



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION

REPUBLIC OF BELARUS

INVESTMENT OPPORTUNITY

PRODUCTION OF ULTRASOUND DIAGNOSTIC DEVICES

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 ULTRASOUND DIAGNOSTIC DEVICES (STATIONARY AND (OR) PORTABLE) ON THE TERRITORY OF THE REPUBLIC OF BELARUS.

PROJECT DESCRIPTION

The project's implementation involves construction of a plant in order to produce ultrasound diagnostic devices both stationary and portable types.

ABOUT THE PRODUCT

Ultrasound diagnostic device – this is a medical diagnostic equipment that operates on ultrasound waves and used to visualize and research the internal organs of a person.

ADVANTAGES OF APPLICATION

- Accuracy of a research (85-100%)
- Research in "on-line" mode
- Accessibility and simplicity of research
- Harmlessness to human tissues

- A wide range of applications
- Low cost of research
- Application for therapeutic purposes
- Portability of equipment

THE PREREQUISITES FOR THE PROJECT IMPLEMENTATION:

- ✓ Increasing of financing healthcare modernization programs in the EEU countries;
- ✓ Increasing the share of ultrasound diagnostics devices in medical institutions, as well as replacing of outdated equipment;
- ✓ Increasing the share of older population in needed of quality medical services;
- ✓ Increasing the number of medical diagnostic centers in the public and private sector;
- ✓ Proliferation of oncological diseases requiring timely diagnostic and detection;
- ✓ General improvement of medical imaging technologies that increases the reliability of the incoming data;
- ✓ Unsaturation of the EEU countries' market by ultrasound diagnostics devices of own production.

ADVANTAGES OF THE PROJECT IMPLEMENTATION IN BELARUS:

- ✓ Availability of qualified labor resources and successful experience in setting up of similar production facilities;
- ✓ Possibility to implement the investment project as a resident of FEZ "Vitebsk" on land plots with developed infrastructure;
- ✓ Guaranteed sales markets on the territory of the Republic of Belarus and abroad;
- ✓ Benefits and preferences at implementation of the investment project;
- ✓ Possibility of further production expansion (Ministry of Industry's enterprises can provide assistance at the investment project implementation);
- ✓ Possibility to export products to the EEU countries (more than 180 million consumers) without paying customs duties and payments.

THE PROJECT IN NUMBERS

THE PROJECT'S COST

The cost of the project implementation is from 15 to 30 mln USD.

INVESTOR'S PARTICIPATION

Setting up a new company.

PRODUCTS

- Universal and specialized (cardiological, neurological, pediatric, intracavitary, ophthalmological) ultrasound diagnostics devices
- Stationary and portable ultrasound diagnostics devices
- Ordinary ultrasound diagnostics devices, medium, high, expert and premium class of ultrasound diagnostics devices

THE PROJECT'S EFFICIENCY

Time to reach design capacity	2-3 years
Internal rate of return (IRR)	18-20%
Dynamic pay back period	5 years

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

MAIN CONSUMERS

Domestic market

Professional market – supplies to public and private medical and diagnostic centers, polyclinics, as well as laboratories.

Private market – retail and wholesale trade, as well as selling of ultrasound diagnostic devices to individuals.

Foreign market:

Ultrasound diagnostics devices are in demand in developed and developing countries with a high level of medical services (USA, Canada, EU countries, Asia-Pacific region – totally about 80% of sales, as well as China, India, Brazil, CIS countries and others).

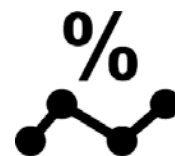
DISTRIBUTION OF SALES BY MAJOR REGIONS

CIS countries – 70%

Belarus – 10%

EU countries – 10%

South-East Asia – 20%



ULTRASOUND DIAGNOSTIC DEVICES MARKET OVERVIEW

GLOBAL TRENDS

In October 2017, analytics of "EvaluateMedTech" made the forecast that in 2022 global sales of medical equipment will amount to **522 billion USD** with an average annual growth rate (CAGR) of **5.1%**.

According to the report of the analytical company "Visiongain" about the development of the global market of ultrasound systems - by 2022 volume of the world market of ultrasound equipment will be almost **11.2 billion USD**.

The market of medical diagnostic equipment is actively developing and has a positive dynamics as a result of population increasing, increasing of diseases rate and aging of population. The market's growth rate is **2%** per year.

At the end of 2019, analytical company "Frost & Sullivan" published the results of its research in which reported about a rapid growth of ultrasound diagnostic devices market. According to experts' evaluation, in 2018 about **115 592** ultrasound devices were sold worldwide for the amount of **6.1 billion USD**.

