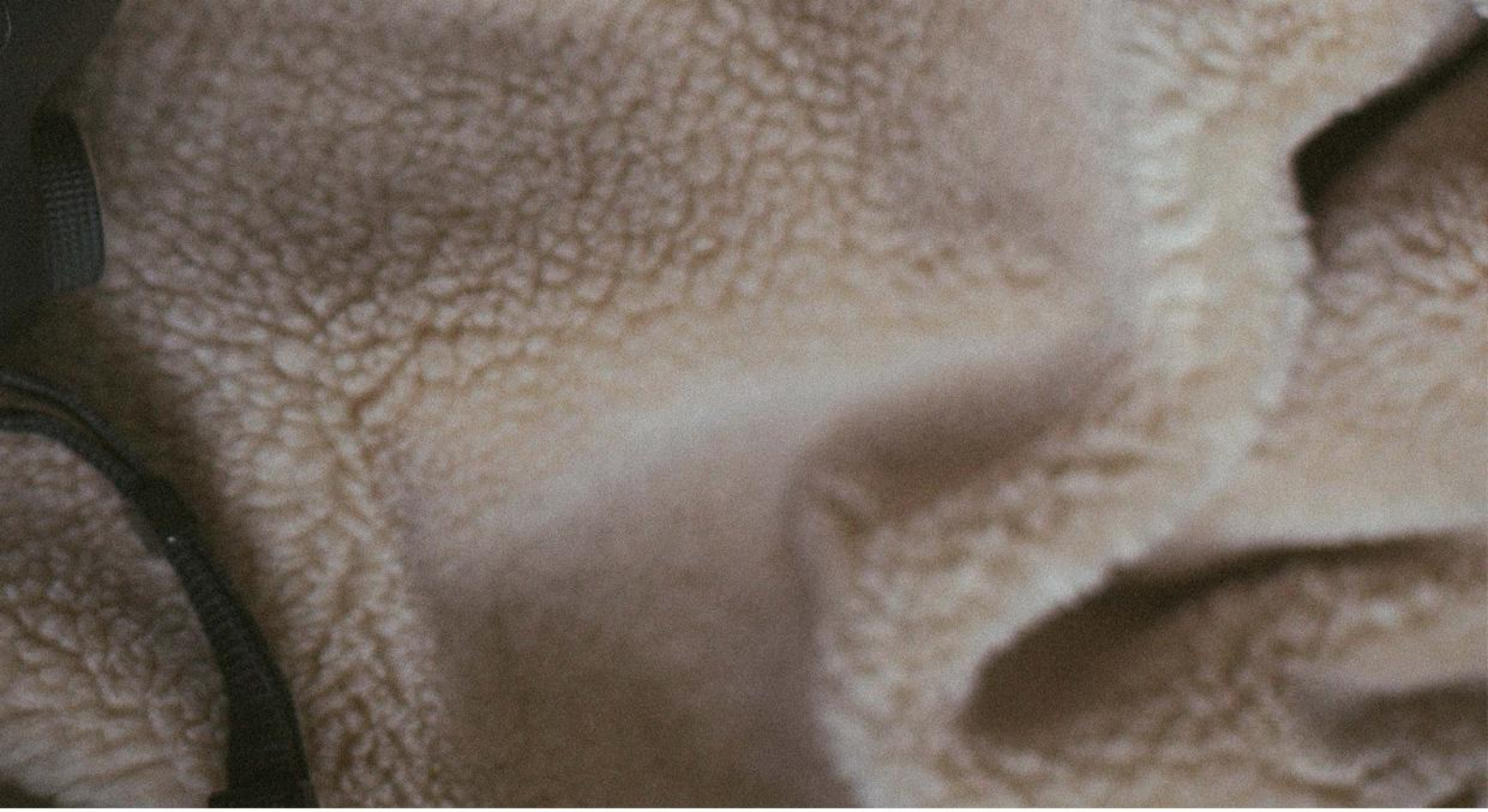
NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION

REPUBLIC OF BELARUS

PRODUCTION OF INNOVATIVE PILE KNITTED FABRICS FROM FDY AND DTY POLYESTER YARNS

JSC "BELFA"

Location	Zhlobin, Gomel region
Structure of property	• Republic of Belarus- 65,92 % • Private individuals - 32,23 % • Legal entities- 1,95 %
Statutory fund	• 6,7 mln USD (6,01 mln EUR)
Main business areas	• Manufacture of knitted and crocheted fabrics • Manufacture of garments • Production of nonwoven textile materials
Availible for rent and sale facilities	The area of unused industrial, office and auxiliary premises - 60 386,1 m^2 Availible for rent,sale and setting up new productions Location: Zhlobin, Gomel region There is an access road, railway tracks, public transport is organised
Sale proceeds in 2018	8, 882 mln USD (8,88 mln EUR)
Competitive advantage	• High quality and wide range of products • Proximity to the raw material base (92 % of the total base - from the Republic of Belarus) • Access to the railway road with a ramp



ABOUT THE PROJECT

OVERVIEW

The project aims at reconstructing the production site, with the replacement of engineering communications (for the new production) and disposal of unused premises and the organization of production of new types of pile knitted fabrics on the areas of JSC "BELFA" in Zhlobin, from them:

- circular knitted fabric ("fleece" type).

