



**WOODWORKING**  
of the Republic of Belarus  
**2025**



NATIONAL AGENCY  
OF INVESTMENT  
AND PRIVATIZATION

Republic of Belarus

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# 1. Current state of the industry

The Belarusian forestry industry encompasses the country's entire forestry sector, encompassing the harvesting, processing, and refining of wood. It includes logging, woodworking, pulp and paper, and forest chemicals. The woodworking industry traditionally accounts for the largest volume of output, approximately 70%, while the forest chemicals industry accounts for the smallest, less than 1%.

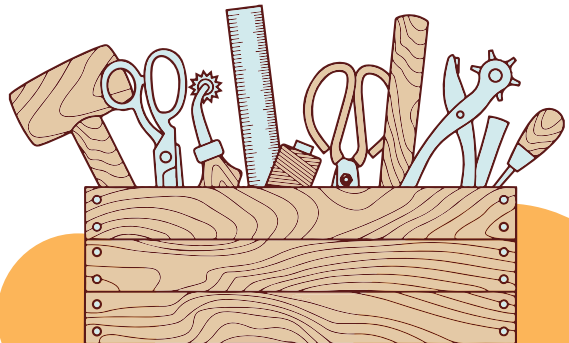
The bulk of the products are produced by organizations within the Bellesbumprom concern. It comprises approximately 50 organizations. They are the largest producers of a number of wood and paper products in the republic's market.

The production activities of the concern's enterprises are currently divided into three sectors: wood processing, furniture production, and the pulp and paper industry.

The wood processing sector includes: the production of wood panels (chipboard, fibreboard, MDF/HDF), laminated flooring, plywood, matches, building structures, windows, doors, houses and wood fuel, as well as sawn timber, mouldings and other products.

The furniture production sector is represented by everything from simple, small-scale furniture made from inexpensive materials to highly artistic sets and furniture sets made from natural wood using turning and carving.

The pulp and paper industry specializes in the production of cardboard and paperboard products. The company offers over 20 types of paper and cardboard, including newsprint, base paper for decorative facings and wallpaper, as well as bleached sulfate pulp (softwood and hardwood) and viscose rayon.



## 1.1. Key industry indicators

The wood processing industry is a vital and strategic sector for the economy. This is due to Belarus's significant reserves of renewable forest resources, which, if used rationally and efficiently, will enable significant economic growth.

Based on this concept, the main woodworking enterprises (Borisovdrev, Vitebskdrev, Gomeldrev, Ivatsevichdrev, Mozyrdrev, Mostovdrev, Rechitsadrev, FanDOK, and Mogilevdrev – the main woodworking enterprises) were modernized. The volume of wood processing has increased from the beginning of the technical re-equipment to the present, reaching 20 million cubic meters. In 2010, the volume was just under 6 million cubic meters.

Overall, production volume at the modernized facilities has increased twelvefold, while recycling rates have risen from 38% in 2010 to 70% nationwide. The concern's facilities now have recycling rates exceeding 99%, and waste is used in production for technological and energy purposes.

Industry modernization has not only increased the volume of processed wood but also boosted the export of high-value-added products. Exports now reach 75% of production, a historic high. Compared to 2023, harvesting volumes have increased by almost 8%, as demand for products has increased and new markets have emerged. Modernization of panel mills has made it possible to integrate low-grade wood into the market. Total consumption in 2025 will reach 5.2 million cubic meters, and the creation of bioenergy pellet processing plants will add an additional 2.8 million cubic meters of hardwood.

The commissioning of modernized woodworking facilities has significantly expanded the capabilities of furniture manufacturers. Companies have begun producing cost-effective and in-demand furniture using domestically produced wood-

based panels. Over the past five years, the number of furniture manufacturers has doubled, and today there are over 1,300.

Round timber sales increased significantly, reaching 10 million cubic meters in 2024. Compared to 2023, the industry's round timber sales increased by 1.8 million cubic meters.

Good momentum was also observed in the harvesting of sawn timber, with record figures achieved: over 1.5 million cubic meters harvested and over 1 million cubic meters shipped for export. Export revenue amounted to approximately \$180 million, significantly higher than in 2023. In addition to sawlogs, timber for pulp and wood pulp production, as well as timber for veneer production, are currently selling well on the domestic market. This is facilitated by the Ministry of Forestry's proprietary retail network, «Lesnye Domiki» (Forest Houses) (currently 19 of them). It was established in 2023 to provide the population with sawn timber at affordable prices. Revenue from these sites in 2024 exceeded \$7.1 million, almost double the 2023 level.

In 2024, there was a significant increase in sales of wooden house kits and sauna kits. By the end of the year, 94 house kits and approximately 60 sauna kits were sold – nine times higher than the 2023 level. Currently, five standard house designs have been developed, ranging from 40 to 100 square meters, with prices ranging from \$5,000 to \$23,000.

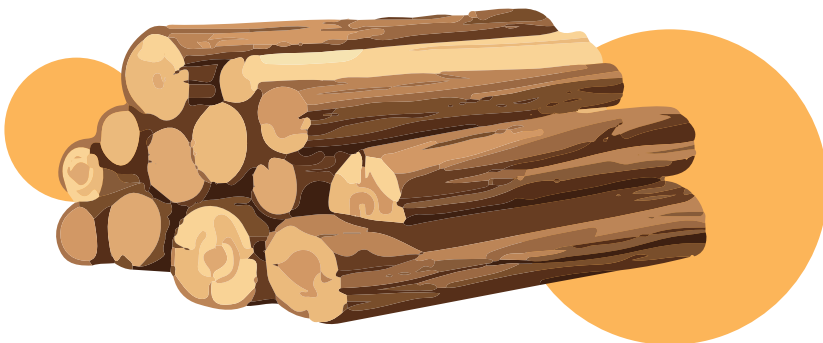
Today, there are 25 log manufacturing facilities in the industry. By 2025, a total of eight more such facilities (primarily round logs) will be established: equipment has been purchased and is beginning to arrive at forestry enterprises.

In 2024, the Bellesbumprom concern achieved virtually all its targets, including exports and gross output for all key products. Production volumes

for almost all product groups are higher than in 2023. The industry has largely recovered from the sanctions, exports have reached presanction levels, contracts have been signed with partners from 46 countries, and exports to EU countries are increasing. Key partner countries include Russia, China, Azerbaijan, Uzbekistan, and Kazakhstan. The company is actively pursuing markets in distant countries, with a focus on African countries and, in Southeast Asia, India and Pakistan.

In 2024, production volumes in the country's wood processing industry increased by an average of 12% compared to 2023. 10 million cubic meters of commercial timber were sold, with a growth rate of 119% compared to 2023 levels. Revenue from product sales to foreign and domestic markets amounted to \$594.8 million, which is 37% more than the 2023 level. Profitability for the industry is above 7%. According to the latest data, from January to September 2025, forest products worth \$701.8 million were sold to domestic and foreign markets. Lumber became the most popular export commodity, reaching \$300.7 million.

Based on the 2024 results, forestry enterprises processed 4.5 million cubic meters of timber, producing 1.6 million cubic meters of sawn timber. Fourteen projects worth \$7.7 million were implemented in the industry: two new sawmill lines were installed to replace inefficient old ones, new drying facilities were created or existing drying facilities were expanded in two forestry enterprises, positioning equipment was replaced in five forestry enterprises, four planed lumber production facilities were established, and more. In 2025, forestry enterprises are expected to complete investment projects for sawmilling and drying facilities, which began in 2024 and are expected to maximize the utilization of existing production capacity. Additional major sawmilling projects can only be considered after logging capacity has been expanded, especially given the planned establishment of several large wood processing facilities in the country in the coming years.



## 1.2. Legal environment

The Industrial Development Strategy provides for the transformation of domestic production into a competitive complex that responds quickly and flexibly to global conditions and the needs of the domestic market.

According to the Program for the Socioeconomic Development of the Republic of Belarus for 2021–2025, approved by Decree No. 292 of the President of the Republic of Belarus dated July 29, 2021, Belarus places emphasis on the accelerated development of high-tech industries and increasing the depth of processing of agricultural raw materials, flax, leather, wood, peat, and other local resources. Moreover, the processing of wood raw materials (this includes innovative industrial technologies, including new-generation self-propelled vehicles, unmanned systems, new materials with specified properties, technologies for the efficient use of energy resources, resource-saving waste processing technologies), forest chemistry (innovative chemical technologies), and technologies for the management and reproduction of forest resources are promising areas of scientific, scientific, technical, and innovative activity for 2025–2030.

According to the National Sustainable Development Strategy to 2030, wood processing will be focused on developing eco-efficient forestry and ensuring a balance between measures aimed at preserving the ecological function and biodiversity of forest ecosystems, on the one hand, and increasing the intensity of forest management to meet the increased demand for timber, on

the other. In the NSDS-2040, the main goal is to ensure resource-efficient, environmentally responsible, multipurpose forest management and intensive afforestation.

