



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION

REPUBLIC OF BELARUS



INVESTMENT OPPORTUNITY

SET UP A WORKSHOP IN ORDER TO PROCESS LUPINUS

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 IS AIMED AT SETTING UP A WORKSHOP IN ORDER TO PROCESS LUPINUS ON THE TERRITORY OF THE REPUBLIC OF BELARUS.

PROJECT DESCRIPTION

The project implementation involves construction of a workshop in order to process lupinus with the production capacity up to 14 000 tons of raw materials per year in order to produce lupinus isolate, lupinus oil, as well as shell of lupinus grain. The products will be used mainly in the food industry, in the production of cosmetic oils, and will also be raw materials for the production of environmentally friendly biodegradable tableware.

ABOUT THE PLANT

Lupinus is a genus of annual and perennial, mainly herbaceous plants of the legume family, with leafy stems, complex leaves on long petioles and inflorescences similar to a brush, blue, pink, red, white, yellow, purple, purple or cream flowers.

POSSIBLE DIRECTIONS OF APPLICATION

- Production of fodder for livestock
- Food industry
- Bakery industry
- Pharmaceutical industry

- Application in medicine
- Application in cosmetology
- Ecological farming
- Landscape design

THE PREREQUISITES FOR THE PROJECT IMPLEMENTATION:

- ✓ Dynamic development of food industry in the country;
- ✓ Development of own lupinus isolate production as well as lupinus oil;
- ✓ Development of own lupinus resource base;
- ✓ Decrease the share of imports and increase the share of plant protein exports;
- ✓ Low production cost of plant protein compared to the production of other proteins types;
- ✓ Stable demand for organic raw materials for production of biodegradable tableware in the EEU and CIS countries;
- ✓ Availability of the project manager together with the professional team.

ADVANTAGES OF THE PROJECT IMPLEMENTATION IN BELARUS:

- ✓ Availability of qualified and cheap labor resources;
- ✓ Guaranteed sales markets on the territory of Belarus and abroad;
- ✓ Benefits and preferential at implementation of the investment project;
- ✓ Possibility of further production expansion and setting up of additional capacities;
- ✓ Scientific support from the Belarusian National Academy of Sciences;
- ✓ Possibility to export products to the EEU countries (more than 180 million consumers) without paying customs duties and payments.

THE PROJECT IN NUMBERS

PROJECT COST

The cost of the project implementation is \$24,8 mln.

INVESTOR PARTICIPATION

Set up a new company with the participation of the local partner, contributing to statutory fund or providing a loan.

PRODUCTS

- Lupinus isolate;
- Lupinus oil;
- Raw materials for the production of biodegradable tableware.

PROJECT EFFICIENCY

Project's implementation period	2 years
NPV	\$25,7 mln
IRR	71,1%
Profitability indicator	2,34
Simple payback period	3 years
Dynamic payback period	3,1 years

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

MAIN CONSUMERS

Internal market:

Professional market – supplies to public or private food producing companies (mainly meat processing plants), producers of fodder and feed additives, supplies to food and bakery industries, as well as application of lupinus processing products in the field of cosmetology and pharmacology.

Private market – retail and wholesale trade, sale of lupinus processing products to individuals.

Foreign market:

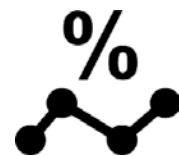
Export supplies to the markets of the Eurasian economic Union and the Commonwealth of independent States countries, as well as markets of other countries.

DISTRIBUTION OF SALES BY MAJOR REGIONS

EEU countries – 60%

CIS countries – 30%

Other countries – 10%



PLANT PROTEIN MARKET OVERVIEW

GLOBAL TRENDS

The volume of global plant protein market will increase up to **\$162 billion** by 2030. This forecast is given in the report "Plant products are ready for explosive growth", prepared by the analytical company "Bloomberg Intelligence".

In accordance with the report sales of plant-based fish and meat alternatives may take a share of **5%** of the total meat and fish market by 2030.

"Bloomberg Intelligence" notes that the growing consumers awareness about the health benefits of a plant meat diet and reduction of its cost will stimulate the production such type of products in future.

The main consumers of plant protein will be residents of the Asia-Pacific region. The volume of products sales that belong to this category in this part of the world will reach **\$64,8 billion** by 2030 against \$13,5 billion in 2020.

