



NATIONAL AGENCY  
OF INVESTMENT  
AND PRIVATIZATION  
REPUBLIC OF BELARUS

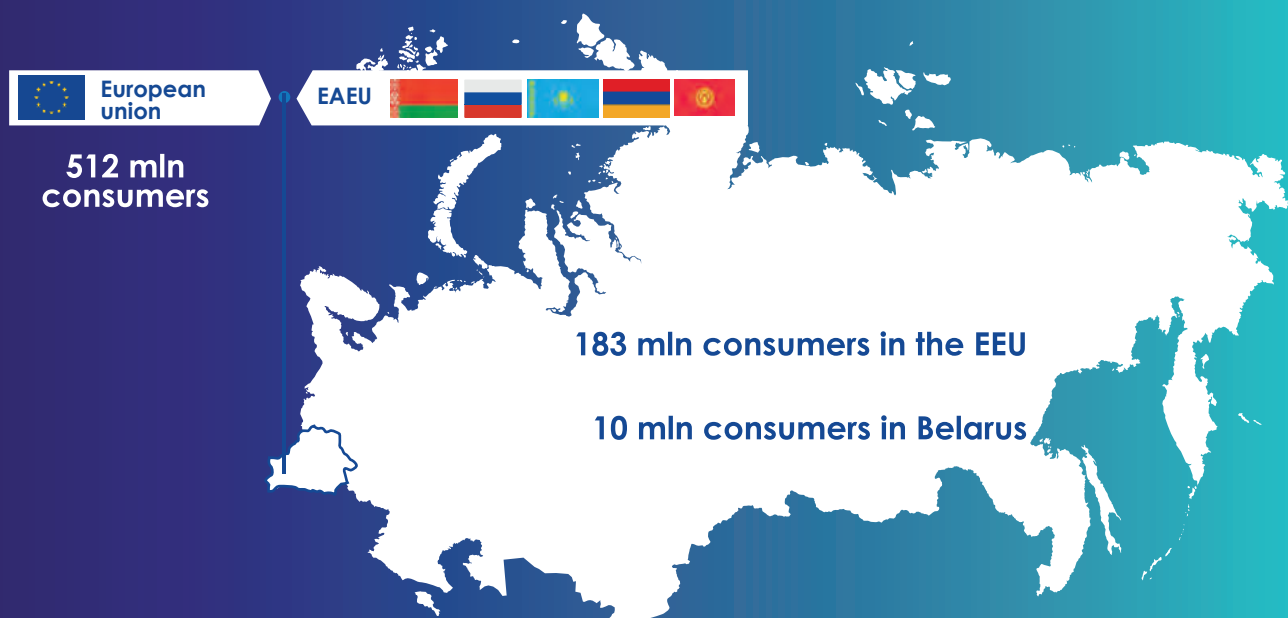
# PRODUCTION OF ABS PLASTICS AT "NAFTAN" OJSC

"Naftan" OJSC (Novopolotsk Oil Refinery) is a major petrochemical complex in the Republic of Belarus, which produces various types of fuel, lubricating oils and bitumen, aromatic hydrocarbons and petrochemical products. The plant is located in the industrial zone of the town of Novopolotsk (Vitebsk region, Republic of Belarus).

# REPUBLIC OF BELARUS

## Business Environment

### EURASIAN ECONOMIC UNION



### INVESTMENT LEGISLATION

**70** agreements on avoidance of double taxation

The Republic of Belarus is a member of the Multilateral Investment Guarantee Agency

