



## ABRASIVE TOOLS PRODUCTION

### PROJECT

For implementation there is provided a project on manufacturing of abrasive tools .

The project is considered promising due to the following reasons:

- **38.2 billion USD** was a global volume of abrasive tools production in 2013. **7% was CAGR** of abrasive tools market for last 5 years. Asia is a largest abrasives consumer in the world (56%).
- **80-90%** is a share of **import abrasives** in total abrasives consumption in Russia and Belarus. **163 million USD** was an volume of abrasive tools import to Russia in 2012. **CAGR** for last 5 years was **18%**.
- Production of **non-metallic abrasive tools** (including diamonds) is one of the most promising market segment.
- Belarus has unique technologies **in synthetic diamond production** (20 thousand carat per year).
- **Capex** varies between **USD 10-30 mn, IRR 20-25%**.

## MARKETS

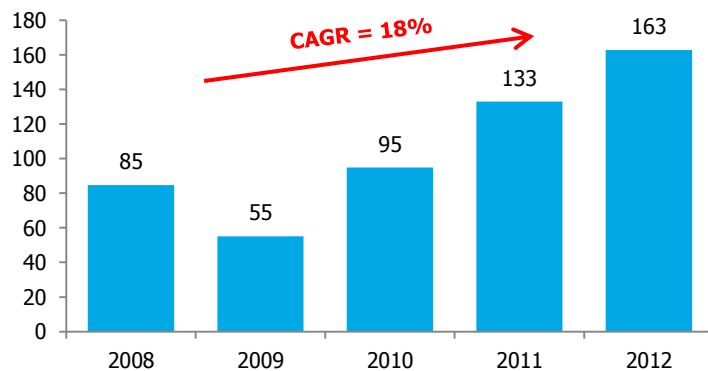
### Belarusian market:

- **30 million USD** was an volume of abrasive tools import to Belarus in 2012. **CAGR** for last 5 years was **3%**.
- **Russian Federation (49.5%), China (13.5%) and Germany (8%)** are the largest exporters of abrasive tools to Belarus.

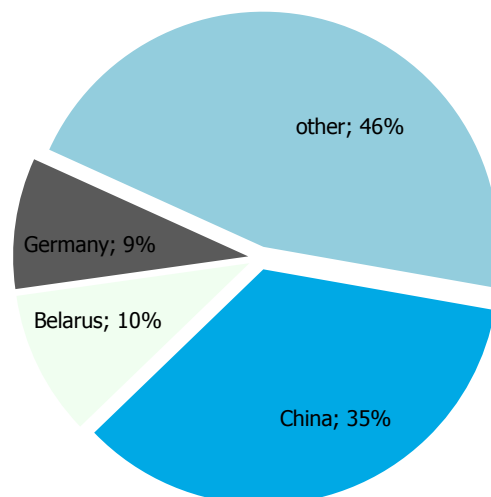
### Market of Custom Union:

- **163 million USD** was an volume of abrasive tools import to Russia in 2012. **CAGR** for last 5 years was **18%**.
- **China (35%), Belarus (10%), Germany (9%)** are the largest exporters of abrasive tools to Russia.

Import of abrasive tools to Russia, million USD



Import structure of abrasive tools to Russia



## MARKET OPPORTUNITIES

### Global opportunities:

- **38.2 billion USD** was a global volume of abrasive tools production in 2013.
- **7% was CAGR** of abrasive tools market for last 5 years.
- **4-5%** is an expected growth rate till 2017.
- Abrasives market consists from 2 segments: abrasive tools(75%) and abrasive dust(25%).

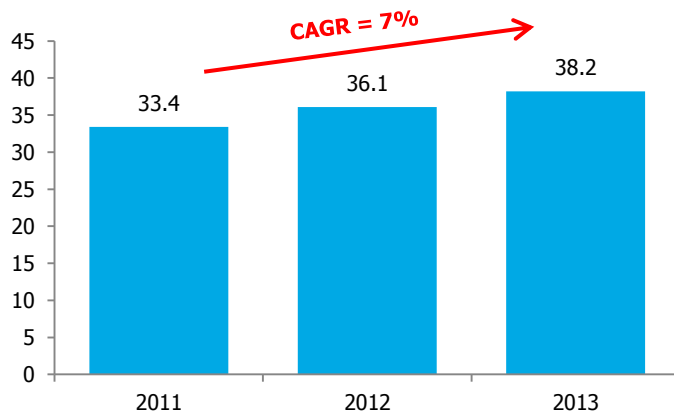
### Regional opportunities:

- **Russian Federation** is reckoned among **top ten largest importers of abrasives**.
- **The structure of Russian abrasives market** can be characterized as **unconsolidated**.
- Cutting circles dominate Russian abrasives market (38%). 14% is a share of flexible abrasives. 31% is a share of combined abrasives. **9%** and **8%** is a share of diamond abrasive tools and tools for construction correspondently.
- Till 2020 Russia plans to spend **130 billion USD** according to the industry development program.

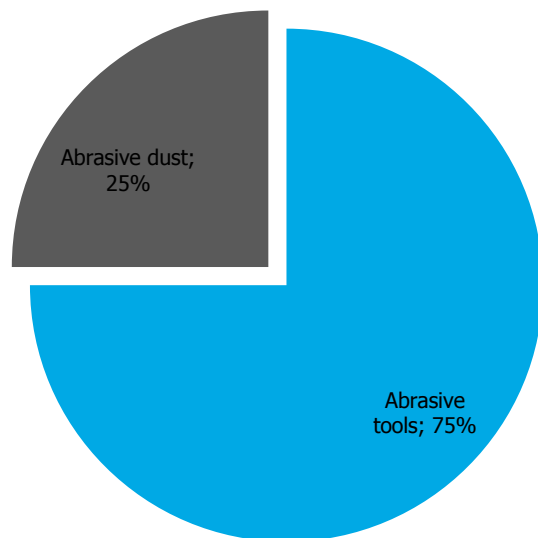
### Attractive segments:

- Production of non-metallic abrasive tools (including diamonds) is one of the most promising market segment.

World abrasive tools market, billion USD



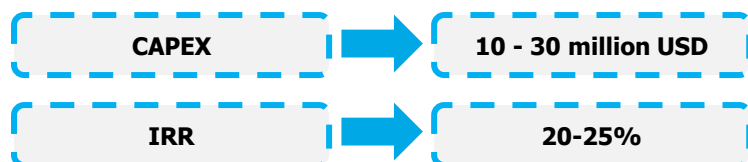
Abrasives market structure 2013, %



## POTENTIAL INVESTORS

Large producers of abrasive tools from China, South Korea, Germany, Austria and Poland.

## INVESTMENT OPPORTUNITIES



Structure of Russian abrasives market, %

