



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION

REPUBLIC OF BELARUS



INVESTMENT OPPORTUNITY

SET UP A WORKSHOP IN ORDER TO PROCESS LUPINUS

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 IS AIMED AT SETTING UP A WORKSHOP IN ORDER TO PROCESS LUPINUS ON THE TERRITORY OF THE REPUBLIC OF BELARUS.

PROJECT DESCRIPTION

The project’s implementation involves construction of a workshop in order to process lupinus with the production capacity up to 20 tons of granulated fodder per day in order to produce fodder, nutrition grain of lupinus, as well as nutrition fibers from a shell of lupinus grain. Products will be used mainly for the production of fodder for livestock, as well as in food industry.

ABOUT THE PLANT

Lupinus is a genus of annual and perennial, mainly herbaceous plants of the legume family, with leafy stems, complex leaves on long petioles and inflorescences similar to a brush, blue, pink, red, white, yellow, purple, purple or cream flowers.

POSSIBLE DIRECTIONS OF APPLICATION

- | | |
|--|--|
| <ul style="list-style-type: none">- Production of fodder for livestock- Food industry- Bakery industry- Pharmaceutical industry | <ul style="list-style-type: none">- Application in medicine- Application in cosmetology- Ecological farming- Landscape design |
|--|--|



THE PREREQUISITES FOR THE PROJECT IMPLEMENTATION:

- ✓ Dynamic development of livestock and poultry industries in the country;
- ✓ Development of own animal fodder production;
- ✓ Development of own lupinus resource base;
- ✓ Decrease the share of imports and increase the share of exports;
- ✓ Low production cost of fodder protein compared to the production of other fodder proteins types;
- ✓ Stable demand for livestock fodder in the EEU and CIS countries;
- ✓ Meets the Sustainable Development Goal (decent work and economic growth).

ADVANTAGES OF THE PROJECT IMPLEMENTATION IN BELARUS:

- ✓ Availability of qualified and cheap labor resources;
- ✓ Guaranteed sales markets on the territory of Belarus and abroad;
- ✓ Benefits and preferential at implementation of the investment project;
- ✓ Possibility of further production expansion and setting up of additional capacities;
- ✓ Scientific support from the Belarusian National Academy of Sciences;
- ✓ Possibility to export products to the EEU countries (more than 180 million consumers) without paying customs duties and payments.

THE PROJECT IN NUMBERS

PROJECT'S COST

The cost of the project implementation is \$1,4 mln.

INVESTOR'S PARTICIPATION

Set up a new company or mutual project implementation in cooperation with a local partner.

PRODUCTS

- Nutritional lupinus;
- Fodder lupinus;
- Lupinus paste for food purposes;
- Lupinus paste for fodder purposes;
- Lupinus grain shell.

PROJECT'S EFFICIENCY

Project's implementation period	4 years
Time to reach design capacity	2 years
Payback period	2,3 years
NPV	\$1,4 mln
Profitability indicator	2,76
IRR	85%

The analysis of the project's effectiveness was carried out taking into account the market's capacity in the Russian Federation, as well as other EEU and CIS countries.

MAIN CONSUMERS

Internal market:

Professional market – supplies to public or private agricultural companies, producers of fodder and feed additives, supplies to food and bakery industries, as well as application of lupinus processing products in the field of cosmetology and pharmacology.

Private market – retail and wholesale trade, sale of lupinus processing products to individuals.

Foreign market:

Export supplies to the markets of the Eurasian economic Union and the Commonwealth of independent States countries, as well as markets of other countries.

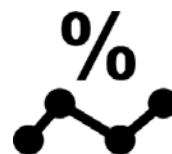
DISTRIBUTION OF SALES BY MAJOR REGIONS

EEU countries – 60%

CIS countries – 30%

Other countries – 10%

Including Belarus – 30%



LIVESTOCK FODDER MARKET OVERVIEW

GLOBAL TRENDS

The global market of livestock fodder and feed additives has been steadily growing by more than **5%** annually for many years. Its volume exceeds **\$25 billion** today, and taking into account premixes and concentrates, this gross indicator is three times more.

China shares almost **20%** of the world market for fodder and feed additives production, which makes this country not only the main consumer of these products, but also the main producer of them.

For the 10 years in a row, **the European Union** has recorded an increase in livestock fodder consumption, which in 2019 increased by **1,5%** and amounted to **154 million tons**. In value terms, the livestock fodder market volume in the European Union countries in 2019 amounted to **\$50,2 billion** (according to the marketing agency "IndexBox" research).

At the end of 2019, imports increased by **58%** compared to 2007. In value terms, the import of livestock fodder decreased to **\$6,4 billion** in 2019.