Portable ultrasound scanners are also beginning to play a significant role. According to the research of company "Grand View Research", the sales rate of such devices from 2016 to 2024 will be **3.9 billion USD**.

RUSSIAN FEDERATION

After a serious economic recession over the past few years, the Russian's ultrasound diagnostics market has begun to gradually recover its growth rate. This is the result of increasing the share of state financing through using the Russian Federation's health development program for 2013-2020, which provides annual financing in the amount of **4-5 billion USD**.

According to the forecast of "Discovery Research Group" analytics, the market's volume of ultrasound devices in 2018 in Russia amounted to **7 070 units**. This market is highly dependent on imports. The import's share is **93%** of the total ultrasound devices market's volume.

In 2018, imports to Russia of ultrasound devices and its parts amounted to **13 839** units, from which ultrasound devices – **6 578** units, and in monetary terms-**172 million USD**, which is **23%** more than in 2017.

A characteristic feature of the Russian's market of ultrasound devices is the predominance of foreign products. The share of russian-made devices is about **2%**.

According to the opinion of analytical company "Techart", there are about **10** domestic companies on the Russian's market that declare the possibility of producing universal ultrasound devices. One of the main barriers to the development of Russian's production of ultrasound devices is the high dependence on imported components.



\$522 billion

Market's volume of
medical equipment
in 2022

ULTRASOUND DIAGNOSTIC DEVICES MARKET OVERVIEW

BELARUS

According to the research of the medical services market in Belarus by company "BusinesStat" in 2019, in recent years, the turnover of the commercial medical services market has grown annually: from 160 million USD in 2014 to **300 million USD** in 2018.

Every year the Belarusians carry out about **11 million** ultrasound tests, a significant part of which is carried out in polyclinics.

There is a shortage of personnel and insufficient equipment for modern diagnostic equipment in public medical institutions in Belarus, which generates a demand for the services of private medical centers.

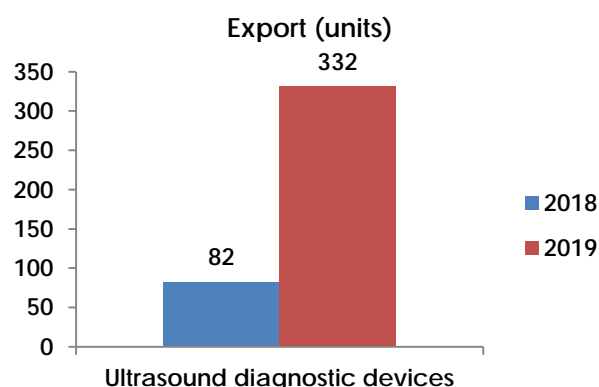
In general, there are 1 000 ultrasound diagnostics doctors working in Belarus at **1 500** devices, among them 328 are expert class (226 in 2015), average - 582 (544), basic - 285 (352).

In Minsk there are **63%** of middle class devices, high - 20% and expert - 5.2%. The rest are portable and basic devices that are used for various manipulations in clinics, including in resuscitation. Most of the devices (52.8%) are used from **5 to 10 years** and 15% - more than **10 years**. About a third of the devices have worded less than 5 years.

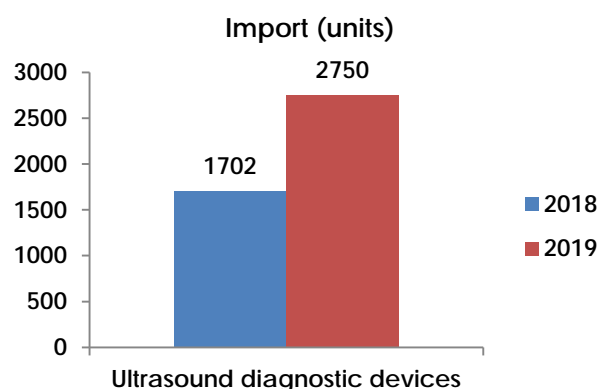
Most of ultrasound diagnostics specialists in Minsk work in polyclinics (261 out of 437).

EXPORT AND IMPORT

In 2019, Belarus exported **332 units** of ultrasound diagnostic devices in the amount of **2.5 million USD** (+400% in quantitative terms and +20% in monetary terms compared to 2018).



In 2019, Belarus imported **2 750 units** of ultrasound diagnostic devices in the amount of **20 million USD** (+61% in quantitative terms and +25% in monetary terms compared to 2018).



Based on the analysis of statistical data, there is a steady demand for ultrasound diagnostics devices 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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