CONTRIBUTION OF JSC"BELFA"

Personnel

Production facilities

60 386 m²

Installed Infrastructure

EXPECTED CONTRIBUTION

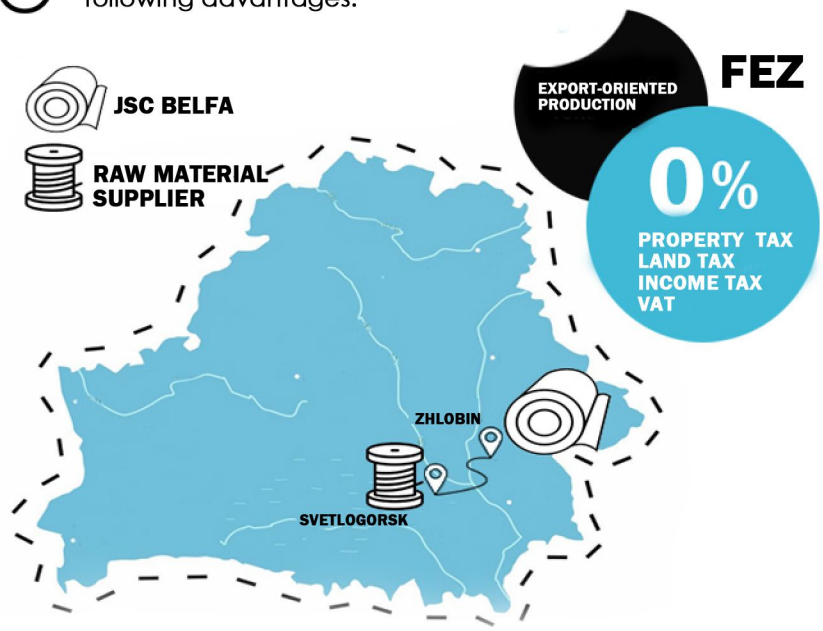
Machineries

- circular knitting machines,
- high temperature dyeing machine for dyeing polyester fabrics,
- machines for inspection, cutting, and winding of clothes,
- fusing machine,
- pile shearing and crushing machines.

