



Equipment for agriculture

PROJECT

For implementation there is provided a project on manufacturing of equipment for agriculture.

The project is considered promising due to the following reasons:

- **112 billion USD** was a volume of global agricultural machinery and equipment market in 2012. Global agricultural machinery and equipment market will reach **143 billion USD** till 2018.
- **Population growth and growing demand for food** are the key drivers of agricultural machinery and equipment market.
- **105 million USD** was an import of agricultural machinery and equipment to Belarus in 2012. **954 million USD** was an import of agricultural machinery and equipment to Russia in 2012.
- Till 2020 Russia plans to spend **65 billion USD** according to the agricultural industry complex development program.
- **Capex** varies between **USD 10-30 mn, IRR 15-20%**.

MARKETS

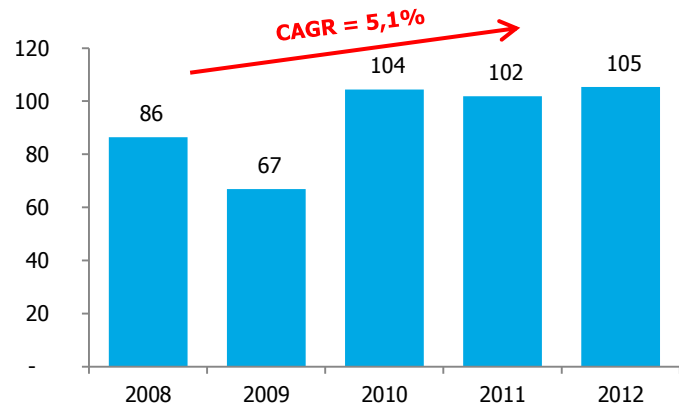
Belarusian market :

- **105 million USD** was an import of agricultural machinery and equipment to Belarus in 2012. **CAGR for last 5 years was 5.1%**.
- **Germany, Denmark, Finland and the UK** are the largest exporters of agricultural machinery and equipment to Belarus.

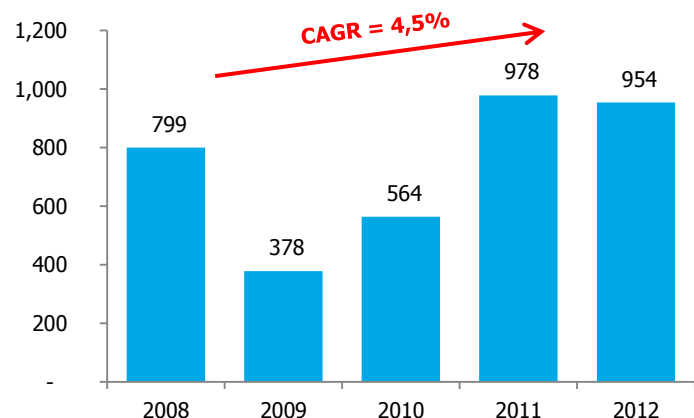
Market of Custom Union:

- **954 million USD** was an import of agricultural machinery and equipment to Russia in 2012. **CAGR for last 5 years was 4.5%**.
- **Germany, the Netherlands, Finland** are the largest exporters of agricultural machinery and equipment to Russian Federation.

Import of equipment for agriculture to Belarus, million USD



Import of equipment for agriculture to Russia, million USD



MARKET OPPORTUNITIES

Global opportunities:

- **112 billion USD** was a volume of global agricultural machinery and equipment market in 2012.
- Annual average growth rate of agricultural machinery and equipment market is expected to reach 5% by 2018. Global agricultural machinery and equipment market will reach **143 billion USD** till 2018.
- **Population growth and growing demand for food** are the key drivers of agricultural machinery and equipment market.
- It is expected that the demand for agriculture equipment will grow even faster than the demand for agricultural machinery. Agriculture equipment has a wide range of commodity.

Regional opportunities:

- Agricultural industry is the largest consumer of agricultural equipment. Till 2020 Russia plans to spend **65 billion USD** according to the agricultural industry complex development program.
- **The provision of tractors in Russia 2 times lower than in Argentina and 4 times lower than in Canada** (largest agricultural products producers). The same indicators characterize situation in agricultural machinery provision. Agriculture equipment is optional when buying agricultural machinery. The demand for agricultural equipment will grow rapidly in Russia due to the low provision.

POTENTIAL INVESTORS

Large producers of agricultural machinery and equipment from China and Europe.

INVESTMENT OPPORTUNITIES

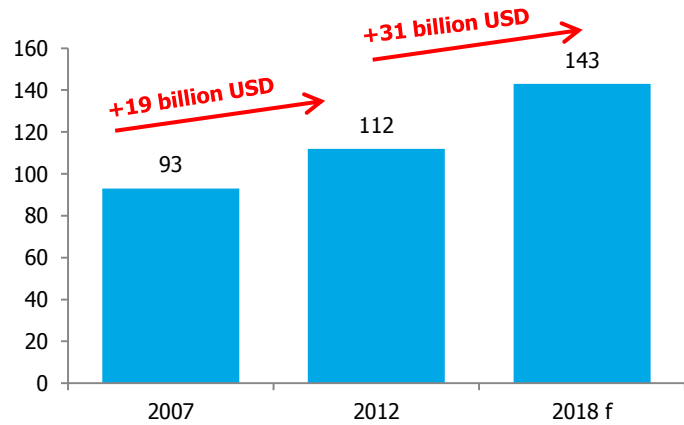
CAPEX

10 - 30 million USD

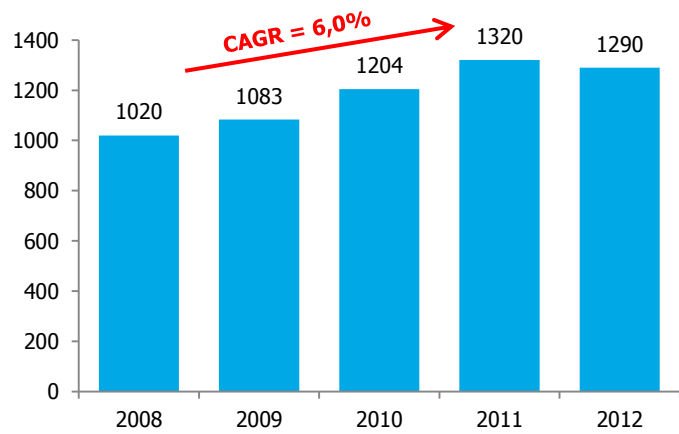
IRR

15-20%

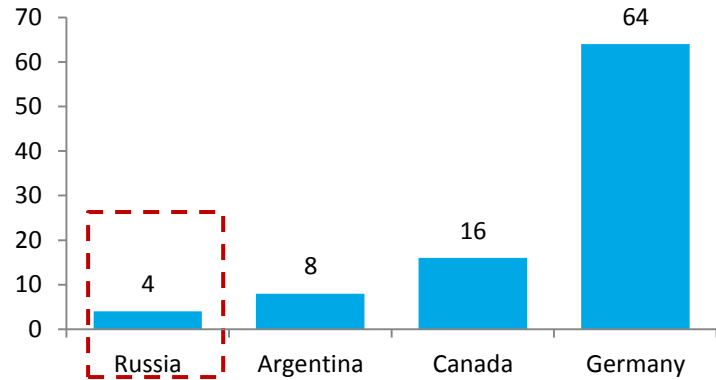
Global agricultural machinery and equipment market, billion USD



Tractors sales volume, thousand units



Provision of tractors, per 1000 ha of arable land



Budget funding according to the Russia agricultural industry development program, billion USD

