



PRODUCTION OF COMPACT HOUSEHOLD APPLIANCES

PROJECT

For implementation there is provided a project on manufacturing of compact household appliances.

The project is considered promising due to the following reasons:

- The project on manufacturing of compact household appliances is oriented on **the Custom Union market**. **172 million USD** was an import of compact household appliances to Belarus in 2012. **CAGR** for last 5 years was **10%**. **3962 million USD** was an import of compact household appliances to Russia in 2012. **CAGR** for last 5 years was **12%**.
- **1 trillion USD** was a volume of world household appliances and electronics market in 2012. **Growth in middle class consumer expenditures** is the main driver of demand for household appliances and electronics. By 2012 the total consumer expenditures of the middle class in the world will reach **8.5 trillion USD**.
- **Russian household appliances and electronics market is the largest market in Europe** (509,5 billion Euro in 2012). **31 billion USD** was a volume of Russian compact household appliances market in 2013 (CAGR=11%).
- **Capex** varies between **USD 20-50 mn, IRR 20-25%**.

MARKETS

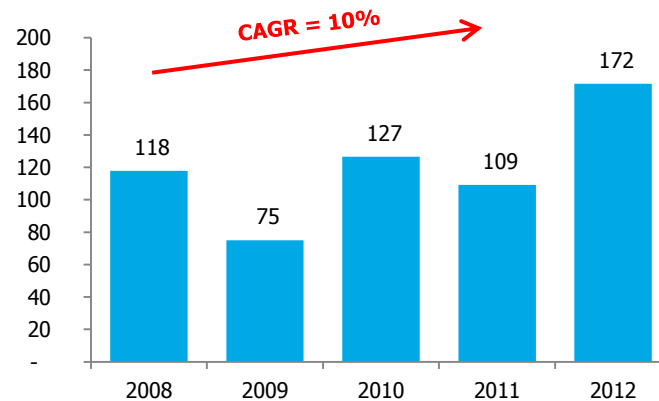
Belarusian market:

- **172 million USD** was an import of vacuum cleaners, mixers, blenders, electric shavers, electric irons, microwave ovens, hair dryers and other compact household appliances to Belarus in 2012. **CAGR** for last 5 years was **10%**.
- **China, Germany and Russia** are the largest exporters of compact household appliances to Belarus.

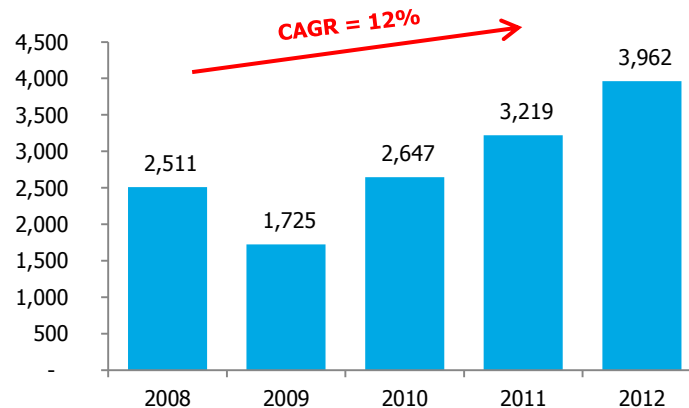
Russian market:

- **3962 million USD** was an import of compact household appliances to Russia in 2012. **CAGR** for last 5 years was **12%**.
- **China, Germany, South Korea and Belarus** are the largest exporters of compact household appliances to Russia.

Import of compact household appliances to Belarus, million USD



Import of compact household appliances to Russia, million USD



MARKET OPPORTUNITIES

Global opportunities:

- **1 trillion USD** was a volume of world household appliances and electronics market in 2012.
- It is expected that consumer electronics and household appliances market will reach **1.6 trillion USD by 2018**. (CAGR =11%).
- **Growth in middle class consumer expenditures** is the main driver of demand for household appliances and electronics. By 2012 the total consumer expenditures of the middle class in the world will reach **8.5 trillion USD**.
- Consumer expenditures for household appliances grow faster than expenditures for other nonfood goods.
- Asia Pacific is the most promising consumer electronics and household appliances market (CAGR=17.6%).