**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

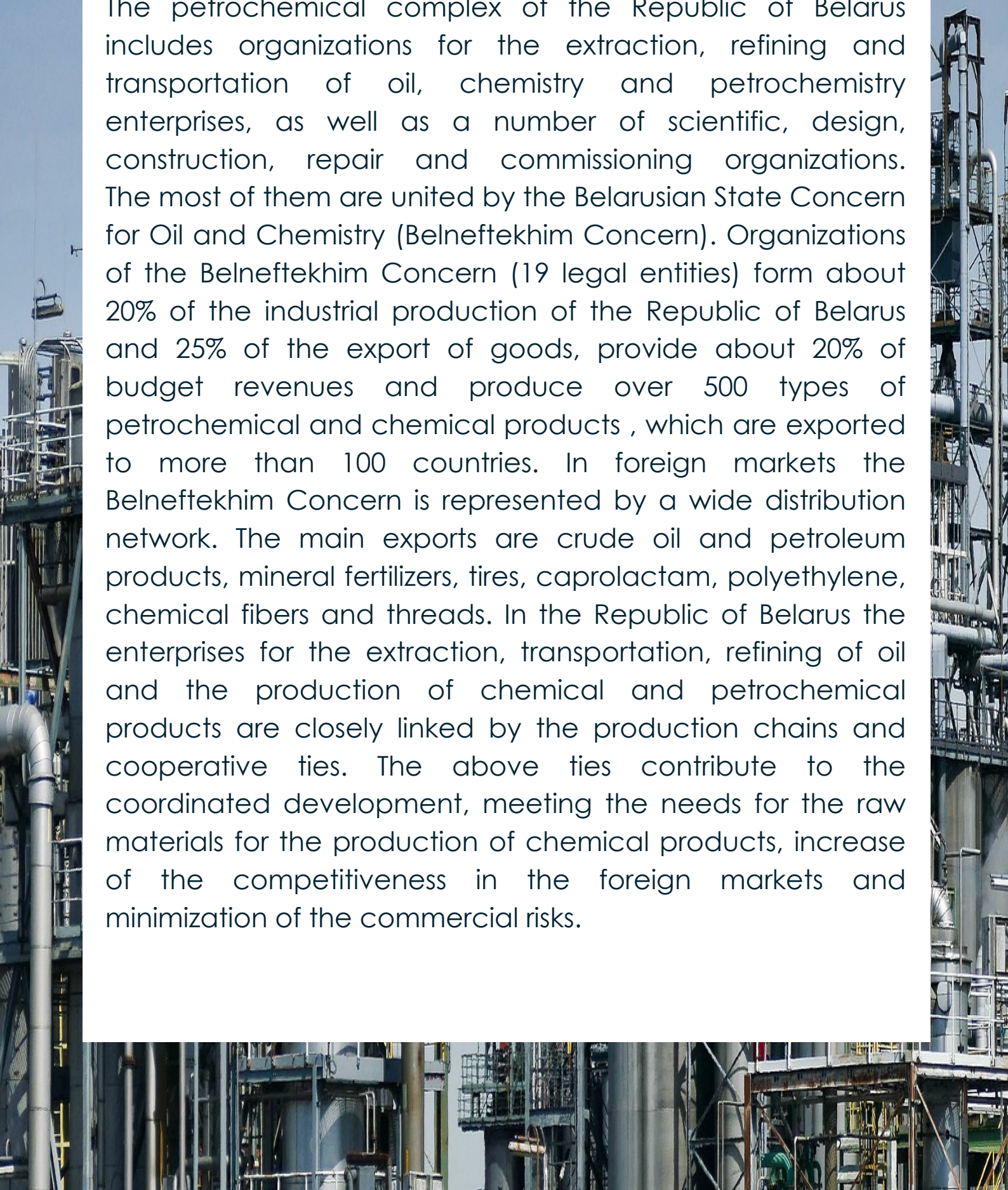
### VISA REGIME

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.



## PETROCHEMICAL COMPLEX OF THE REPUBLIC OF BELARUS

The petrochemical complex of the Republic of Belarus includes organizations for the extraction, refining and transportation of oil, chemistry and petrochemistry enterprises, as well as a number of scientific, design, construction, repair and commissioning organizations. The most of them are united by the Belarusian State Concern for Oil and Chemistry (Belneftekhim Concern). Organizations of the Belneftekhim Concern (19 legal entities) form about 20% of the industrial production of the Republic of Belarus and 25% of the export of goods, provide about 20% of budget revenues and produce over 500 types of petrochemical and chemical products, which are exported to more than 100 countries. In foreign markets the Belneftekhim Concern is represented by a wide distribution network. The main exports are crude oil and petroleum products, mineral fertilizers, tires, caprolactam, polyethylene, chemical fibers and threads. In the Republic of Belarus the enterprises for the extraction, transportation, refining of oil and the production of chemical and petrochemical products are closely linked by the production chains and cooperative ties. The above ties contribute to the coordinated development, meeting the needs for the raw materials for the production of chemical products, increase of the competitiveness in the foreign markets and minimization of the commercial risks.