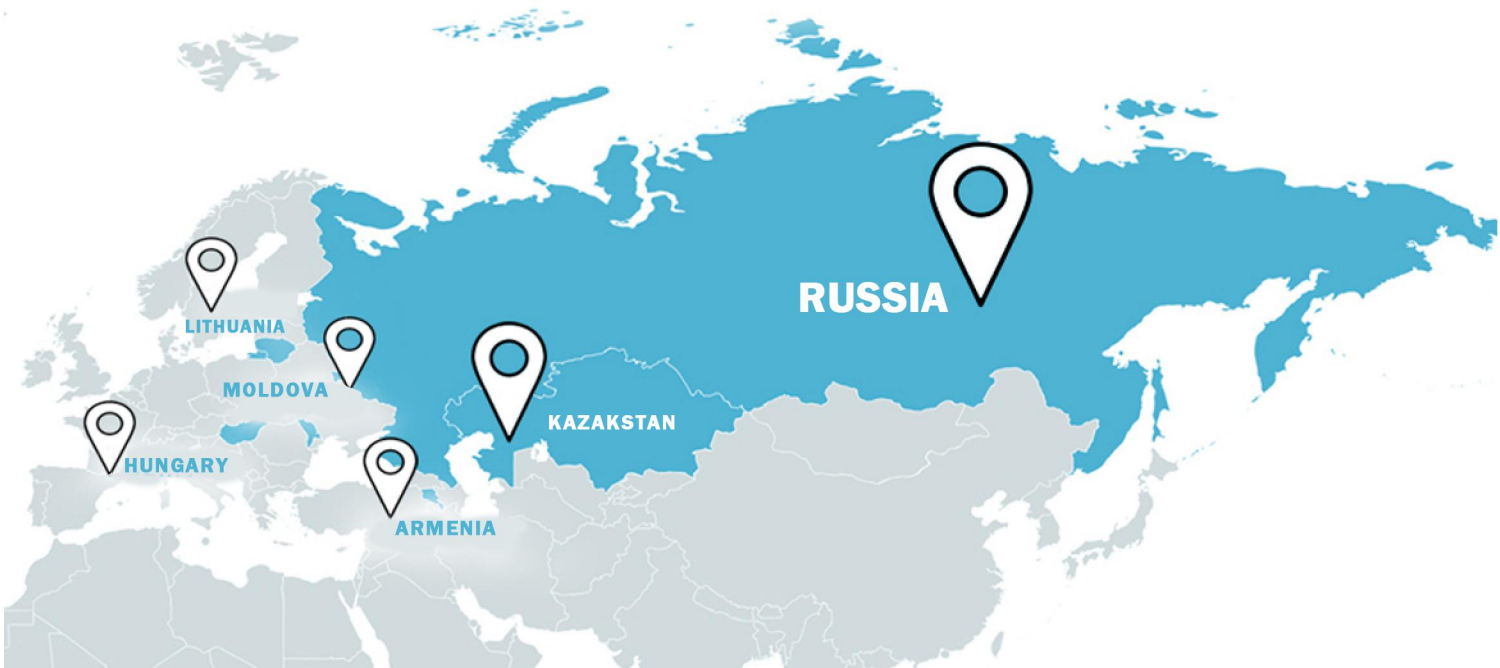
Technologies

ADVANTAGES OF THE PROJECT

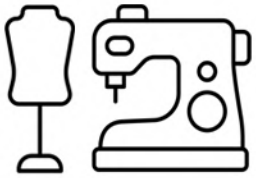
- the option to establish a market presence in neighboring countries due to the small production volumes in the Russian Federation;
- similar production technology;
- relatively short production time;
- the proximity of a raw material supplier - the main supplier of raw materials - "Svetlogorsk Khimvolokno" is located 40 km from JSC "Belfa";
- a chance to become a resident of the FEZ and get the following advantages:



VAST DISTRIBUTION NETWORK



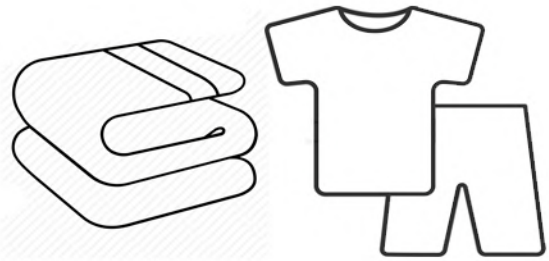
PRODUCT CONCEPT: OVERVIEW AND KEY FEATURES



CIRCULAR KNITTED FABRIC ("FLEECE" TYPE)

"Fleece" is a pile knitted fabric made from synthetic yarns, mainly polyester, but other materials, such as lycra, can be included in the fabric to increase the performance characteristics.

APPLICATION AREA

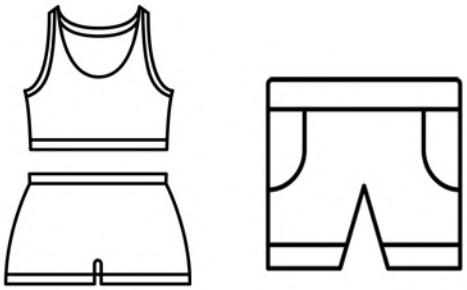


- Outerwear and sportswear;
- home clothing:
- hats and gloves;
- home textiles (blankets, bed-spreads);

MULTI-LAYER FABRICS "WINDBLOCK"

"Windblock" is a multi-layer fabric which has all the properties and advantages of the "fleece", while the highly water-resistant/breathable membrane layer provides items with new properties.

APPLICATION AREA



- sportswear;
- gloves and hoodies;
- outerwear with the function of thermal and wind protection.

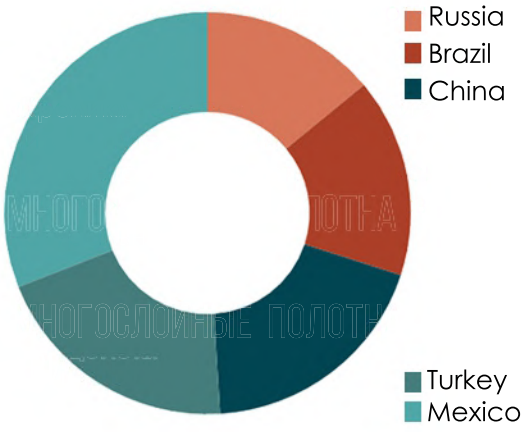
FLEECE KNITTED FABRICS MARKET

KEY TRENDS OF THE WORLD MARKET

Currently, the world has a stable demand for machine – knitted pile fabric made of chemical yarns-fleece. This is due to the General trend of increasing demand for artificial and synthetic fabrics, which are less expensive to produce than natural ones.

