



NATIONAL AGENCY  
OF INVESTMENT  
AND PRIVATIZATION

REPUBLIC OF BELARUS

# "NAFTAN" OJSC, "POLYMER" PLANT. NEW ETHYLENE - PROPYLENE PLANT CONSTRUCTION.

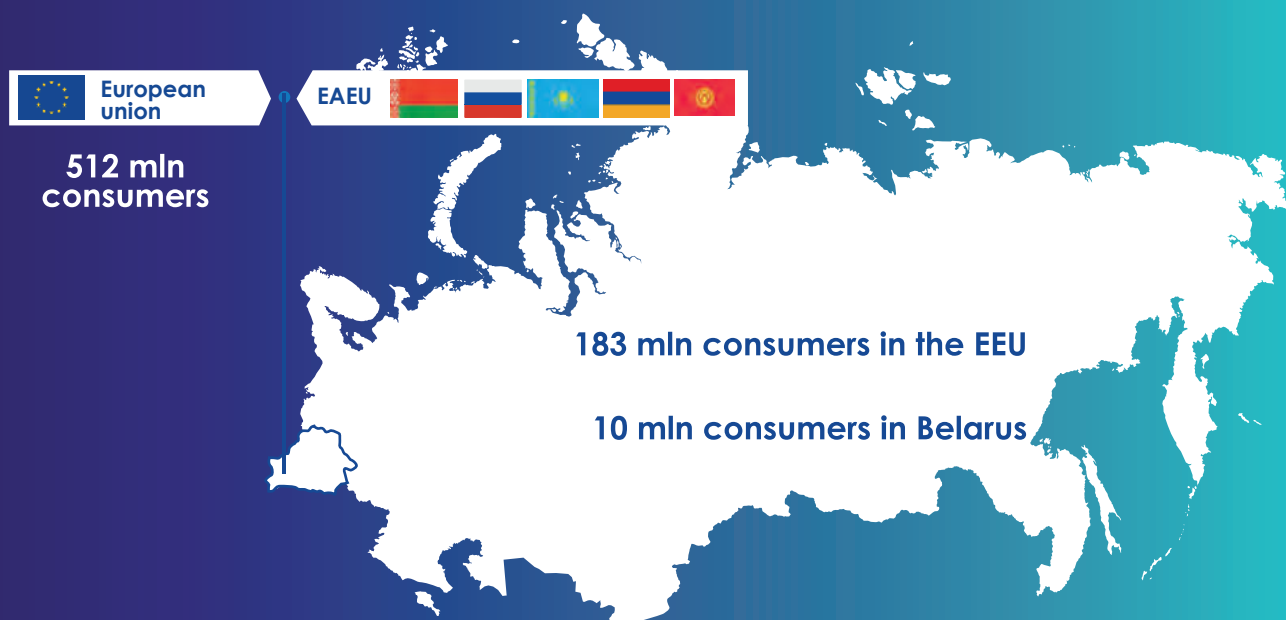
"Polymir" plant was founded in 1968 and at present it is one of the largest chemical plants in Belarus. The enterprise produces a wide range of chemical products: low-density polyethylene, acrylic fibres, acrylic acid nitrile, organic synthesis products, hydrocarbon cuts, low-tonnage chemistry, consumer goods.

"Polymir" products are used in various industries: cable production, plastic processing, packing production, carpet production, textile fabrics and knitwear, fur fabric, consumer chemicals, etc.

# 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.

# "POLYMIR" PLANT

**Ownership**

"Polymir" plant is included in the oil refinery "Naftan" OJSC and is a part of the Belarusian State Concern for Oil and Chemistry (Belneftekhim Concern).

**Location**

Novopolotsk, Vitebsk region.

**Infrastructure**

4 productions with 30 main and auxiliary workshops cover a territory of 800 hectares. Over 4000 specialists work at the enterprise.

**Products certification**

The quality management system of the enterprise is certified on compliance with the requirements of ISO 9001:2015, ISO 14001:2015, CTB ISO 9001-2015.

**Customers**

Over 70% of polyethylene, acrylic fibres, acrylic acid nitrile, organic synthesis products and hydrocarbon cuts 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

"NAFTAN" OJSC, "POLYMIR" PLANT.

NEW ETHYLENE - PROPYLENE PLANT CONSTRUCTION.

## PROJECT PURPOSE

The project involves launching of the pyrolysis capacity, compression and gas separation capacities with the complex of new facilities of the plant that will increase the volume of hydrocarbon processing and production at the plant.

## AREA OF USE

Petrochemistry, light industry.

## PRODUCTIVITY

200 thousand tons of ethylene per year.  
100 thousand tons of propylene per year.

## PRODUCTNAME

Low-density polyethylene, acrylonitril, acrylic fibres.

## INVESTMENTVOLUME

USD 586.4 million (including VAT) in accordance with the approved business plan. We are ready to consider any forms of participation in financing.