Target indicators:

- the level of forest cover of the territory is 41% in 2040;
- the share of forest crops created on a genetic selection basis is 60% of the total volume of forest sowings and plantings in 2040;
- the area of activities to protect forests from pests and diseases using biological agents is not less than 100 thousand hectares;
- the average volume of timber harvesting from 1 hectare of forested land is 3.5 m<sup>3</sup> in 2040.

The target indicators are aimed at increasing the volume of forest use and the efficiency of wood processing.

The development of wood processing is outlined in more detail in the state program «Belarusian Forest» for 2021–2025, in the subprogram «Wood Processing Industry.» The main objective is the further modernization of logging, woodworking, furniture, pulp and paper, and wood chemical industries, for which the following measures are being taken:

- the introduction of information technologies into technological processes and the development of a unified information system for managing material flows in woodworking, furniture and pulp and paper organizations;



- development (creation) of production facilities for the production of construction and joinery wood products, profiled and engineered wood, solid wood and MDF mouldings, increasing the share of exports of these products in the total volume of their production;

- stimulation of the development of the domestic industry of low-rise wooden housing construction (wooden houses of various types, standardized wooden structures) for use in regional construction of villages and microdistricts;

- development (creation) of production facilities for eco-products (special types of packaging paper) to form a packaging industry in the republic and implement the “eco-friendly” principle (safe for the environment) within the framework of state environmental policy;

- partnership between public and private businesses in the program of import substitution of consumer goods and products necessary for the production of domestically produced deep-processed wood products, as well as the creation of conditions for the creation of a cluster of furniture and other manufacturers in the republic, including through the development of related import-substituting industries that will reduce the share of imported raw materials and materials in the structure of goods production;

- Encouraging small and medium-sized businesses to increase their processing volumes of: domestic lumber for the production of wooden moldings; panel products for the production of furniture and furniture fittings; hardware, coated and uncoated card-board for the production of packaging products; sanitary and hygienic base paper for the production of products;

- the creation of new and the development of existing bioenergy production facilities for the production of wood fuel (pellets and briquettes), allowing for the comprehensive processing of small-scale and low-quality wood obtained from logging and production waste.

**Woodworking Standards.** The Bellesbumprom Concern houses the Technical Committee for Standardization of the Republic of Belarus, TC BY 39 «Furniture and Woodworking in Parts Not Related to Construction Products.» It represents Belarus in the interstate technical committees ITC 121 «Wood Panels» and ITC 135 «Furniture.» Since 2023, TC BY 39 has reviewed more than 58 draft versions of national and interstate standards and participated in the technical assessment of 68 existing standards.

To comply with the requirements of the Customs Union Technical Regulation «On the Safety of Furniture Products» (TR CU 025/2012), the Republic of Belarus is currently developing five interstate standards for furniture testing methods. Work on this regulation continued in 2024 with the participation of manufacturers, testers, and the support of Gosstandart organizations. Thus, work has been completed on amending the list of documents that entered into force in January 2025. Draft amendments to the CU TR are underway to clarify the requirements for the scope of application, specific product requirements, as well as the forms, schemes, and procedures for conformity assessment.

The Unified State Automated Information System for Timber Accounting and Transactions (USAISTAT) is being implemented and operational. The forest management republican unitary enterprise «Belgosles» has been appointed the system operator.

This system allows for online accounting of timber harvesting, removal, transportation, and sales. According to the Procedure, information is entered into the USAISTAT by authorized representatives of USAISTAT participants from a stationary or mobile client workstation using the internet. The primary parameter entered at the timber harvesting location is its volume. At timber storage locations, information is entered on the species, length, diameter or diameter group, quantity, and volume of timber in its harvested form. When accounting for timber at

storage locations, an authorized representative of the USAISTAT participant determines and enters the coordinates of the point, specifying the location of the timber storage in its harvested form, from a mobile client workstation. USAISTAT participants are also required to reflect the movement of timber in its harvested form in the USAISTAT.

Also of note are the Timber Sales Rules (approved by Decree No. 437 of November 23, 2020), which stipulate the sale of timber products primarily through the Belarusian Universal Trading Exchange. The exchange mechanism is mandatory for the sale of round timber, as well as sawn timber, to Belarusian and foreign consumers. Round timber is in greatest demand domestically, while wood processing products are in greatest demand internationally. It should also be noted that forestry, wood processing, transportation, handling, and unloading services are also available for sale and purchase on the exchange.

***For reference:*** Around 1,500 legal entities and individual entrepreneurs regularly enter into exchange transactions for the purchase and sale of forestry services. As a result, turnover in this area increased by 57% in value terms in 2024, reaching \$66.6 million.

*The export duty on timber in Belarus has been set at €100 per cubic meter since January 1, 2025. The government has set this tariff for the export of unprocessed timber and processed timber products outside the Eurasian Economic Union (EAEU) until the end of 2025.*



### 1.3. Research base

Belarus is considered a country with a high level of scientific and technological development. This status is confirmed by the country's position in the Global Innovation Index 2025. Belarus ranks 39th out of 139 countries in the Human Capital and Research subindex and 49th in the Knowledge and Technology Performance subindex. Belarus's overall position in this ranking remains average due to a lack of data on several parameters and a low score in the Institutions subindex (85th out of 139 countries).

The Belarusian State Technological University is a leading center for science and research in wood processing. The university has been accredited three times as a scientific organization by the State Committee on Science and Technology of the Republic of Belarus and the National Academy of Sciences of Belarus.

Leading university researchers are constantly involved in the development of strategic documents for the development of forestry in Belarus. Specifically, at the request of the Ministry of Forestry of the Republic of Belarus, over the past two years, the «Strategy for Adaptation of Forestry in Belarus to Climate Change until

2050,» the «National Action Plan for Adaptation of Forestry in Belarus to Climate Change until 2030,» and the «National Action Plan for Increasing Greenhouse Gas Absorption by Sinks until 2030» have been developed and approved. For the period 2021-2025, the university has been approved as the lead implementing organization:

- under the subprogram “Increasing the productivity and environmental sustainability of forests in Belarus” of the State Scientific and Technical Program “Green Technologies of Resource Use and Environmental Safety”;
- under the subprogram “Creation of new science-intensive domestic materials for various functional purposes based on forest chemical and plant raw materials” (“Forest Chemistry-2”) of the State Scientific Research Institute “Chemical Processes, Reagents and Technologies, Bioregulators and Bioorganic Chemistry”.

Each year, faculty members conduct approximately 60 funded research projects. The largest projects are developed within the framework of the state scientific and technical program «Forests of Belarus,» which the university regularly



implements at the request of the Ministry of Forestry of the Republic of Belarus, forestry sector development projects funded by the World Bank and the Global Environment Facility, and many others. The following research areas are among the most important for the country's national economy:

- development of methods and techniques for reforestation and forest cultivation aimed at increasing the sustainability and biological diversity of forest ecosystems, as well as forecasting changes in the biodiversity of forest phytocenoses under conditions of anthropogenic impact;

- increasing the productivity and sustainability of artificial plantations based on effective and theoretically sound methods and technologies in the field of reforestation and afforestation, forest selection and genetics, soil science and mechanization;

- analysis and justification of the system of forest management and forest taxation standards, the use of remote sensing materials and satellite positioning systems in forestry;

- improvement of the system of measures to increase the sustainability of forests and their protection from harmful organisms in the context of global climate and anthropogenic changes, development and implementation of innovative plant protection products; study of the structure and properties of wood of native and introduced species, ways to improve the quality of timber;

- improvement of forest hunting management, reconstruction of the species composition and number of large herbivores and predators and development of secondary forest use;

- selection of assortment, development of promising methods for creating and using forms of ornamental plants in landscaping of the Republic of Belarus;

- assessment of the state and prospects for the development of ecological and hunting tourism in the Republic of Belarus.

The university has also established and is developing scientific schools in the following areas: «Environmentally oriented forestry»; «Information systems and technologies in forest management and forestry»; «Forest phytopathology»; «Hunting».

The university places close emphasis on the practical application of research in the forestry, woodworking, and pulp and paper industries. University representatives also participate in the development of standards for domestic products and serve as experts in their evaluation. The Bellesbumprom concern maintains ongoing collaboration with BSTU.



## 1.4. Personnel provision

The forestry industry supports large wood processing enterprises, employing approximately 100,000-120,000 people, including those employed by the Ministry of Forestry. The Ministry of Forestry employs approximately 35,000 people. The Bellesbumprom concern currently employs approximately 25,000 specialists and workers.