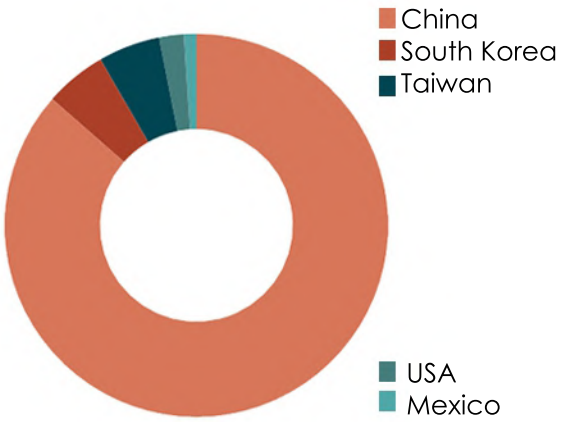
Due to the high consumer properties, products made of fleece knitted fabric are becoming increasingly popular. Fleece can be used for the manufacture of bedspreads, blankets, blankets, lining materials, sports clothing, children's items, as well as for the manufacture of upholstery for furniture, toys and a number of other products.

Global imports of fleece by major importing countries in the period 2010-2017.



The world average annual volume of imports of fleece for the period 2010-2017 in physical terms amounted to about 268,121 tons, in monetary terms - about $ 1.5 billion. USA. The average price was $ 5.5. US per kg.

Top fleece exporting countries of the world



The global average annual volume of fleece exports for the period 2010-2017 amounted to 434,988 tons in physical terms, and about $ 2.5 billion in monetary terms. USA. The average price is about $ 5.7. US per kg.

Thus, taking into account the trends in demand abroad, it can be noted that this product has a high export potential.

FLEECE KNITTED FABRICS MARKET

RUSSIAN FEDERATION: OVERVIEW OF FLEECE KNITTED FABRICS MARKET

The Russian market, which has an estimated capacity of 90 million m2 per year (about 14,000 tons), is currently dominated by Chinese-made products, while Russian companies have started producing fleece only recently.

Currently, only about 10% of the demand for this type of knitted fabric can be met in Russia.When the existing production facilities reach full capacity, this figure can grow to 25-30%.

Thus, a new player in the Russian market of fleece, which will offer the consumer a product that meets the quality and can compete in price with manufacturers from China and Russia, will be able to take a certain share of the Russian market.

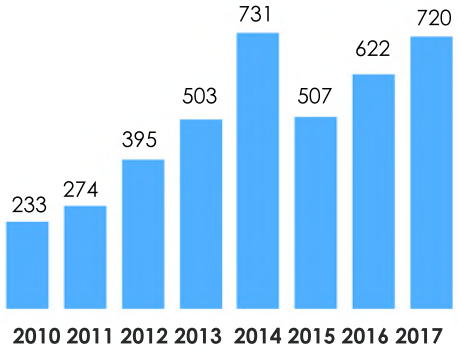
The average annual volume of imports of fleece to Russia for the period 2010-2017 amounted to 13,470 tons in natural terms, and 37 million dollars in monetary terms. USA. The average import price is $ 2.8. The Average annual volume of fleece exports from the Russian Federation for the period 2010-2017 amounted to 146 tons in physical terms, and 0.9 million dollars in monetary terms. USA. The average export price is $ 6.3. US per kg.

REPUBLIC OF BELARUS: OVERVIEW OF FLEECE KNITTED FABRICS MARKET

There is currently no production of fleece in Belarus. In this regard, when considering the national indicators of imports and exports, it is necessary to take into account tolling schemes, as well as re-exports.

The average annual volume of imports of fleece to Belarus (including tolling) for the period 2010-2017 amounted to about 2,304 tons at an average price of $ 5.1. Exports – about 1,811 tons at an average price of $ 5.1. The export of fleece from Belarus was mainly carried out to Russia (on average, 1,695 tons (99.9%), 5.1 dollars). US per kg).Deliveries were also made to Ukraine, Moldova, the Netherlands and Poland.

Consumption of fleece in Belarus (2010-2017, in thsd kg)



According to national statistics, the average annual level of consumption (the difference between imports and exports) of fleece in Belarus for the period 2010-2017 was about 497 tons. The average price is $ 5.1. At the same time, there is a tendency to gradually increase the volume of consumption of fleece in Belarus.

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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