



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION
REPUBLIC OF BELARUS



INVESTMENT OPPORTUNITY

CONSTRUCTION OF THE CLOSED AGRICULTURAL PRODUCTION
COMPLEX ON THE BASIS OF JSC «NOVOSYOLKI»

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 VERTICALLY INTEGRATED COMPLEX IN ORDER TO PRODUCE AGRICULTURAL PRODUCTS ON THE TERRITORY OF THE REPUBLIC OF BELARUS.

PROJECT DESCRIPTION

The project's implementation involves construction of the high-tech and highly efficient closed agricultural complex for the production of pork, based on modern technologies of animal keeping on the basis of agricultural company JSC «Novosyolki».

ABOUT THE COMPANY

Open joint stock company «Novosyolki» – multifunctional agricultural company, located on the territory of Gomel region, Petrikov district, rural area Novosyolki, Lenin str., 2.

The production activity of JSC «Novosyolki» is engaged in the development of crop and livestock industries. In total revenue, the share of crop production is 38% and the share of livestock products is 62%.

The company is engaged in growing grain and fodder crops, producing milk, as well as cattle meat. It has the land plot of 7 444 hectares. The number of employees is 92.

THE PREREQUISITES FOR THE PROJECT IMPLEMENTATION:

- ✓ The need to ensure food security;
- ✓ The desire of the population to consume “healthy” and useful products;
- ✓ Decrease the share of imports and increase the share of exports;
- ✓ The development of own meat production;
- ✓ The development of own animal fodder production;
- ✓ Dynamic development of the livestock industry;
- ✓ Stable demand for meat 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 preferential at implementation of the investment project;
- ✓ Possibility of further production expansion and setting up of additional capacities;
- ✓ Availability of raw material base and the possibility of its further expansion;
- ✓ Availability of the land plot for the purpose of 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 NUMBER

PROJECT'S COST

The cost of the project implementation is \$21.3 mln. The investment's demand is – \$20.2 mln.

INVESTOR'S PARTICIPATION

Setting up a joint venture in cooperation with JSC «Novosyolki».

COMPLEX'S STRUCTURE

- Pig farm for 12 000 heads
- Fodder production workshop with the capacity of 5 tons per hour
- Meat processing workshop with the capacity up to 1000 tons per year
- Biogas station with the capacity up to 5 mln m³ per year

PRODUCTS

- Pig meat in carcasses and half-carcasses
- Meat semi-finished products
- Byproducts
- Fodder for animals

PROJECT'S EFFICIENCY

Period of project implementation	3 years
Time to reach design capacity	2 years
Pay back period	7-9 years

MAIN CONSUMERS

Internal market:

Professional market – supplies to public or private processors, producers of meat products, own processing, as well as supplies of pork byproduct to producers of animal fodder.

Private market – retail and wholesale trade, selling to individuals of meat products.

Foreign market:

Meat products are in demand in developed and developing countries (Commonwealth of Independence States, Eurasian Economic Union, European Union countries as well as Asia-Pacific region (China, Japan and others).

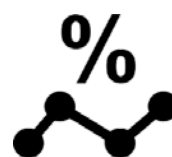
DISTRIBUTION OF SALES BY MAJOR REGIONS

CIS and EEU countries – 70%

EU countries – 10%

South-East Asia – 20%

Including Belarus – 40%



PORK MARKET OVERVIEW

GLOBAL TRENDS

In 2019, global meat production fell by 1% compared to 2018 up to **338.8 million tons**. The decline was caused by reduction of global pork production on 9.2%.

In 2019, global pork production was **110.5 million tons**, that is 8.5% lower than in 2018 and is associated with the spread of PAS (Pestis africana suum).

Pork is the leader of the meat market and its share is almost 40% in the world meat production. It is ranked 1st in Western Europe and South-East Asia. In the USA, Russia and Ukraine, pork production is on the 2nd place after chicken production.

The world leader in this type of production is **China**, which produces just under half of all pork in the world (**55 million tons** out of 112 million tons). At the same time, China does not have enough of this volume and it is the largest importer of pork in the world (almost **2 million tons** per year).

In 2019, global pork exports increased by **12%** up to 9.3 million tons, which is almost entirely stipulated by increase of imports in China.

Strong international demand for pork in 2019 stimulated the incensement of export prices for pork by more than **30%** in the European Union countries.