According to experts forecast, the global feed additives market will increase more than **20%** of its volume in monetary terms by the end of 2021. The main growth drivers will be Asia and Latin America countries.



\$25 billion
Livestock fodder market
volume

RUSSIAN FEDERATION

The fodder industry in Russia continues to develop dynamically. The total volume of fodder production increased by **3%** compared to 2019. At the same time, the production of premixes for livestock shows the best dynamics: for two years in a row, this sector continues to grow steadily, which in 2019 amounted to **27%**.

According to the official statistics, in 2019 Russia produced **29,6 million tons** of mixed fodder (1,4% more than in 2018). The average production growth rate of mixed fodder in the period from 2010 to 2019 was **6,7%**.

Customers' demand for premixes is mainly provided by their domestic production (the share of imported premixes accounts for about 6%). According to the statistics service of Russia, the volume of premixes production in the country was **502 thousand tons** in 2019 (this is **8,7%** more than in 2018). In the period from 2010 to 2019, the average production growth rate of premixes was **25,4%**.

The feed additives market volume in 2019 was estimated by the analysts from Russian consulting group "Tekart" at **440 thousand tons**. At the same time, **90%** of feed additives used in Russia are supplied from abroad. According to the Russian Ministry of Agriculture, the largest imported components of feed additives are vitamins (100%), trace elements (90%), antibiotics - growth stimulants (85-95%), mycotoxin adsorbents (80-85%), feed amino acids (80%) and enzymes (70-90%).

LIVESTOCK FODDER MARKET OVERVIEW

Prebiotics and probiotics, some enzymes and minerals, functional feed additives and other products are produced in Russia. At the end of March 2020, the "Rosselkhoznadzor" registered **2 955 feed additives** and **605 (20%)** of them were domestic.

The main problem of the Russian's feed industry is its **dependence on the import of feed additives**. Thus, producers of premixes are completely dependent on suppliers of vitamins, trace elements and amino acids (the main components of premixes), producers of mixed feeds and concentrates, as well as farms – on suppliers of premixes and (or) feed additives.

BELARUS

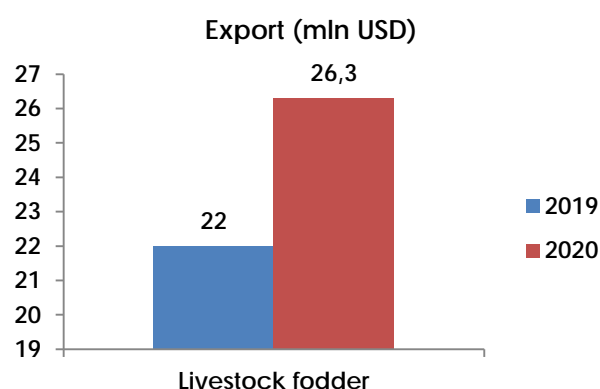
The production of fodder and feed additives in 2014-2018 did not show the stable trend. In 2018, compared to 2014, the production of fodder and feed additives increased up to **6,2 million tons** per year (+5,6%).

At the same time, there is a tendency to reduce the production of protein-vitamin-mineral supplements. In 2018, compared to 2014, the production of such additives decreased by **60%** and amounted up to **27,6 thousand tons** per year.

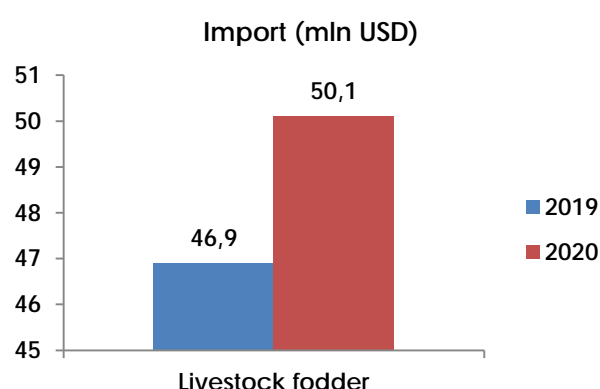
Over the past five years, the Belarusian's fodder market has shown the stable trend of **increasing imports**, while the steady trend is the intensification of purchases Russian, German and Danish fodder.

EXPORT AND IMPORT

Belarus in 2020 exported **26,6 thousand tons** of livestock fodder by the amount of **\$26,3 mln** (+37% in quantitative terms and +19% in monetary terms compared to 2019).



Belarus in 2020 imported **34,6 thousand tons** of livestock fodder by the amount of **\$50,1 mln** (+14% in quantitative terms and +6% in monetary terms compared to 2019).



The main share of animal fodder (**more than 95%**) in 2020 was exported to Russia in the amount of **26 thousand tons**. At the same time, Belarus imported about **30%** of animal fodder from Russia in 2020.

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