Regional opportunities:

- **Russian household appliances market is the largest market in Europe** (509,5 billion Euro in 2012). 418.2 billion Euro is a volume of French household appliances market. 410.1 billion Euro is a volume of German household appliances market.
- **Russian market is in top-25** rapid growing market of household appliances.
- **31 billion USD** was a volume of Russian compact household appliances market in 2013 (CAGR=11%).
- **About 3%** is a share of expenditures on household appliances in Russia. It is expected that this share **will reach 4%**.
- Russian market of kitchen appliances (microwaves, breadmaker, steamers, mixers, blenders, etc.) increased by 6.7% in 2013. Hair dryers, shavers, etc. increased by 18.8% in 2013.

POTENTIAL INVESTORS

Large producers of Household appliances and electronics from China, Japan, South Korea and Europe.

Large consumer electronics retailers.

INVESTMENT OPPORTUNITIES

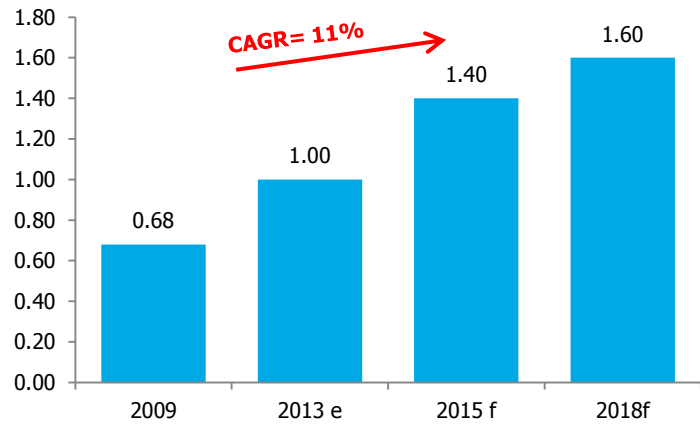
CAPEX

20 - 50 million USD

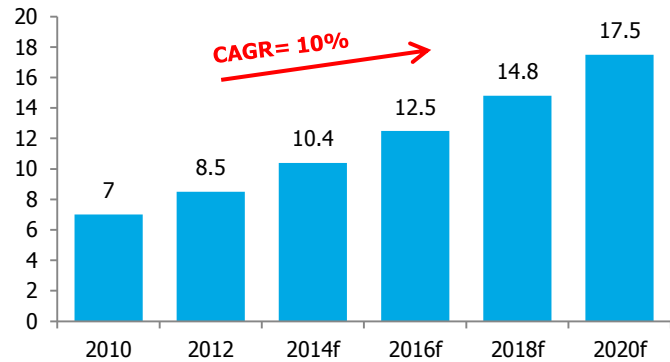
IRR

20-25%

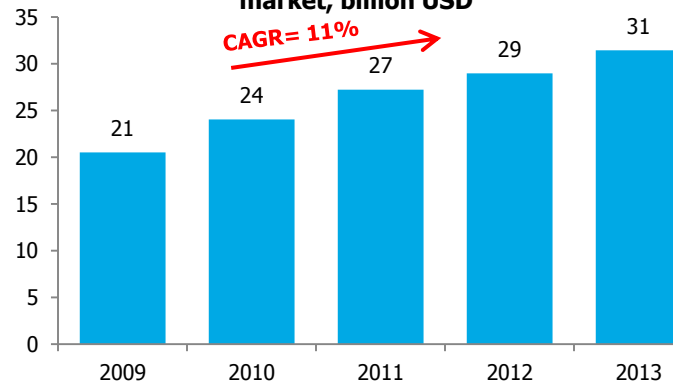
Household appliances and electronics market, trillion USD



Consumer expenditures of the middle class in the world, trillion USD



Russian Household appliances and electronics market, billion USD



Structure of Russian Household appliances and electronics market, 2012, %

