



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION

REPUBLIC OF BELARUS



INVESTMENT OPPORTUNITY

PRODUCTION OF SPORTS NUTRITION

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 SETTING UP A COMPANY IN ORDER TO PRODUCE SPORTS NUTRITION ON THE TERRITORY OF THE REPUBLIC OF BELARUS.

PROJECT DESCRIPTION

The project's implementation involves construction of a plant in order to produce sports nutrition (protein, carbohydrate, mixed (protein-carbohydrate) types and amino acid or vitamin-mineral complexes), as well as raw materials for the sports nutrition production on the territory of Kopyl district in Minsk region.

ABOUT THE PRODUCT

Sports nutrition is a complex of special nutritional supplements of increased biological and nutritional value, made from natural products and specially processed for the best absorption by an individual engaged in sports.

ADVANTAGES OF APPLICATION

- Increases training effectiveness
- Increases body's recovery
- Increases body-building supplement
- Promotes weight loss

- Optimizes hydration
- Improves physiological condition
- Reduces risk of injury
- Reduces cost of healthy nutrition



THE PREREQUISITES FOR THE PROJECT IMPLEMENTATION:

- ✓ State's programs aimed at improving health of the nation, including the development of physical culture and sports;
- ✓ Constant growth of the world's population, desire to follow a healthy lifestyle in conjunction with an increasing number of sports clubs and centers – the factors that affect the increase of sports nutrition consumption;
- ✓ Increasing awareness of health and the need for proper nutrition to maintain it, as well as increasing the number of middle-aged people who engaged in sports;
- ✓ Development of own sports nutrition production, as well as decrease the share of imports and increase the share of exports;
- ✓ Stable demand for products in the EEU countries and the People's Republic of China.

ADVANTAGES OF THE PROJECT IMPLEMENTATION IN BELARUS :

- ✓ Availability of qualified and cheap labor resources;
- ✓ Guaranteed sales markets on the territory of the Republic of Belarus and abroad;
- ✓ Benefits and preferences at implementation of the investment project;
- ✓ Availability of raw materials (well-developed sector of milk production and the products of its processing);
- ✓ Possibility of further production expansion and increasing capacity;
- ✓ Possibility to export products to the EEU countries (more than 180 million consumers) without paying customs duties and payments.

THE PROJECT IN NUMBER

PROJECT'S COST

The cost of the project implementation is \$ 6 million.

INVESTOR'S PARTICIPATION

Setting up a new company or joint venture in cooperation with a local company.

PRODUCTS

- Various types of sports nutrition:
 1. Protein;
 2. Carbohydrate;
 3. Mixed (protein-carbohydrate);
 4. Amino acid;
 5. Vitamin-mineral.
- Raw materials for the production of sports nutrition

PROJECT'S EFFICIENCY

Production capacity	400 tons per year
Time to reach design capacity	1 year
Pay back period	5 years
Internal rate of return (IRR)	30%
Net present value (NPV)	\$ 2.6 mln

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

MAIN CONSUMERS

Internal market:

Professional market - supplies to public or private sports clubs, fitness centers, medical institutions, professional training centers for athletes and governmental agencies that provide security.

Private market - retail and wholesale trade, selling to individuals.

Foreign market:

Exports to the markets of the EEU and CIS countries (the most promising market is Russia with the forecast growth up to 20% per year). South-East Asian countries (China, India and Japan) consume more than 20% of the global sports nutrition production, as well as countries of the Middle East and Africa.

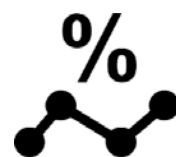
DISTRIBUTION OF SALES BY MAJOR REGIONS

CIS countries – 60%

Belarus – 10%

EU countries – 10%

South-East Asia – 30%



SPORTS NUTRITION MARKET OVERVIEW

GLOBAL TRENDS

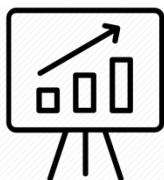
According to various analytic companies data, the average annual growth of the global sports nutrition market in the next 5 years will be from **8% to 11%**, which in absolute numbers can reach **\$ 90 billion**.

According to the forecast of «Transparency Market Research», the global sports nutrition market will reach **\$ 89 billion** by 2022, with the growth rate of **7%** per year.

According to research of «Technavi», the market's volume of high-protein products, in particular, due to the growth of the sports nutrition products market, will exceed **\$ 91 billion** by 2021, with the growth rate up to **11%** per year.

