liquid fertilizer segment will be more popular, as this form is best suited for mixing different types of fertilizers. Also, its using significantly reduces time consumption for work, says Market Publishers.

The fastest-growing organic fertilizer market is the Asia-Pacific region. The key factors of influencing on its development are the large volume of investment in research and development, the growing need for food security and changing of agricultural practices.



\$11 BILLION

Market's volume to 2022

RUSSIAN FEDERATION

In recent years, the amount of mineral fertilizers applied in the Russian Federation has significantly decreased (from 14 million tons to 1.5 million tons), and at the same time, there is an increase of applying of organic fertilizers.

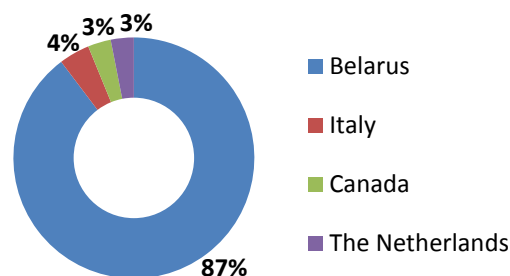
According to Rosstat data, in 2018 agricultural organizations of all types used **68.8 million tons** of organic fertilizers, which is **3.5 %** more than in 2017, when the indicator was 66.5 million tons.

Import to Russia of goods from the group «fertilizers of animal (vegetable) origin» for the period 2013-2017 amounted to **9.4 million USD**, with a total weight of **32.9 thousand tons**.

In the structure of imports by countries, the Republic of Belarus is in the first place (87 %) and Italy is in the second place (4%). The share of the Netherlands and Canada is about 3 %. The share of other countries is less than 4 %.

In 2013-2017, the Republic of Belarus exported **32 thousand tons** of organic fertilizers amounted to **8.2 million USD**, or 86.6 % of the total amount of imports to Russia.

Export's structure by countries



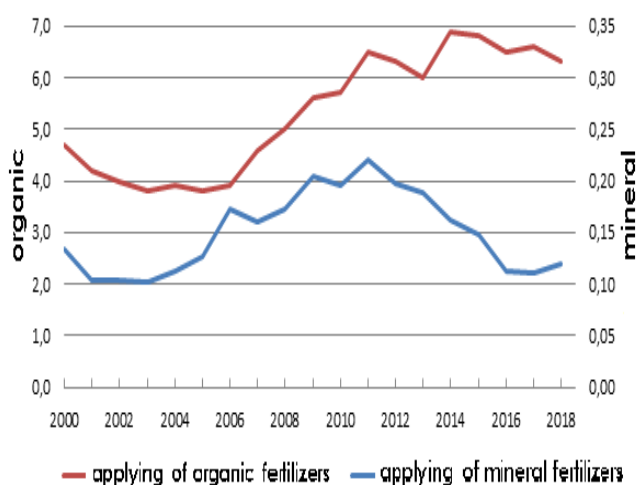
ORGANIC FERTILIZERS MARKET OVERVIEW

BELARUS

In Belarus, over the past seven years, there has been a tendency for marked increase in the use of organic fertilizers on arable land, and a number of measures have been developed to involve all sources of organic matter to the soil.

According to Belstat data, in 2017, agricultural organizations applied more than **49 million tons** of organic fertilizers, which are **1 %** more than in 2016, when the indicator was 48.5 million tons.

Application of mineral and organic fertilizers per hectare of agricultural land (tons)

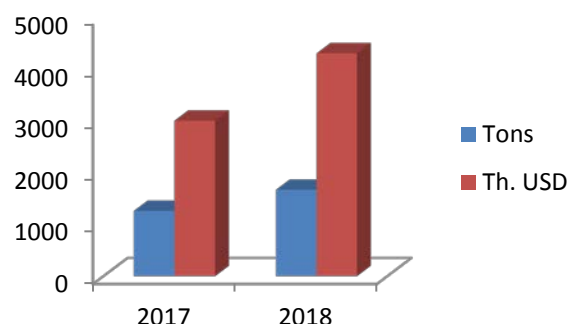


Based on statistical data, since 2006, there has been a constant increase of applying organic fertilizers in agriculture and the share of mineral fertilizers applying at the same time is decreasing.

EXPORT AND IMPORT

Belarus exported **1 268 tons** of organic fertilizers amounted to **3 million USD** in 2017, and **1 679 tons** of organic fertilizers amounted to **4.3 million USD** in 2018.

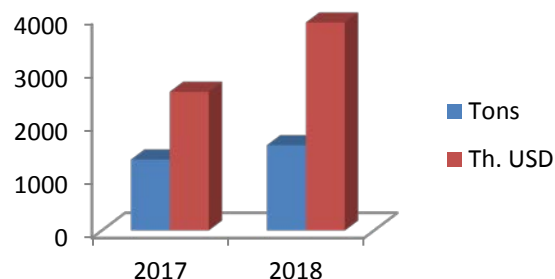
Export of organic fertilizers



The dynamics are positive in terms of quantity and cost. An increase in quantity by 32% and in value by 39 % compared to 2017.

Belarus imported **1 326 tons** of organic fertilizers amounted to **2.6 million USD** in 2017, and **1 596 tons** of organic fertilizers amounted to **3.9 million USD** in 2018.

Import of organic fertilizers



NATIONAL AGENCY OF INVESTMENT AND PRIVATIZATION

The Agency is ready to help foreign investors interested in doing business in Belarus:

- Presentation of information on investment opportunities, preferential regimes and benefits, industries, legislation
- Provision of current information on investment projects
- Selection and provision of information on options for land and premises
- Search for potential partners for the implementation of the investment project; organization of meetings, negotiations with potential partners to establish cooperation
- Providing a platform for negotiations and support for the investor during the negotiations
- Organization of visits to the Republic of Belarus (development of a program of stay, assistance in obtaining a visa)
- Representing the interests of the investor in negotiations with government officials on the implementation of investment projects, as well as on improving business practices in the Republic of Belarus
- Post investment support



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION
REPUBLIC OF BELARUS

Phone

+375 17 200 81 75
+375 17 226 41 66

Fax

+375 17 226 47 98

E-mail

mail@investinbelarus.by