Young people make up one-fifth of all employees at the concern's organizations. Domestic enterprises employ approximately 5,000 young people under 31: 24% of these are managers and specialists, and 76% are young workers. Higher-educated specialists account for 4.5% of the total number of employees under 31.

In 2025, the industry welcomed approximately 600 young professionals – graduates from higher and secondary specialized educational institutions. In the coming years, approximately the same number of young professionals will graduate annually.

BSTU trains the majority of personnel for the country's forestry and wood processing industries. It is the primary organization in the CIS for education in forestry and the forest industry. Training is primarily provided by the Faculty of Forestry. Today, it comprises six departments: Forestry; Forest Crops and Soil Science; Forest Management; Forest Protection and Wood Science; Landscape Design and Landscape Gardening; and Tourism, Nature Management, and Game Management. The faculty enrolls over 700 students in three undergraduate programs: Forestry, Landscape Gardening, and Tourism and Nature Management. 78 faculty members teach, 85% of whom hold academic degrees and titles. Among them are four doctors of science, professors, 62 candidates of science, and associate professors.

The faculty has implemented and operates a system of training research personnel through master's and postgraduate programs, thanks to the integration of scientific research into the educational process for students of all specialties. Student research teams function effectively - creative associations: «Ecologically Oriented Forestry» and «Ecological Tourism»; the scientific and practical association «Modern Game Management»; the research laboratory «Forest Restoration on a Soil-Typological Basis Using Modern Genetic and Selection Methods» working in 9 areas; clubs «Forest Entomology», «Forest Protection», «Forest Phytopathology», «Wood Science», «Forest Commodity Science»; «Ornamental Plant Growing», «Forest Inventory», «Industrial Inventory», «Aerospace Methods in Forestry» and «Photo and Video Art». In addition, a student squad for nature conservation successfully functions at the faculty.

A distinctive feature of the faculty's educational process is its extensive practical component. Students in all specialties have the opportunity to make extensive use of scientific and experimental facilities not only at the main internship site – the Negorelsky Educational and Experimental Forestry Enterprise, a branch of the Belarusian State Technical University – but also at the Belovezhskaya Pushcha, Pripyatsky, Braslav Lakes, and Narochansky National Parks, the Berezina Biosphere Reserve, and leading forestry enterprises and institutions across the country (Belgosles, Bellesozashita, Belgosokhota, the Republican Forest Selection and Seed Center, and others).

To enhance scientific and educational work, the faculty, in conjunction with research, design, and production structures, has established and successfully operates educational, research, and production centers: «Forest Science and

Silviculture», «Hunting Science and Game Management», «Forest Protection», «Forest Management», and «Forest Restoration», two department branches (forest crops and soil science at the Stolbtsy State Forestry Institution and forest protection and wood science at the Bellesozashchita), and two industry laboratories (forest protection and forest seed production and reforestation with biotechnology fundamentals). In addition, the faculty operates a landscape design workshop and a taxidermy lab. The Department of Forest Protection and Wood Science has implemented and is actively developing a project unique to the CIS called «BSTU

Xylotek». Currently, it contains wood samples from more than 400 species of woody plants from different countries of the globe, has important scientific and educational value, and allows for diverse research due to the accumulated and constantly expanding collection.

## 1.5. Technologies

The following technological trends/promising technologies can be identified in the wood-working industry:

1) Automation and digitalization: a focus on process automation, control and measuring instruments, and modern CNC equipment, including milling, cutting, and grinding centers. Also on the agenda are the implementation of automated production management information systems, high-speed data processing systems, systems that enable interaction between people, machines, and mechanisms based on the «smart factory» principle, and the introduction of artificial intelligence technologies – electronic or digital twins and robotics – as well as digital modeling, design, and 3D technologies.

2) Development of timber housing construction: advancement of laminated veneer lumber (LVL) and other timber construction technologies. Timber construction primarily uses round timber (logs).

3) Bioenergy and waste recycling: development of technologies and equipment for waste recycling, production of solid biofuels (pellets, briquettes), as well as the use of bio-mass and other renewable energy sources.

Also worth mentioning is the USAISTAT timber accounting system, which has been implemented and continues to be developed. This system integrates an innovative measuring device – a stereo scanner – that uses digital photography to fully measure timber in a stack, breaking it down by diameter and piece, and to measure the volume for each diameter. The stereo scanner is certified and can be used for both accounting and USAISTAT accounting.

## 1.6. Industrial-territorial clusters

The wood processing industry has good potential for clustering. Currently, emerging and potential clusters can be identified within it.

Emerging clusters: furniture/woodworking cluster based at Kronospan LLC . The cluster project was initiated by Kronospan LLC , the world's largest manufacturer of wood-based panels. The company is located in the Grodnoinvest free economic zone in Smorgon.

Potential clusters:

1) Woodworking Cluster, Vitebsk. Participants: woodworking enterprises resident in the Vitebsk FEZ. In addition to woodworking enterprises, the cluster includes the Vitebsk State Technological University. The university serves as the intellectual core of scientific research and development. The Vitebsk State Technological College will implement these research and development projects and train specialists with relevant qualifications, while the Vitebsk Regional Center for Advanced Training of Managers and Housing and Utilities

Specialists will retrain and graduate workers in specialized professions for woodworking enterprises. The Vitebsk State Forestry Production Association has also joined the cluster model, acting as the coordinator of raw materials for woodworking projects.

2) Furniture cluster / woodworking, Brest region, Brest, Ivatsevichi district. Base organization: Ivatsevichdrev OJSC ; participants: Polipol Furniture Bel LLC, BRV-Brest LLC, Vegas LLC, Involux CJSC , Anreks LLC .

3) Woodworking and furniture industry cluster, Grodno region, Grodno, Slonim district. Parent organization: ZOV Group of Companies; other participants: Slonimmebel OJSC.



## 2. Resource and raw material base

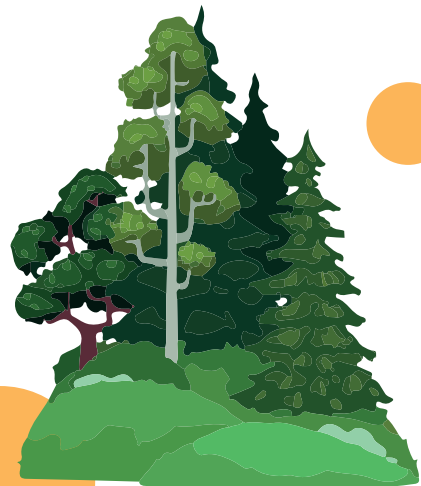
Based on a number of key indicators characterizing the forest fund (forest cover, forest area, and growing timber per capita), Belarus ranks among the top ten forested countries in Europe. Belarus's forests are predominantly composed of coniferous forests, which occupy 57.7% of the total area. The remaining 43.3% are deciduous forests. Structurally, pine accounts for 48% of the total forest area, birch for 23.5%, and spruce for 9%.

The area of forest land in the Republic of Belarus is 9,760.2 thousand hectares, the area of land covered by forests is 8,376.3 thousand hectares (+24.4 thousand hectares by 2023), and the per capita forest cover is 0.9 hectares per person. The total forest stand volume in the Republic of Belarus is 1,964.4 million cubic meters. The forest cover percentage of the territory of the Republic of Belarus is 40.3%. Over the past 60 years, the forest cover of the republic has almost doubled. This is the highest value in more than a century. Moreover, the share of commercial forests is 62.4%.

Reforestation is carried out using planting material grown in domestic nurseries and seed centers – approximately 350-400 million seedlings annually. Of these, 35 million are closed-root, allowing for a longer planting period and increased survival rates with less maintenance. Depending on natural conditions, between 25,000 and 35,000 hectares of new forest are restored. In 2024, 33,700 hectares were restored.

There are 79 nurseries operating in the country, covering over 1,300 hectares, and four large centers for growing closed-root planting material. The problems with oak and birch cultivation have been resolved, and the technologies have been refined, so there are no plans to expand the nurseries, but the centers will continue to develop. Over the past decades, the share of mature forests in Belarus has increased significantly. This is due to the natural growth of forest stands and the forest management policies implemented by the Ministry of Forestry. The average age of forest stands has reached 58 years. Since 1994, the share of mature forests has increased fivefold to 1.8 million hectares – from 4.7% to 21.7% in 2024, leading to increased timber harvesting.

In 2006, the Ministry of Forestry's forestry agencies harvested 9.2 million cubic meters of marketable timber; in 2015, 17.2 cubic meters; and in 2024, over 22 million cubic meters, almost half of which was mechanized. All harvested timber is sold to wood processing companies across the country, providing 100% of the processing industry's supply.



