**MARKETS**

*Internal market of Belarus:*
- In 2012 Belarus imported pigments to the value of USD 7 mn, annual average growth rate over 2009-2012 totals 8%.

*Customs Union market:*
- In 2012 Russia imported pigments to the value of USD 35 mn, imports annual average growth rate over 2009-2012 amounts to 17%.
- Import share on the Russian pigment market exceeds 80%.

*Asia Pacific market:*
- More than a half of global pigment consumption accounts for Asia-Pacific Region. China’s imports of pigments totals almost USD 250 mn, CAGR is 15%.

**PIGMENT PRODUCTION**

**PROJECT**

For implementation there is provided a project on building a pigment production plant.

This is a high-opportunity project due to the following prerequisites:
- By 2018 world pigment market is forecasted to reach 4,4 mn t (USD 14,7 bn) increasing on average by 4,5% per year.
- Belarus has a developed chemical industry, research and raw materials base, experienced personnel.
- Imports of pigments in Russia total USD 35 mn with CAGR of 17%. Belarus imports pigments to the value of USD 7 mn, annual average growth rate of the imports is 8%.
- An attractive segment is production of printing inks, which market is projected to reach USD 18,2 bn by 2017.
- Capital expenditures for launching a pigment production plant are estimated at USD 70-120 mn, IRR is 18-20%, payback period is 4-5 years.

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**Global consumption of pigments**

- Asia Pacific 49%
MARKET OPPORTUNITIES

Global opportunities:
- By 2018 world pigment market is forecasted to reach 4,4 mn t (USD 14,7 bn) increasing on average by 4,5% per year.
- The key consumers of pigments are paint and coatings industry and plastics production, accounting respectively for 43% and 27% of global demand.

Local opportunities:
- Annual average growth rate of paint and coatings industry in Russia over 2010-2013 is 13%, output increased by 1,5 times and totaled 21,2 thou t.
- Plastics production in Russia increased on average by 8% since 2009 and totaled 5407 thou t in 2012.
- Since 2009 paint and coatings production in Belarus increased by almost 2 times to reach 248 thou t, annual average growth rate is 24%.
- Plastics output in Belarus totaled 468 thou t in 2012, having increased during 4 years by 11%.

Attractive segments:
- Due to the increase in global demand for printed packaging, a considerable growth is expected in the field of printing inks.
- Global printing inks market is projected to reach USD 18,2 bn by 2017.
- World market for printed packaging is expected to double – from USD 7,3 bn in 2013 to USD 15,3 bn in 2018.
INVESTMENT OPPORTUNITIES

Building a pigment production plant:

- Capital expenditures for the project implementation might total USD 70-120 mn
- Payback period is about 4-5 years.
- IRR of the project varies within 18-22%.

POTENTIAL INVESTORS

- Strategic investors – world chemicals producers with appropriate technologies and experience in pigment production.
- Vertical integration – major players on chemicals market (chemical concerns).