# "NAFTAN" OJSC

<b>Ownership</b>	"Naftan" is an open joint stock company and a part of the Belarusian State Concern for Oil and Chemistry (Belneftekhim Concern).
<b>Location</b>	Novopolotsk, Vitebsk region.
<b>Infrastructure</b>	4 productions with 30 main and auxiliary workshops cover a territory of 800 hectares. Over 4000 specialists work at the enterprise.
<b>Products certification</b>	The quality management system of the enterprise is certified on compliance with the requirements of ISO 9001:2015, ISO 14001:2015, СТБ ISO 9001-2015.
<b>Customers</b>	Over 70% of the commercial products are exported to Russia, the Ukraine, Germany, Finland, Poland, Iran, the Baltic States, Hungary, Bulgaria, China and other countries. The business relations have been established with more than 40 countries. The annual foreign trade turnover is about 300 million USD.





# ABOUT THE PROJECT

## DESCRIPTION

The project provides for the creation of a number of independent chemical productions of the particular raw materials (ethylbenzene, styrene, etc.) that establishes the prerequisites for their future use in the production of a wide range of chemical products, including fine and small-tonnage chemistry products.

## PRELIMINARY EFFICIENCY INDICATORS:

- Capex – 310 mln USD
- NPV – 440 mln USD
- IRR – 18%

## WHY BELARUS?

- Availability of qualified and inexpensive human resources.
- Favorable geographical location.
- Benefits and preferences in implementation of the investment project.
- Possibility of further expansion of production and installation of additional capacities.
- Availability of raw materials.
- Possibility of products export to the Eurasian economic union countries (more than 180 mln consumers) without customs duties.

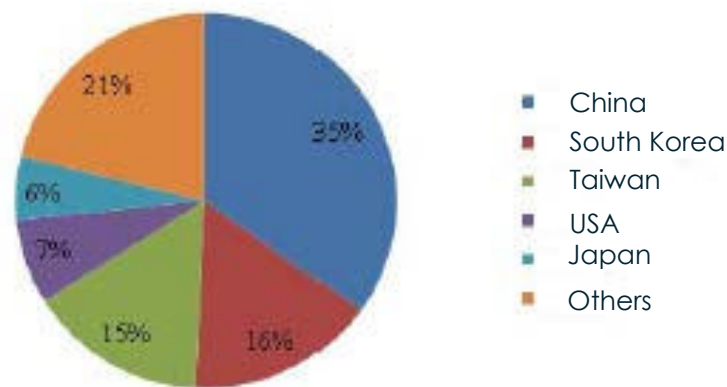
## WHY ABS PLASTICS?

- Dynamically growing demand in the markets.
- Steadily rising prices.
- Availability of raw materials (ethylene, benzene, butylene-butadiene fraction, acrylic acid nitrile) at Naftan OJSC.
- Production of ABS plastics creates the conditions for the production of a wide range of the compound products (ABS + polycarbonate, ABS+polyamide, etc.).

# MARKET REVIEW AND OUTLOOK

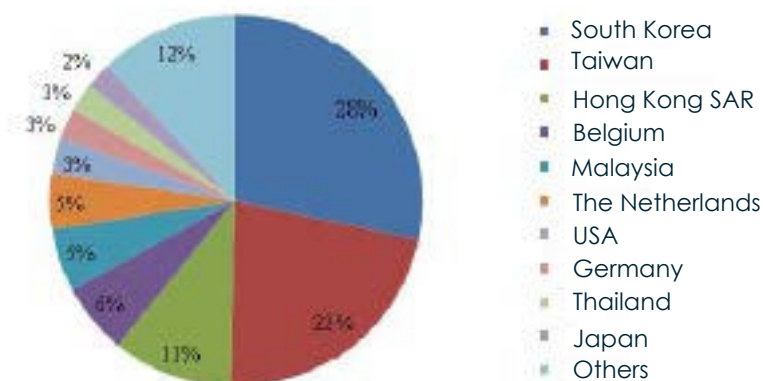
ABS plastic is used for the production of automobile, radio engineering, and instrument-making industry products, internal parts of refrigerators, medical products, and consumer goods. In 2018 the global production capacity of ABS plastic was estimated at 10.4 million tons per year. The Asia-Pacific region is dominating in the market. It is expected that the development of infrastructure, especially in countries such as China and India, as well as the growth of the home appliances market will increase the demand for ABS plastic in this region.