### 3. Production infrastructure

#### 3.1. Availability of industrial sites, buildings, structures and offices

To accelerate the innovative development of industry enterprises and improve the investment climate, free economic zones, industrial sites, and technology parks have been established in Minsk and the surrounding regions. Currently, six FEZs are operational:

- FEZ «Brest»
- FEZ «Minsk»
- FEZ «Gomel-Raton»;
- FEZ «Vitebsk»
- FEZ «Mogilev»
- FEZ «Grodnoinvest».

Their main goal is to increase export volumes, attract investment, and create new jobs. Thus, FEZs produce about 1/5 of the volume of industrial production and exports of Belarus.

As of January 1, 2025, 439 companies were operating in the FEZ. Most FEZ residents are engaged in manufacturing (86.4%), trade (4.0%), and transportation and agriculture, forestry, and fisheries (2.4% each, respectively).

A project to create a network of industrial parks is underway in Belarus. The network will cover 11 cities across all regions of the country. New industrial parks are currently being built in Baranovichi and Pinsk. The first buildings of the industrial parks in Baranovichi and Pinsk are scheduled to open in 2025. Their current focus is on developing chemical and related industries, which is generally more suited to the forest chemical industry.

The largest industrial park is Great Stone. Wood processing itself is not a promising industry there. However, the park houses related industries with high innovative potential that relate to other areas

of the park's development, such as mechanical engineering, chemistry, bio-technology, electronics, and so on. Currently, Great Stone is home to four enterprises related to the wood processing industry:

1) GreatDecor LLC ( Kronospan ). Production of materials for the woodworking and furniture industries using electronic printing on paper and plastic substrates.

2) Scientific and Technical Company «Zhui Yi Bel» LLC. Manufacture of woodworking equipment.

3) Crownhomes LLC, a scientific and technical company specializing in wooden structures. Manufactures woodworking equipment.

4) Axiom Group LLC. Production of trucks, special-purpose vehicles, and specialized equipment for agricultural and forestry purposes.

As of June 1, 2025, there are 14 science and technology parks operating in Belarus – 12 state-owned and 2 private – with approximately 250 residents and nearly 5,000 employees:

– large (more than 25 residents) – Minsk City Technology Park, Brest Science and Technology Park, Science and Technology Park of BNTU “Polytechnic”;

– medium (10–25 residents) – Coral Technopark of the Republican Unitary Enterprise “Agency for Development and Promotion of Investments” (Gomel), Mogilev Technopark, InKata Technopark , small business incubator of the Law and Order legal group, Minsk Regional Technopark;

– small (up to 10 residents) – Scientific and Technological Park of Vitebsk State Technological University, Scientific and Technological Park of Polotsk State University, Educational, Scientific and Production Center «Technolab» (Grodno), Scientific and Technological Park «UNITEKHYPROM BSU», Technopark «Gorki», Scientific and Technological Park of BSUIR.

promotes a favorable investment climate and increases investment in furniture production and woodworking technology, develops the cooperative movement, and provides financing for furniture manufacturers and woodworkers.

Locating innovative production facilities at these sites allows for various preferences and benefits. The Republican Forestry Association also promotes the interests and development of companies in the industry. It supports the development of export-oriented, high-tech, resource-efficient wood processing, woodworking, and furniture manufacturing industries. It also



## 3.2. Logistics capabilities

The Republic of Belarus, thanks to its strategic geographic location at the intersection of transport corridors between the European Union (EU) and the Eurasian Economic Union (EAEU), plays a key role in international passenger and freight transportation. International transport corridors from Western Europe to Southeast Asia, from Scandinavia to Turkey, and other countries of the Middle East run through the country. Based on the results of 2024, the share of gross value added from transport activities in the structure of Belarus's GDP increased from 4.9% to 5.1%, exports of transport services reached USD 4.5 billion (119.6% compared to 2023), and investment in fixed capital grew by 137.4%. Rail transport demonstrated the greatest growth (133.8%), followed by air (113.4%) and road (112.4%).

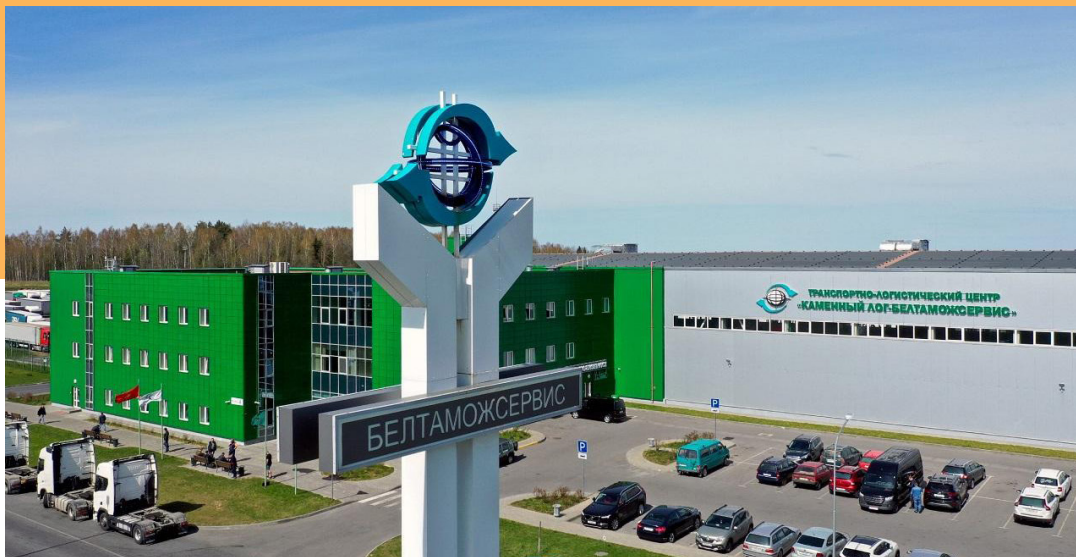
The key priorities of the Concept for the Development of the Logistics System of Belarus until 2030, approved by the Council of Ministers in 2017, included the use of transit between Europe and China (including within the framework of China's «One Belt, One Road» initiative), transport services for the links of the Belarusian economy with the markets of the European Union, participation in the logistics integration of the EU and the Eurasian Economic Union, and cooperation with global logistics companies.

Under sanctions, many products previously imported from the EU and the US have been replaced by goods from friendly countries, primarily China, Vietnam, India, and Turkey. Export flows have also been redirected there. The most in demand permits for Belarusian trucking companies are those for travel through Russia, China, Georgia, Kazakhstan, Mongolia, and Turkey. According to the Ministry of Transport and Communications' plans, up to 30% of all exports will be to distant countries by 2030, so Belarusian trucking companies expect to work with a number of countries in Asia, Africa, South

America, and Latin America. Nevertheless, the Russian transport services market remains a priority for Belarus. This has been facilitated by the development of the «Seamless Transit» project, aimed at simplifying freight transport in Central Asia, the Caucasus, and along the Trans-Caspian route through Russia. The Southern Transport Corridor, along the China-Kazakhstan-Uzbekistan route, was launched in 2024, and the Northern Transport Corridor (China-Kazakhstan-Russia-Belarus) is scheduled to launch in 2025. This project currently focuses on rail transport, but the possibility of expanding this approach to include road transport is being explored.

The development of transport and logistics services is being facilitated by the gradual automation and digitalization of the industry. To this end, an electronic document management system is being implemented. The use of the electronic international consignment note (e-CMR) will become mandatory in all EAEU countries by 2030. Belarus and Russia have already tested e-CMR for shipments within the Union State.

A distinct trend is the mutual integration of various online solutions. This involves the creation of systems in which data can be seamlessly transferred and used automatically between different services and platforms (for example, booking cargo with carriers, automatically creating and signing electronic documents). This includes digital freight forwarders and the use of cloud services in conjunction with real-time accounting software. A separate trend is the use of artificial intelligence (for example, checking and selecting contractors, optimizing queues).



Important areas of work include the introduction of navigation seals and the implementation of the Agreement on the Unified Customs Transit System. Key changes include the abolition of mandatory container declarations, the expanded use of electronic documents, and the regulation of cabotage and piggyback transportation. Particular attention is being paid to the development of border infrastructure and the alignment of checkpoint equipment standards, which will be an important step in increasing the transit appeal of the EAEU. The use of digital technologies at checkpoints already significantly accelerates the processing of data on goods and vehicles being transported. This reduces the time required for control procedures and increases transportation volumes. The development of the checkpoint network and the introduction of digital solutions are included in the implementation plan for the Declaration on the Further Development of Economic Processes within the Eurasian Economic Union.

In the long term, the possibility of using unmanned cargo transport, particularly in international shipping, is being explored. Similar schemes are already being tested.