110 mln tons

The volume of pork production in 2019

RUSSIAN FEDERATION

According to the Russian Federation Ministry of agriculture, in 2019 farms of all categories picked up **5 million tons** of pigs in live weight. This is **5%** more than the same indicator in 2018 (4.8 million tons).

In 2019, there was a stable growth of pork exports from Russia (including byproducts) in terms of value and quantity. According to the Federal customs service data, in 2019 the country exported pork and byproducts in the amount of **\$138.5 million**, which is **13%** higher than in 2018, and in quantitative terms – more than **94 thousand tons**.

In 2018 Russia reached 100% of self-sufficiency in pork on the domestic market.

There is a decrease of import volumes. The reduction of pork supplies to Russia was mainly in 2014. So, if in 2013 the import of pork, byproducts and lard in Russia reached **1 million tons**, in 2014 the volume reduced to 427.7 thousand tons.

In the following years, the downward trend of imports continued. However, in 2019 there was a slight recovery in volumes of imports, which at the end of the year amounted to **119.4 thousand tons**.

The volume of Russian's pork market in 2019 was **3.9 million tons**, and the consumption level of pork per capita was approximately **27.8 kg**.

PORK MARKET OVERVIEW

BELARUS

Currently, the country produces more than **280-290 thousand tons** of pork annually. Belarus has the technological, fodder and economic capabilities to increase pork production up to 530-550 thousand tons by 2025, and up to **620-650 thousand tons** by 2030, and exporting it in the amount of **\$500-550 million**.

Pig farming in the country has been transferred to the industrial basis and is carried out in **116 pig fattening complexes** (more than **92%** of the total pork production in the Republic is produced in such complexes). From 2014 to 2019 more than 23 of new complexes were constructed in Belarus.

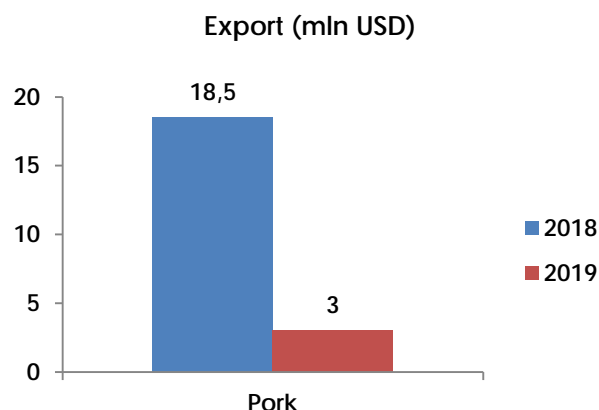
Thus, in 2019 more than **1 175.6 thousand tons** of meat products were produced, including **283.8 thousand tons** of pork.

The volume of meat products production (including pork) shows steady growth during 2015-2019, which indicates an increasing volume of meat products consumption by the population of the country.

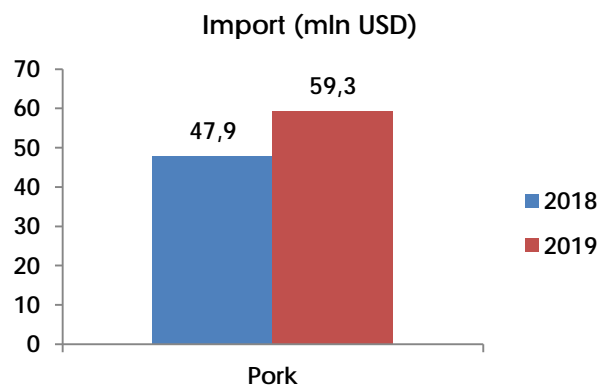
In 2018, **129 kg** of meat was produced per capita. The level of actual meat consumption in Belarus per year is **92 kg** per capita, including pork consumption of **42 kg** per capita per year.

EXPORT AND IMPORT

Belarus in 2019 exported **1 166 tons** of pork by the amount of **\$3 million** (5 times less in quantitative terms and 6 times less in monetary terms compared to 2018).



Belarus in 2019 imported **25 thousand tons** of pork by the amount of **\$59.3 million** (+28% in quantitative terms and +23% in monetary terms compared to 2018).



The main pork's exporting country to Belarus was Russia, with the supply volume of **21.4 thousand tons**.

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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