In the European Union, the sports nutrition market capacity in 2019 was **\$ 3.5 billion** (according to «Euromonitor's» data). Consumption of protein sports products increased by 6% and energy products by 5%.

Analysts from «Transparency Market Research» predict that the current market leader – North America, will maintain its dominance in the next 5 years. The volume of sports nutrition sales in the North American market reaches \$ 25 billion per year, and by 2022 will reach **\$ 37 billion**.



\$ 91 billion

Sports nutrition market capacity by 2021

RUSSIAN FEDERATION

According to the World Federation of sports goods industry (WFSGI) data, the Russian's market of sports nutrition products is currently promising. According to experts' opinion, the annual turnover of the market is estimated at **\$ 25 million** and growth rates up to **20%** per year.

However, it is negatively affected by insufficient domestic production of sports nutrition, the reduction of imports from USA, EU, Canada and other countries due to sanctions and decline of real incomes in the crisis.

The volume of sports nutrition production by Russian's companies has increased almost 3 times in recent years. The share of Russian's products is **44%** of the total volume.

The dynamics of sports nutrition products market development directly depends on the popularity of an active lifestyle and the total number of people who regularly engaged sports.

According to the Russian's Federal state statistics service, the number of sports clubs is more than **72 000**, and the number of people engaged sports exceeds **44 million**.

However, the current problems of the Russian's sports nutrition market remain high raw material import dependence, low products quality and increased share of counterfeit and contraband products.

SPORTS NUTRITION MARKET OVERVIEW

CHINA

The 2008 Olympic games in Beijing marked the beginning of country's population active participation in sports, which is supported by the government, which has set a goal of increasing the number of people, involved in sports, up to **500 million** by 2025.

In 2016, the Chinese's sports and fitness market was estimated at \$ 216 billion and by 2025, in accordance with the experts' forecast, the market may reach **\$ 725 billion**.

BELARUS

Professional and amateur sports have been actively developed in recent decades in Belarus.

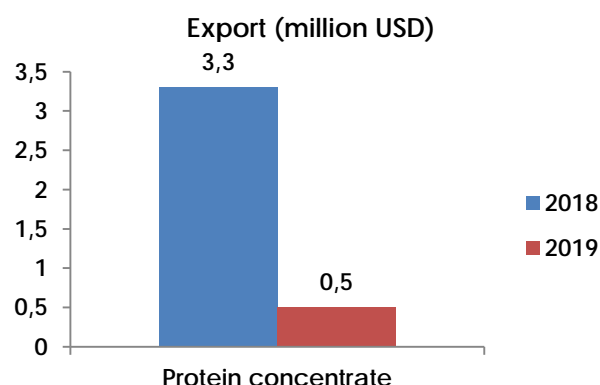
There are development and financing of physical culture and sports, construction of sports facilities, health centers, sports clubs, training of the specialists in the field of physical culture and sports as well as professional athletes.

According to the Ministry of sports and tourism data, at the end of 2016, the number of sports facilities in the country was **23 278** units, and the number of people involved in sports - **1.98 million**.

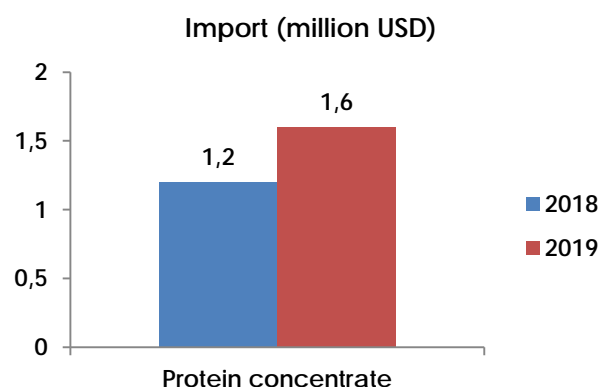
Sales of sports nutrition will continue to grow as the number of fitness clubs increases and at the same time the culture of sports nutrition consumption improves.

EXPORT AND IMPORT

Belarus in 2019 exported **733 tons** of protein concentrate by the amount of **\$ 530 000** (-44% in quantitative terms and -85% in monetary terms compared to 2018).



Belarus in 2019 imported **1 171 tons** of protein concentrate by the amount of **\$ 1.6 million** (+272% in quantitative terms and +30% in monetary terms compared to 2018).



Based on the analysis of statistical data, there is a steady demand for sports nutrition during 2018-2019.



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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