## Key players and largest logistics hubs in Belarus

### Key freight forwarding and logistics companies in Belarus (top 10).

1. **Belintertrans** is a transport and logistics center of the Belarusian Railway. The main areas of activity are transport and forwarding services; cargo transportation by container trains (including along the international transport corridors East-West, North-South, TRACECA); terminal logistics services (storage, loading/unloading, temporary storage warehouse, customs warehouse and warehouse rental); provision of transport and forwarding services with the provision of rolling stock, including its own and large-capacity containers; door-to-door cargo delivery (container trucks, sidelifts, flatbed trucks); customs clearance (export, import, transit).

2. **Beltamozhservice** is the largest Belarusian logistics operator. The company meets all the requirements for top-tier logistics companies, is equipped with modern technology, and utilizes only the latest information technologies. It is the

customs representative of the Republic of Belarus, an authorized economic operator of type III, and a customs carrier.

3. **STA Logistics** provides services such as freight forwarding, insurance, trade and brokerage services, project logistics, customs clearance, terminal logistics, and multimodal transportation.

4. **Ruzexpeditsiya** provides a full range of services for organizing cargo transportation by road, air, sea, and rail, using general-purpose 20- and 40-foot high-capacity containers, refrigerated and tank containers, as well as specialized open-top, hard-top, and flat-rack containers. Our routes extend from the western regions of the European Union to East Asia.

5. **Avantrail** provides services for organizing cargo transportation by rail throughout the CIS and Baltic countries.

6. **Belkasbian** specializes in international transportation using various modes of transport: road, multimodal, sea, air, rail, and consolidated cargo transportation. It has an extensive infrastructure in various countries, including terminal warehouses in key locations across Europe .

7. **Santa Impex Brest** is part of the Santa Group of Companies. The company's fleet comprises over 300 heavy-duty and light-duty vehicles. Freight transportation is carried out throughout Belarus and fully covers the needs of the company's branch network. The company's vehicles also deliver products to distributors and partners in the CIS, near and far abroad.

8. **Avtopromsnab-Spedition** specializes in organizing international transportation throughout Europe, Asia, and China. It provides customs brokerage, customs carrier, and authorized economic operator services.

9. **Genty-Spedition** specializes in road transport and project logistics, operating a modern fleet of 1,000 Euro-6 class road trains. These vehicles operate throughout the continent, including all European countries, the CIS, and Asian countries such as China, Kazakhstan, Tajikistan, Uzbekistan, and Mongolia. The company handles a variety of tasks, including temperature-controlled freight, oversized cargo, consolidated cargo, standard cargo, project freight, contract freight, equipment ferry, and international air freight.

10. **Transgrouplogistics** is part of the international holding company Belsys Group and provides road, rail and multimodal transportation services in Europe, the Baltics, the CIS and Asian countries, customs clearance services, project logistics, insurance, and the transportation of dangerous goods.





### **The largest logistics hubs in Belarus**

Logistics hubs provide a comprehensive range of services for organizing, coordinating, and optimizing freight transportation. The largest hubs may include loading terminals, warehouse complexes, customs posts, information systems, and other infrastructure elements. Logistics hubs are typically located at the intersections of various modes of transport, such as rail, road, water, and air, at borders, or near major cities and industrial centers. This reduces the time required for intermodal and multimodal freight transport. In many countries, such facilities serve as platforms for developing foreign trade, industry, and promoting innovation in the regions where they are located. As of January 1, 2025, there were 53 transport and logistics hubs operating in Belarus.

According to experts, the leaders in terms of the number of services provided are logistics centers belonging to the TLCs Belintertrans, Beltamozhservis, Brestvneshtans, SP Transit, and SP Dominik.

**The Kolyadichi Terminal**, owned by Belintertrans TLC, is located 9 km from the Moscow Ring Road. The terminal's convenient location near Minsk makes it ideal for large-scale organized freight traffic at the junction of routes between China and Europe, Lithuania and Turkey, and Mongolia and Belarus. This includes container handling, the formation and dispatch of container trains, cargo transshipment, unloading (loading) of freight from railcars, and truck delivery.

The 203,500 square meter terminal accommodates two container yards and one heavy-lift yard, a covered railyard warehouse, and an arched warehouse. The container yards can accommodate 2,700 20-foot containers, releasing 184 railcars per day.

The refrigerated container area allows for the storage of cargo that requires constant maintenance of a specific temperature, and the heavy-duty area, with a capacity of 9,200 tons, can handle more than 24 railcars or 67 vehicles per day.

The raii side warehouse can simultaneously store 2,600 tons of various cargo from numerous customers. The Kolyadichi dry port's cargo handling capacity allows it to handle 70,000 railcars annually.

**Brest-Beltamozhservice-3.** The facility is conveniently located on the New Silk Road and is promising and in demand for freight transportation between the European Union, Belarus, and China, and vice versa. It is located near the Brest-Severny and Brest-Tsentralny railway stations. At the terminal, containers are transferred from European gauge (1435 mm) to Belarusian and Russian broad-gauge trains (1520 mm) and transported to their destination. The relative position of the tracks and storage areas also allows for loading and unloading operations from (to) railcars to (from) trucks, both directly and with storage in the warehouse space. The TLC's warehouse infrastructure includes temporary storage warehouses, a public warehouse, and a bonded warehouse.

In addition to its multimodal functionality, another advantage of the new transport and logistics center is its ability to load and unload railcars in covered warehouses with high ramps, as well as load and unload cargo arriving in large-capacity containers without removing them from the platform. There are two freight handling areas (a private track with a 1520 mm gauge) and two areas (a private track with a 1435 mm gauge), with capacities of 18 and 20 railcars, respectively. A comprehensive range of services is also provided for the re-coupling/reloading of EU-registered vehicles (in accordance with the requirements of Resolution No. 247 of the Council of Ministers of the Republic of Belarus dated April 22, "On the Movement of Vehicles").

**JV Transit.** Located on the EU border, near the Kozlovichi checkpoint, it covers an area of over 16 hectares and boasts a well-developed infrastructure, enabling it to provide a comprehensive range of high-quality services for the delivery and handling of cargo of any complexity. It is one of the leading transport and logistics hubs in Belarus.

The TLC covers over 16 hectares. Services include road, multimodal, oversized and project cargo, and rail transportation, as well as terminal and temporary storage warehouse services.

**Brestvneshtans.** Located near the M-1 highway and the Belarusian-Polish border, Brestvneshtans TLC provides rail, container, truck, and multimodal freight transportation, forwarding, terminal cargo handling (handling most types of cargo, except for bulk cargo such as coal, crushed stone, and similar items, and most hazardous cargo), customs clearance, and bonded warehouse services. The container terminal handles four pairs of container trains (traveling on the 1520 and 1435 gauge tracks) per day.

There is a 20,000 square meter indoor temporary storage warehouse (which can simultaneously accommodate more than 20 railcars and 10 vehicles of any type), and an open container yard with an area of 50,000 square meters (which can simultaneously accommodate 70 railcars and up to 1,000 containers).



**JV Dominic.** Located on the outskirts of Minsk (Frunzensky district).

The company offers customs-controlled warehousing services, as well as the storage of goods not under customs control, the acceptance of goods for safekeeping, including those requiring temperature control and deep freezing, inventory management, and other related work and services.

Temporary storage warehouses and bonded warehouses occupy approximately 6,000 square meters, and the parking lot can accommodate more than 150 vehicles at a time.

There are several large hubs located in the Minsk region and near Minsk (excluding Dominik and Kolyadichi):

- **Ozertso-Logistic** is a TLC located 1,200 meters southwest of the Moscow Ring Road on the Minsk-Ozertso highway. The complex occupies 16 hectares of land, with a total warehouse area of 36,000 square meters, including a closed temporary storage warehouse with covered ramps and dock levelers; a customs warehouse; secure storage warehouses; a customs control zone with 302 parking spaces; and secure and temporary storage warehouses equipped with refrigeration and freezing units. One of the company's key areas of activity is turnkey customs clearance of goods.

- **Belsotra** operates under the brand Rudolf Riegler III and has been operating in the transportation market for over 30 years. The company provides freight transportation services, including international road freight transportation within the EU and CIS countries; freight forwarding within the CIS, EU, and Belarus; customs agent and customs representative services; customs terminal warehousing services; truck service center services; and truck parking services in Minsk. Recently, Belsotra commissioned a container terminal, which includes private railway tracks adjacent to Shabany station, Minsk branch of the Belarusian Railway, which are part of the FEZ-Minsk temporary storage warehouse.