It is expected that within 10 years more than **5 billion** people will live in this region. This will lead to a shortage of resources and an increase in demand for plant protein.

The European plant protein market volume will amount up to **\$40 billion** by 2030. North America will have the similar indicator



\$162 billion
Plant protein market
volume

RUSSIAN FEDERATION

In Russia, the main market volume is occupied by soy isolate. More than **80%** of the total soybeans production is processed annually for oil, keck as well as cake.

Up to **5%** of the total volume of the produced keck is used for soy proteins. Less than **10%** of the total volume of soy seeds is used for the production of soy milk and cheeses. The remaining part goes to seeds, rolling stocks and other purposes.

Soybean production in Russia has grown **13 times** within 15 years up to **4,7 million tons** in 2019, and the acreage reached **3 million hectares**. Moreover, Russian's soy does not contain GMO – it is prohibited to use such technologies in Russia. Russia imports **2,2 million tons**, and exports 896 000 tons.

Exports volume is insignificant: in 2020, exports amounted only 0,6% of imports. This situation has been changing slightly over the past few years.

According to experts' opinion, market volume of soy isolate in Russia is about **\$105 million** per year. This number is also based on imports and exports data, as well as capacity of domestic production.

The market capacity now is determined solely by the balance of foreign trade.

Thus, in the case of the soy isolate market in 2020, almost the entire volume of the Russian's soy isolate market was supplied from abroad.

PLANT PROTEIN MARKET OVERVIEW

BELARUS

Over the past five years, Belarusian market of supplements with a high protein content has been characterized by stability. The market is occupied by soybean processing products.

Consumption of soy protein concentrates and isolates ranges from **700-750 tons** per year. The capacity of domestic market of soy protein isolate is insignificant and in value terms is up to **\$2,3 million** per year.

The market of soy food additives with a high protein content today is completely formed by imported suppliers and manufacturers.

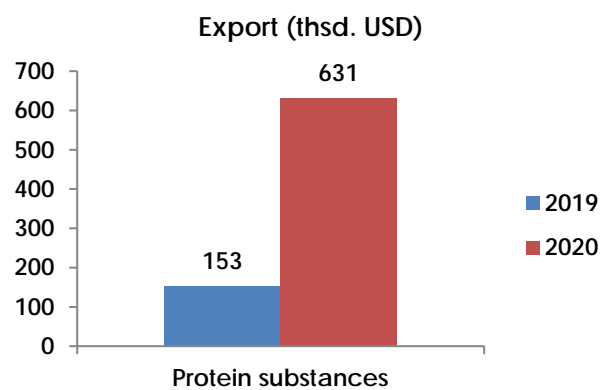
Soybeans are not cultivated on industrial scale in the Republic of Belarus. There are not workshops for deep processing of soybeans as well as the production of soy concentrates and isolates.

Belarus has its own sectoral consumption structure of soy protein isolates. Thus, more than **90%** of the isolates are used in meat processing, and the remaining volume is distributed among manufacturers of baby food and crab sticks.

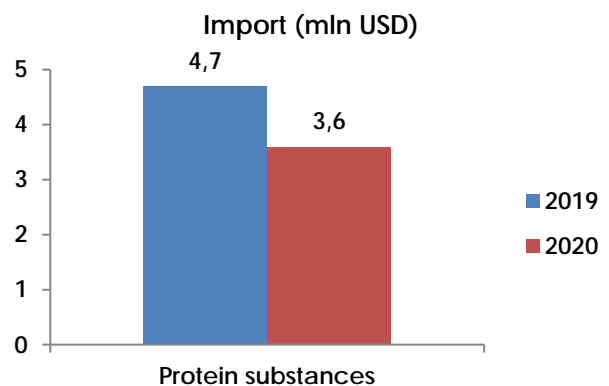
The main segment of soy protein isolate consumption is sausage manufacturers. Meat processing plants consume more than **500 tons** of isolate and **135 tons** of soy protein texturate annually.

EXPORT AND IMPORT

Belarus in 2020 exported **361 tons** of protein substances by the amount of **\$631 000** (**+500%** in quantitative terms and **+400%** in monetary terms compared to 2019).



Belarus in 2020 imported **1059 tons** of protein substances by the amount of **\$3,6 mln** (**-5,6%** in quantitative terms and **-24%** in monetary terms compared to 2019).



The main share of protein substances imports in 2020 was carried out from China and Russia (**725 and 243 tons** respectively).

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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