## Top 5 countries in ABS plastic production, 2018



According to the forecasts, the capacity of ABS plastic production will reach 11.8 million tons per year by 2023. In the short term, the capacity growth is predicted in China, Indonesia, Iran, Saudi Arabia, Mexico, and India. The largest players in the global ABS plastic market are INEOS Group, Chi Mei Corporation, Formosa Chemicals&Fibre Corp., PetroChina Company Limited, LG Chem. In 2019 the global export of ABS plastics reached the level of 7.9 billion USD.

## Top 10 countries-world exporters of ABS plastics, 2019

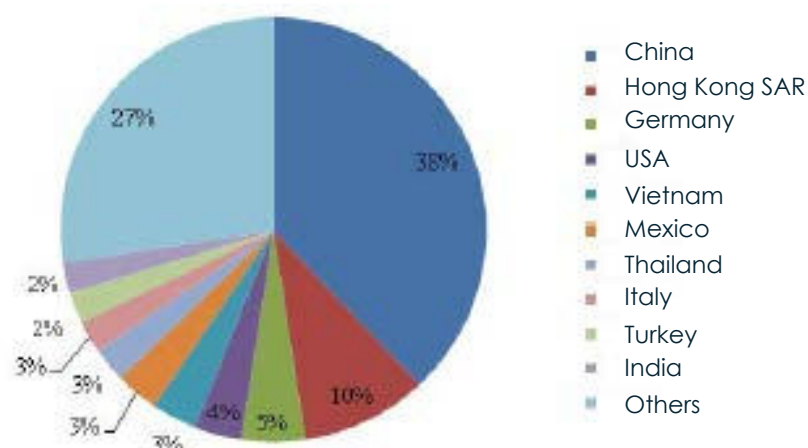




# MARKET REVIEW AND OUTLOOK

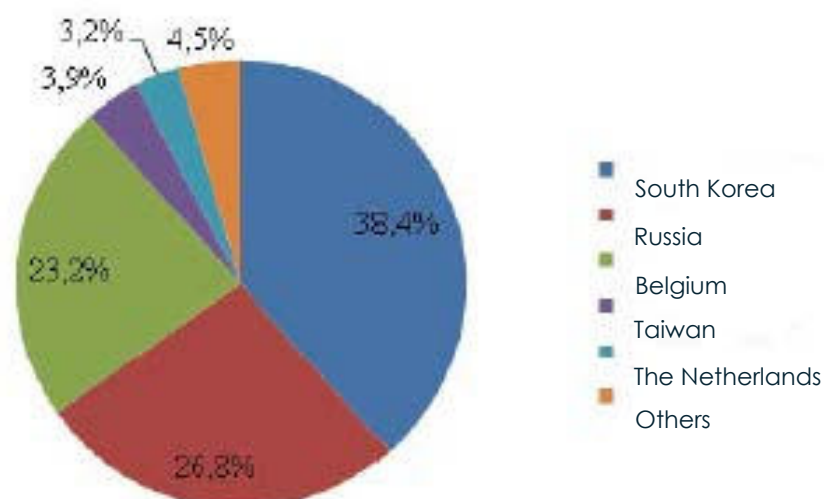
In 2019 the global import of ABS plastics amounted to 8.6 billion USD.

## Top 10 countries-world importers of ABS plastics, 2019



In 2019 the Republic of Belarus imported 7170 tons of ABS plastics worth 14.2 million USD.

## Top 5 countries-ABS plastics importers to the Republic of Belarus, 2019



# 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.



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