- **Great Stone** is a 112.5 square kilometer territorial unit with the status of a special economic zone and a special economic regime. The park offers easy access to international highways M1 / E30 and M4, Minsk International Airport (included in the park), international railways, and the capital of Belarus. The transport and logistics zone is located on the border with Minsk National Airport. It houses the logistics sub-park's facilities — 50,000 square meters of warehouse space and 20,000 square meters of retail and exhibition space. A railway line approaches the airport and will be extended to the park to implement the project to build an international multimodal transport hub, combining the potential of rail, road, and air logistics. Construction of the bimodal container terminal "Eurasian Railway Gateway" is currently



ongoing, which will connect it to China's Silk Road. A container storage facility with a capacity of 1,345 forty-foot containers plus 25 refrigerated containers and associated infrastructure is currently under construction. A container repair shop, a checkpoint, a fuel dispensing station, and a fire extinguishing station are also under construction. All of this basic terminal infrastructure is tentatively scheduled to be

operational by mid-2026. A key feature of the future terminal will be automated control systems to eliminate queues for loading, unloading, and forming trains.

## 4. Market overview

### 4.1. Main trends in woodworking

#### Global trends in woodworking

Key global trends in woodworking are currently being shaped by technological advances, increased environmental awareness, and changing consumer demands.

1. Technological modernization and automation – the implementation of Industry 4.0 in woodworking, including computer numerical control (CNC) machines for complex and precise parts (e.g., the use of AI and machine learning to optimize wood cutting), robotic systems, computer-aided design (CAD) systems, and smart factories. The expected impact is an increase in productivity of up to 40%, cost reduction, superior processing precision, and reduced reliance on manual labor.

2. Sustainable forest management and environmental responsibility – use of environmentally friendly materials (reclaimed wood),

wood from certified forests, transition to zero-waste production (processing waste into boards, pellets, bioplastics, biofuels), use of coatings with low volatile organic compounds. Reduction of primary forest felling in favor of managed plantations. Decarbonization and green construction – wood as a carbon-neutral material, wooden buildings as part of a carbon footprint reduction strategy. Integration of ESG principles (Environmental, Social, Governance) into the business models of wood processing companies. Expected effect – reduction of ecological footprint, compliance with strict international standards, attraction of environmentally conscious consumers. Increase transparency chains supplies, the need to keep records of the origin of timber.

3. Digitalization and data – implementation of the Internet of Things (IoT) for real-time equipment monitoring, the use of artificial intelligence for predictive maintenance and software for



managing the entire value chain of finished products, and augmented reality (AR) for project visualization. The expected result is increased operational efficiency, minimized equipment downtime, and optimized logistics.

4. Development of new materials – the creation and implementation of innovative composite materials (e.g., boards with improved properties), the use of non-wood cellulose fibers, and experiments with 3D printing of wood components. The use of bark in building mixtures, nanocellulose, and lignin for high-tech applications. This also includes a shift in demand from solid wood to composite and engineered wood materials. This includes glued laminated timber (GLT, laminated timber), cross-laminated timber (CLT – cross - laminated timber), LVL (Laminated Veneer Lumber), OSB, MDF, HDF. The expected effect is an expansion of the product range and areas of application, increasing its strength, durability, and environmental friendliness. Also height investments in the production of engineered wood.

5. Localization of supply chains – growth of regional production of sawn timber and wood panels, development of cooperation between loggers, processors and construction companies within one region. Transition on local types of raw materials instead of imported ones.

6. Personalization and customization allow customers to participate in product design, choosing materials, sizes, and finishes, made possible by the flexibility of digital manufacturing (e.g., CNC). This includes fully customized projects (furniture, built-in solutions), elements with personalized logos (engraving), and adaptable modular systems. The expected impact is meeting the growing demand for unique products, increasing customer loyalty and company competitiveness, implementing flexible manufacturing systems and online configurators for wood furniture design, and increasing the popularity of handmade and premium wooden products.

7. Minimalism and clean lines – simple forms, functionality, clear geometric lines, and hidden storage mechanisms. The expected effect is to create a modern, harmonious, and visually calm space, which is relevant for an urban lifestyle.

8. Mixing materials – combining wood with metal (brass, steel), glass, and stone (inlays, metal bases, and frames). The expected effect is adding visual interest, contrasting textures, and combining modernity with classicism, expanding design possibilities.

It is also worth noting several important aspects that define the current state of the industry:

- Technology as a tool, not an end: It's important to understand that technologies like CNC and CAD don't replace craftsmanship, but rather expand its capabilities. They take over routine, high-precision work, freeing up the craftsman's time for creative tasks and detail work that requires a human touch and expertise.

- Nostalgia and heritage: Alongside minimalism, there's a resurgence of classic and vintage styles. Designers are increasingly blending Victorian-era or rustic elements with contemporary aesthetics. This gives interiors a warmth, character, and sense of history that ultra-modern trends lack.

- Tactility and naturalness: the natural beauty of wood takes center stage in the finish. Matte finishes are gaining popularity, highlighting the texture and depth of the material without distracting shine. Natural oils and waxes are actively used, as are aging techniques to reveal the material's history.

Overall, the global wood processing industry is becoming increasingly technologically advanced, environmentally friendly, and circular economy- and customer-focused, as well as increasingly tied to sustainable resource management and digital technologies.

## **Trends in woodworking in Belarus**

The Belarusian forestry industry not only follows global trends but also purposefully and systematically integrates them into its development strategy. All key global trends are reflected in the modernization of the domestic industry:

1) Technological transformation. The introduction of CNC machines (including in-house developed equipment), robotic lines, and computer-aided design systems at these companies is elevating Belarusian woodworking to a qualitatively new level, ensuring the highest precision, efficiency, and the ability to handle complex customization.

2) FSC / PEFC forest certification, the active use of wood waste for biofuel and panel production, and the transition to eco-friendly finishing methods place Belarus among countries with a responsible and environmentally oriented forest industry.

3) Focus on advanced wood processing and added value. The strategic shift away from roundwood exports in favor of the production of furniture, wood-based panels, and other finished products with high added value directly aligns with the global trend toward high-margin products and meets the demands of the international market.

4) Customization and Diversification. The development of production capacities for glued laminated timber, CLT panels for timber construction, and custom furniture production demonstrate the industry's flexibility and its ability to respond to growing consumer demand for unique and functional solutions.

Thus, it can be concluded that the Belarusian woodworking industry is not simply adapting to changing global market conditions, but is actively shaping its own growth trajectory based on innovation, green economy principles, and the development of competitive products with high added value. This allows domestic companies not

only to strengthen their positions in traditional markets but also to confidently enter new ones, meeting the highest international standards.

## 4.2. Production and consumption

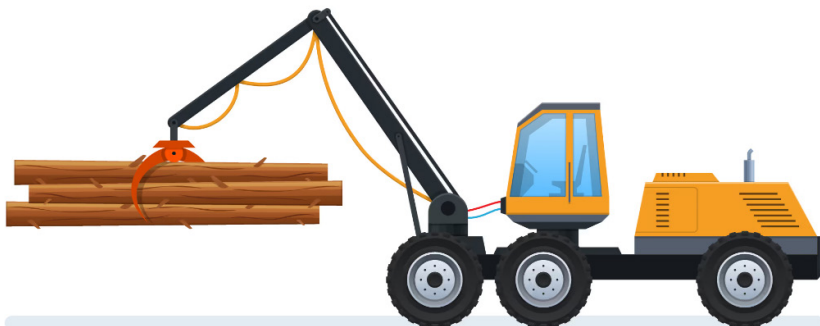
The woodworking industry of the Republic of Belarus is a key sector of the national economy, relying on the country's abundant forest resources. The industry encompasses logging, sawmilling, and the production of wood-based panels (particleboard, medium density fiberboard, and plywood), furniture, lumber, pulp, paper, and cardboard, as well as biofuels and other wood composites. In recent years, there has been a steady trend toward modernizing production, diversifying product lines, and increasing the added value of manufactured products.

The largest player in the industry is the Bellesbumprom concern, which controls the majority of forestry enterprises and processing plants. The concern manages the country's largest woodworking, furniture, and pulp and paper industries. The companies operate an extensive

dealer network in various cities and countries, as well as trading houses and branded stores.

The concern implements state industry policy in the production of furniture, wood, and paper products nationwide. The overall industry trend is import substitution. In 2024, import substitution affected 52 product categories. These included chipboard and fiberboard, plywood, joinery, doors, corrugated paper and cardboard, sacks, kraft sack paper, napkins and paper towels, wallpaper, packaging paper, various types of cardboard, pulp, and other products.

Another industry trend is the development of green energy—the use of waste to produce pellets and biofuels. Currently, 64 pellet production facilities have been established in Belarus. They have a capacity to produce 900,000 tons of pellets



annually. Domestic consumption exceeds 70,000 tons. Global pellet consumption exceeds 30 million tons annually.

To facilitate the transition to local energy sources, two companies have been established to manufacture domestic boiler equipment: BelKomin LLC in Grodno and Gomel Plant Kommunalnik OJSC in Gomel. In 40 districts of the republic, the share of local energy exceeds 70%, and in some, it approaches 100%. Since 2010, 350 facilities have converted from natural gas to local fuels as part of state programs. Currently, pellets account for approximately 1% of thermal energy generation, but they have already replaced 3 billion cubic meters of natural gas. An advantage of pellets over other local fuels is the ability to automate the heating process.