Possible volume of attracted funds -  
3 up to 100% of capital costs.

## PROJECT ECONOMICS

1. Simple pay-back period - 14 years.
2. Dynamic payback period - 17,5 years.
3. IRR - 4,28%.

## PROPOSALS FOR COOPERATION

1. Establishment of a new enterprise.
2. Acquisition of a stake in the existing enterprise.
3. Acquisition of the enterprise as a property complex.
4. Additional issue of shares for sale to the investor.
5. Establishment of a joint venture.

## PROJECT BENEFITS

1. Availability of processing facilities.
2. A wide range of products.
3. Well-known brand.
4. Highly qualified staff.
5. Well-developed logistics.
6. Sustainable business relations.

# SELLING MARKETS RESEARCH

## REPUBLIC OF BELARUS

The "Polymir" products are used in various industries: cable production, plastic processing, packing production, carpet production, textile fabrics and knitwear, fur fabric, consumer chemicals, etc. A number of organic compounds offered by "Polymir" can be used as a raw material for further synthesis of various chemicals.

The low-density polyethylene (LDPE) is the only one of all types of polyolefin that is produced in Belarus. Annually, about 30-35% of LDPE produced by "Polymir" is sold in the domestic market. The main industries consuming LDPE are:

- around 68% – polyethylene foil production;
- around 17% – polymer pipe production;
- around 8% – insulation and cable sleeves production;
- around 6% – production of polymer containers and plastic products.

The capacity of the Belarusian LDPE market is 50-65 thousand tons per year. The Belarusian market is balanced and stable, in the coming years the consumption growth is considered at 3-5% per year. Thus, the "Polymir" plant will be able to satisfy completely the needs of the domestic market for the LDPE. It is expected that the main competitors for the Belarusian LDPE in the domestic market will be the LDPE from Russia.

The main consumer of the acrylic fibers is the light industry. In terms of the supply of acrylic fibers into Belarusian market the "Polymir" plant holds a dominant position. In addition, more than 80% of the total production of the acrylic fibers is exported abroad. The traditional markets for the supply of acrylic fibers of "Polymir" are Russia, European countries, Asia (India, Pakistan, China), Middle East countries (Turkey, Iran). The import of acrylic fibers into Belarus is insignificant, mainly modacrylic fibers, intended for the production of fur fabric, are imported from Japan.

The acrylonitrile is used in manufacturing of the acrylic fibers, ABS/SAN plastic, acrylamide, adiponitrile, ethylenediamine, and a number of other chemical substances. The average annual volume of the acrylonitrile production at "Polymir" plant is around 86 thousand tons, 38 thousand tons of which are used in the polyacrylonitrile fibers production, around 48 thousand tons are exported (in Belarus there are no processors of acrylonitrile).

## WORLD MARKET

The traditional markets of "Polymir" plant are Russia, Ukraine, the Baltic countries.

For a long period of time, the Russian market has remained the main export direction for "Polymir" plant due to the geographical proximity of the West and Central regions of Russia, as well as lack of the tariff regulation. The capacity of the Russian LDPE market is 580-600 thousand tons per year. In Ukraine, the needs of the domestic market in LDPE are satisfied solely by the imported products. The capacity of the Ukrainian LDPE market is 60-90 thousand tons per year. The main competitors for the Belarusian LDPE in the Ukrainian market is the LDPE from Russia and Azerbaijan. The LDPE consumption in the Baltic countries is around 25 thousand tons per year. The main competitors for the Belarusian LDPE in the Baltic countries market is the LDPE from Russia, Azerbaijan, Austria. It is expected that in the coming years the leaders in manufacturing and consumption of the LDPE will be the Asia-Pacific and Middle East countries (India, Pakistan, Turkey, UAE, China).

Currently, there is no production of the acrylic fibers in the CIS countries. This fact allows the "Polymir" plant to hold a dominant position there, primarily in

the Russian market. In the recent years, a trend to enlargement of the enterprises has been noticed, the smaller acrylic fibers enterprises have left the race. In the long-run period (2020-2030), the expansion of the acrylic fibers range is promising, including the production of acrylic fibers with the special characteristics (slow-burning, antibacterial, anti-pilling, etc).

Currently, in the world around 6,2 million tons of acrylonitrile is produced per year. In 2020, the production volume (with the similar capacity utilization) may be increased to 6,5 million tons per year, in 2030 – to 7 million tons per year. Annually, the permanent consumption growth of acrylonitrile has been traced worldwide. The main consumer is the Asian region (3,75 million tons, about 65%), China occupies the leading position (1,95 million tons), the second place is shared by Europe and USA (about 750 thousand tons each). The ABS/SAN plastics (around 40%) and acrylic fibers (around 30%) are the main consumed products.

# 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](mailto:mail@investinbelarus.by)