Serious work is currently underway to use pellets, including on the domestic market, in three areas.

1) Construction of new and reconstruction of existing high-power energy sources owned by the Ministry of Energy. Three such energy sources will be commissioned in the next year or two.

2) Reconstruction and replacement of inefficient boiler houses in housing and utilities, converting them to pellet fuel. Programs for their conversion have been developed and approved by a Council of Ministers resolution, and the process is ongoing in all regions of Belarus.

3) Stimulating pellet consumption by the population. Pellets are now a subsidized fuel, along with firewood, coal, and peat (as pellets are currently quite expensive). The fuel standard is 3.6 tons, with a subsidized price of 50 rubles per ton of pellets. Another incentive is a 40% state reimbursement for the cost of a Belarusian-made boiler, or the purchase of such a boiler with a subsidized loan (at 4% per annum for 3 years).

The production of prefabricated houses (residential buildings and saunas) is showing promise. Ten sets were sold in 2023, 94 in 2024, and 102 as of September 1, 2025. Around 200 prefabricated houses and saunas are expected to be sold in 2025. In 2024, 150 prefabricated houses, including saunas, were sold. Demand is particularly growing for dry prefabricated houses. These houses can be quickly assembled, much like Lego. Designs with attics are currently being developed to reduce the cost per square meter. These houses will feature two additional rooms and a bathroom on the second floor.

Particular attention is paid to low-grade timber. It is primarily used for lumber products, which are in demand both domestically and internationally. According to the latest data, over 1.1 million cubic meters of timber were produced in the first eight months of 2025, including 735,000 cubic meters exported, valued at \$130 million (an increase of \$13 million compared to 2024). On average, approximately 90,000 cubic meters of lumber are exported monthly. Profitability is approximately 15%.



### 4.3. Foreign trade

Up to 72% of Belarusian wood processing products are exported. The main export destinations are primarily Russia, Asia, including the CIS, and the Middle East. In 2025, deliveries were made to 35 countries. However, the key trading partners are Russia and China. In 2024, products were shipped to 46 countries. Of these, 77% went to the CIS countries, including 54.7% to Russia. Overall, our top five partners are: Russia, China, Azerbaijan, Uzbekistan, and Kazakhstan.

The main products in demand are boards and sawn timber (32% of total exports), paper, cardboard and products made from them (29%), cellulose (17%) and furniture (13%).

A complete ban on imports of Belarusian wood products into the European Union was introduced on June 4, 2022. Following the latest round of European sanctions adopted on June 29, 2024, the ban also extended to include pulp, paper, multilayer cardboard, paper packaging, and furniture. Therefore, the industry is actively and continuously searching for new markets.

It's worth noting that Bellesbumprom Concern and the China Timber and Forest Products Association have signed a cooperation roadmap for 2025–2026. According to the document, the parties intend to expand mutual supplies of wood products and create favorable conditions for strengthening bilateral relations.

Both the Belarusian and Chinese sides confirmed their interest in deepening their partnership in the forestry sector, which opens up prospects for further growth in Belarusian wood processing exports to China.



## 4.4 Key Players

### Key manufacturers in the industry:

1. **Rechitsadrev OJSC** is a major manufacturer of sanded particleboard, plywood of various grades and thicknesses, lumber, and cabinet furniture. The boards produced boast record-breaking strength characteristics in Belarus, rivaling those of natural wood in physical and mechanical properties, and are used in construction, furniture production, and lamination.

2. **Borisovdrev OJSC** is one of the country's leading woodworking companies. Its products are exported to the CIS and EU countries. Its product range includes unsanded general-purpose plywood (urea-formaldehyde plywood) and MDF boards.

3. **Vitebskdrev OJSC** is a large wood processing company with a daily processing capacity of up to 1,200 m<sup>3</sup> of wood. It produces chipboard, fiberboard, milled profile products, as well as windows and doors.

4. **Gomeldrev OJSC** is one of the oldest and largest furniture manufacturers in Belarus. It specializes in cabinet furniture made from solid wood and wood materials, using environmentally friendly components, high-quality hardware, and accessories from global brands.

5. **Mostovdrev OJSC** is a multi-industry woodworking enterprise, the only one in the industry that produces large-format plywood, including laminated plywood.

6. **FanDOK OJSC** is a full-cycle enterprise, covering everything from logging to the production of artistic furniture. Its product range includes lumber, plywood, furniture panels, blockboards, and wood products.

7. **Ivatsévichdrev OJSC** is the largest chipboard manufacturer in Belarus, using advanced

technologies and solutions in the field of resource and energy conservation.

8. **Borisov DOK OJSC** is a major exporter to the EU and Russian markets. It produces high-quality lumber, laminated veneer lumber, and prefabricated structures.

9. **Svetlogorsk Pulp and Board Mill OJSC** is a full-cycle enterprise processing wood into corrugated cardboard and packaging. It comprises a pulp mill, a cardboard and paper mill, and a packaging plant. It offers a high degree of automation and environmental friendliness. Through its Krasnaya Zvezda subsidiary, the company also produces paper, cardboard, corrugated packaging, paper sacks, and acrylic water-based paints. All packaging meets international FEFCO standards.

10. **Pinskdrev Holding Company, CJSC**, is a leading furniture manufacturer, producing over 2,000 types of upholstered and cabinet furniture, as well as plywood, matches, sliced veneer, lumber, furniture boards, mattresses, PVC windows and doors.

11. **The Borisov Sleeper Impregnation Plant** specializes in the production of wooden sleepers for railway and tram tracks and also provides wood preservative treatment services.

12. **The Domostroenie branch of the Newsprint Mill RUE** produces glued laminated timber, mouldings and wooden houses (frame-panel and glued laminated timber) using modern European equipment.

13. **The Brest Furniture Factory PUE** produces a wide range of home furniture, including sets for bedrooms, living rooms, and hallways. Its products have received numerous awards at industry exhibitions.

14. **Gomel Furniture Factory Progress OJSC** is a leader in upholstered furniture production. It uses proprietary spring units, modern technologies, and design solutions. Its product range includes a full range of home furniture; its products are recognized nationally and internationally.

15. **Lida Furniture Factory OJSC** produces cabinet and office furniture from solid birch and pine, including products for agritourism. Particular attention is paid to artistic forging elements and waxed finishes with an antique look.

16. **Ruzhanskaya Furniture Factory PUE**, specializes in wholesale production of cabinet furniture for bedrooms and living rooms. The furniture fronts are made from MDF (Russia and Poland), processed on Italian CNC machines, and finished with paints and varnishes.

17. **Bobruiskmebel CJSC** is one of the country's leading furniture manufacturers. Its furniture is crafted from solid wood and natural hardwood veneer and is distinguished by its high artistic quality, functionality, and aesthetics. Its products have received numerous awards at national and international exhibitions.

## 5. Investment potential and development prospects of the industry

Belarus's wood processing industry remains one of the most attractive investment destinations in the country's industrial sector. The combination of abundant forest resources, a consistent government support strategy, and growing domestic and foreign demand for high-quality wood products creates exceptionally favorable conditions for attracting both domestic and foreign investors.

The level of mechanized logging in Belarus has reached 65% and continues to steadily increase. The industry is actively introducing modern logging equipment – harvesters and forwarders, of which there are approximately 500 units of each type. These machines significantly reduce manual labor and improve the overall efficiency

of logging processes. Future plans include further expansion of the specialized equipment fleet and the construction of new industrial facilities, which will increase timber harvesting and processing volumes. Currently, there are approximately 100 wood processing plants operating in the country, processing 3.5 million cubic meters of commercial timber annually, fully satisfying the domestic market's demand for sawn timber and creating a significant reserve for export supplies.

A separate strategic area requiring significant investment is the comprehensive digitalization of the forestry sector. A corresponding concept has already been developed, approved by the Ministry of Communications, and included in the industry development program. The primary focus of



digitalization is the implementation of advanced technologies, such as stereo scanners, and the automation of key processes across the entire value chain, including the organization of advanced wood processing and the implementation of waste-free production.

One of the key priorities of Belarusian woodworking companies is the implementation of advanced technologies and the production of innovative products. In 2024, one of the companies launched a production line for laminated particleboards with a surface that imitates not only natural wood grain but also materials such as concrete, marble, fabric, and leather. The boards reproduce a variety of textures and decorative effects— both visual and tactile – including synchronized 3D decors. Previously, such products were not produced in Belarus and were exclusively imported, falling into the premium price segment.

By 2030, the company plans to launch production of decorative laminated paper (LDP) using a high-pressure method. This material boasts high mechanical strength and is resistant to moisture, scratches, chemicals, and ultraviolet radiation. LDP is used in the production of furniture, countertops, flooring and wall coverings,

doors, and window sills, as well as in industries such as automotive, shipbuilding, and railway engineering. Currently, this product is not produced in Belarus.

Overall, the output of innovative products at Bellesbumprom enterprises is growing. According to statistics, in 2024, the share of shipped innovative products in the total volume was 18.4%, with a target of 12.5%. Domestic sulfate pulp (a project to build a bleached sulfate pulp plant at the Svetlogorsk Pulp and Cardboard Mill), coated/uncoated cardboard (organization of production of coated and uncoated types of cardboard at the premises of the Dobrush paper mill branch Hero of Labor "Belorusskie Oboi"), the production of paper for decorative facing materials (a project at the Newsprint Plant), and edged lumber (launch of a line for the production of edged lumber at Mostovdrev ) are the result of the modernization of woodworking industries.

The industry plans to implement at least 10 major investment projects by 2035.

As part of the One District – One Project program, Ivatsevichdrev launched a new lamination line for its own particle boards in November 2024 and plans to launch a new chipboard production

facility. Three more investment projects are also planned for implementation within the framework of this program within the Bellesbumprom concern system.

The first project is the construction of a paper production facility at the Svetlogorsk Pulp and Cardboard Mill. This involves the installation and commissioning of a paper machine for the production of kraft sack microcreped paper with an annual capacity of 160,000 tons from in-house sulfate pulp. Completion is scheduled for 2027.

The second project involves the construction of a second phase of 100% cellulose tissue paper production at the Spartak paper mill. The project is scheduled for completion in 2026.

The third project involves modernizing papermaking machine No. 1 to convert the production at the Newsprint Mill: instead of thermomechanical pulp, the plant will produce bleached chemo-thermomechanical pulp. The mill will begin producing offset paper, supercalendered paper, base paper for coating, enhanced newsprint, and lightly and mediumly coated paper. The project is scheduled to run until 2027.

A promising proposal is to allow large wood processing companies to lease standing soft-wood (this system was used during investment projects). Belarus accumulates approximately 2 million cubic meters of mature softwood annually. It must be harvested before it loses its quality. Therefore, investment projects in the wood processing sector will soon focus on processing this raw material, which is used to make panels and pulp.

Furthermore, the country has an oversupply of low-grade timber. To utilize this excess, it is proposed to establish a single, large-scale wood processing facility similar to the Svetlogorsk Pulp and Paperboard Mill in the northern Mogilev Region or on its border with the Vitebsk Region (where large reserves of alder and birch are concentrated). The facility will likely be located in Dubrovno, Vitebsk Region. It is planned to build it with foreign capital and will take approximately five years. It is worth noting that the construction of a pulp and paper mill with a capacity of up to 800,000 tons per year was discussed at a meeting between the President of Belarus and the Sultan of Oman. The estimated investment is \$1.4 billion.



## 6. Investment projects for implementation in the Republic of Belarus

1. Eco-packaging production . The investment project involves the creation of a new enterprise with a local partner (Grodno Region, Grodno District). The total investment is \$1 million. The enterprise's primary activity is the production of environmentally friendly wood veneer packaging for mushrooms, fruits, and confectionery. The trays are made from hardwood without the use of chemicals or metal staples. Maximum capacity is 2 million trays per month in the Premium and Standard segments.

2. Construction of a workshop for advanced wood processing – panel production (Brest Region, Baranovichi District). Total investment: \$1 million. The investment project includes the installation of drying equipment and a panel splicing line.

3. BR-Wood LLC (Mogilev Region, Babruisk) is establishing a new sawmill and pellet production facility for the manufacture of export-oriented products. The investor's participation will include equity participation in the existing enterprise and loan financing. The expected investor contribution is \$48,349,830. The project is already underway, with the first stage scheduled for completion in 2025. All necessary permits have been obtained and the assessment has been completed. The investment project will result in the construction

of a new sawmill with a capacity of up to 500,000 cubic meters of processed raw materials per year and a pellet production facility with a capacity of up to 70,000 tons per year.

4. Construction of a wood processing plant by Mozyr Lesozavod LLC in the Gomel-Raton Free Economic Zone. Total investment: \$9,912,000. Investor participation: creation of a new production facility (enterprise). Stage 1. Design (design and estimate) documentation has been developed. A positive expert opinion from the state expert review of the design documentation has been received. Stage 2. Construction and commissioning of the facility – by December 31, 2026.

5. Wood litter production for animals (Gomel Region, Khoyniki District, Khrapkov agro-town). Total investment: \$120,000. Investor participation will involve the creation of a new facility. The plan is to renovate an existing one-story brick building (173.7 sq. m.) into a wood litter production facility.



## 7. Preferential regimes

### General guarantees

Belarusian legislation provides the following basic guarantees to investors:

- the right of private property and its protection without discrimination
- protection against illegal actions of state bodies, which violate rights of investors and/or cause losses
- equality of rights for national and foreign investors
- free repatriation of profits
- protection of investments against nationalization and requisitioning

By law, nationalization can only be carried out on the basis of public necessity and subject to appropriate compensation. Compensation for nationalized property must be paid in a timely manner and include the value of the nationalized property and other losses caused by nationalization. The legislation also establishes a number of circumstances under which requisitioning is possible. These are mainly emergencies such as natural disasters, accidents, epidemics and epizootics, as well as when the public interest requires these measures.

### Investment agreement

- VAT deduction in full amount
- exemption from import duties and taxes on import of technological equipment, raw materials and materials into the territory of the Republic of Belarus
- exemption from reimbursement of losses in forestry and agricultural production

### Small and medium-size cities, rural territories

- exemption from income tax for 7 years
- exemption from real estate tax for 7 years
- exemption from import customs duties on imported (imported) goods contributed to the statutory fund, from the date of manufacture of which not more than 5 years have passed for some commodity items
- exemption from profit tax in the part of profit received from sale of goods of own production; exemption from income tax for 7 years

## Bremino-Orsha

- 0% VAT and duty on customs
- 0% corporate tax for 9 years
- 0% property tax for 20 years
- 0% VAT for 15 years at realization, rent (leasing) to residents of real estate objects till 1 January 2033
- 0% income tax, tax on dividends and similar income for 5 years from the announcement of profits (for the founders of resident companies and joint ventures)
- 0% tax on dividends and similar income from the date of declaration of profits up to 1 January 2033 (for joint ventures if accrued from a management company)
- 5% on royalties until January 1, 2028

## Free economic zones (FEZ)

- exemption from profit tax when selling products for export and to other FEZ residents
- exemption from real estate tax on properties in FEZ within three years of registration
- exemption from land tax and land lease for the period of design and construction, but for no longer than 5 years from the date of registration. Exemption irrespective of the direction of their use (if sold for export or to other FEZ residents)
- exemption from payment for the right to conclude a land plot lease agreement

## Industrial park «Great Stone»

- exemption from income tax on revenue from the sale of goods (works, services) of own production within ten years from the date of registration as residents
- exemption from property tax on properties
- exemption from tax on land plots
- until 1 January 2027, the income tax rate is 9%
- full deduction of VAT amounts charged for imported goods (works, services) as well as property rights used in designing, construction and equipping of buildings and structures in the Industrial Park
- exemption from customs duties and VAT on goods (production equipment, components and spare parts, materials and raw materials) imported to Belarus for the implementation of investment projects

The choice of preferential treatment will depend on a number of factors and components of the investment project, such as the need to create infrastructure facilities, export orientation of the project, implementation of innovative technologies and many others.

More detailed information about the business environment, investment opportunities in the Republic of Belarus can be found on the website of the National Agency of Investment and Privatization of the Republic of Belarus at [www.investinbelarus.by/en/business-environment](http://www.investinbelarus.by/en/business-environment), as well as to get necessary advice and assistance in implementation of the investment project in Belarus by contacting representatives of the Agency at the contacts specified on the website [www.investinbelarus.by/en/contacts](http://www.investinbelarus.by/en/contacts).

## National Agency of Investment and Privatization

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The Agency is a state institution that provides assistance at no cost or foreign investors interested in launching a business in Belarus:


- provision of information about investment opportunities, preferential regimes and benefits granted, economic sectors and legislation
- provision of up-to-date information about investment projects
- assistance in selection of sites and premises
- search for prospective partners for investment projects, arranging meetings and negotiations for establishing cooperation
- providing a platform for negotiations and support during negotiations
- organization of visits to the Republic of Belarus (schedule development, visa support)
- representation of investor's interests during negotiations with governmental representatives concerning implementation of investment projects, as well as improvement of investment climate in the Republic of Belarus
- aftercare


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