



# Mechanical engineering in the Republic of Belarus



NATIONAL AGENCY  
OF INVESTMENT  
AND PRIVATIZATION  
REPUBLIC OF BELARUS





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# Mechanical engineering and industrial potential

Mechanical engineering is one of the main factors determining the development of the world economic system. Its technological level dictates the price and quality parameters of industrial products, and ensures their competitiveness. The machine-building complex of the Republic of Belarus includes production of electrical equipment, machinery and equipment, computing, electronic and optical equipment, as well as vehicles and equipment. It accounts for more than 16% of the manufacturing industry of the republic. The machine-building complex of Belarus consists of about 250 large and medium-sized organizations.

The industry is crucial for the development, production and distribution of advanced machinery, equipment and manufacturing technologies in other sectors of the economy.

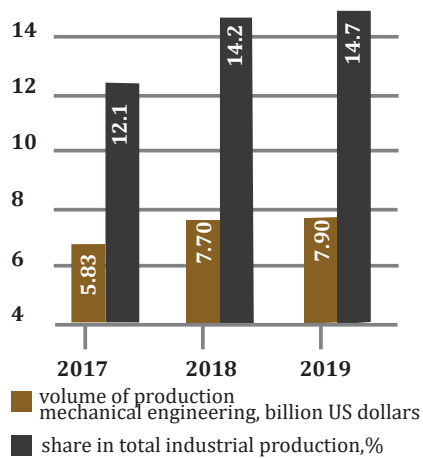
Contemporary innovative processes in the mechanical engineering of Belarus are based on the higher technological paradigms (bio-, nano-technologies, information and communication, aerospace), the use of the latest materials with desired properties, the achievements of micro- and photoelectronics, which form the technological basis of the knowledge economy.

In 2019, total cost of mechanical engineering production reached 7.9 billion US dollars. During 2019, the industry has revealed positive dynamics of its share in total industrial production as compared to the previous year. In 12 out of 13 branches of manufacturing industry, industrial production in 2019 exceeded the level of 2018. The largest increase was observed in the production of vehicles and equipment (+ 18.4%).

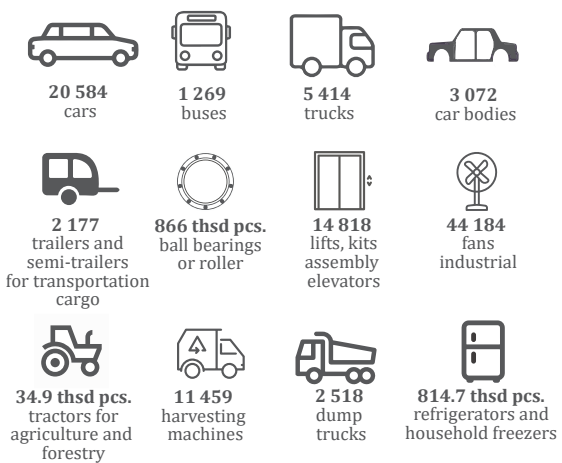




**Production volumes of mechanical engineering products**



**Production of selected types of mechanical engineering goods, 2019**



Over 60% of Belarusian engineering products are sold abroad. Experts predict an increase in demand for Belarusian engineering products in Russia and Kazakhstan in the medium term. These countries together account for about 73% of Belarusian engineering exports.

This review comprises the following types of economic activities, attributed, among others, to the engineering industry according to the national classifier of the Republic of Belarus OKRB 005-2011 "Types of economic activities":

- subsection CJ "Manufacturing of electrical equipment"
- subsection CK "Production of machinery and equipment not included in other groups"
- subsection CL "Production of vehicles and equipment"

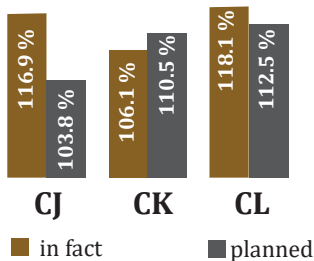






The organizations of the machine-building complex in 2019 achieved the following results (by types of economic activities):

Growth rate of value added per one average employee



growth rate of value added per one average employee, by subsections



*In absolute terms, value added per one average employee, achieved by the organizations of the machine-building complex in 2019, reached 30.1 thousand BYN.*





# Production of vehicles and equipment

The main organizations under the Ministry of Industry, engaged in this type of activity, are:



MAZ OJSC – the managing company of the BELAVTOMAZ holding



OJSC "Managing company of the "MINSK MOTORNY ZAVOD" Holding"

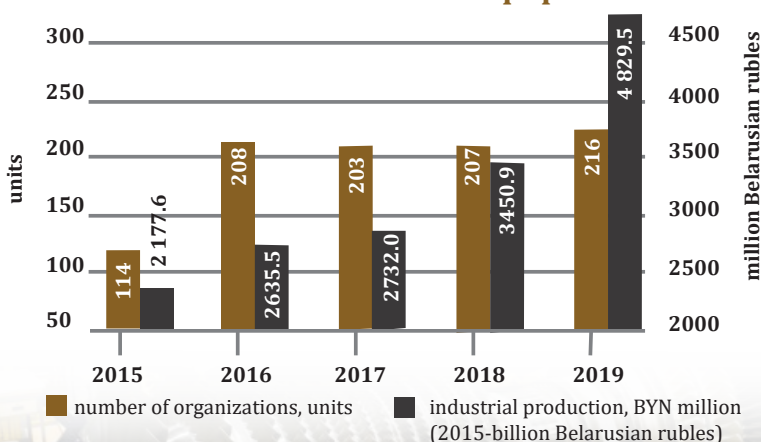
*In 2019, the export share of these companies in the nationwide export by the CL subsection amounted to 17.8% and 3.1%, respectively.*

**28.5 %** the export share of enterprises under the Ministry of Industry in the export in the republic by subsection CL (production of vehicles and equipment)

*In 2019, the organizations of the machine-building complex of the republic, belonging to the CL subsection, fulfilled the planned indicator of export growth rate. With an annual plan of 106.7%, in fact, 127% was reached in 2019.*

In 2019, the volume of foreign investment by the type of economic activity "Production of vehicles and equipment" amounted to 109.3 million US dollars, including 45.9 million US dollars of direct investment.

**Core indicators by the type of economic activity  
"Production of vehicles and equipment"**

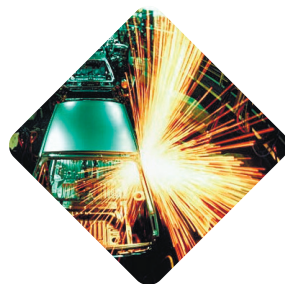


# Production of electrical equipment



The main enterprise under the Ministry of Industry engaged in this type of activity is OJSC "METZ named after V.I. Kozlov".

In 2019, the share of the company's export in the republican export by the subsector CJ amounted to 9.3%. The export growth rate was 100.6% as compared to 2018.

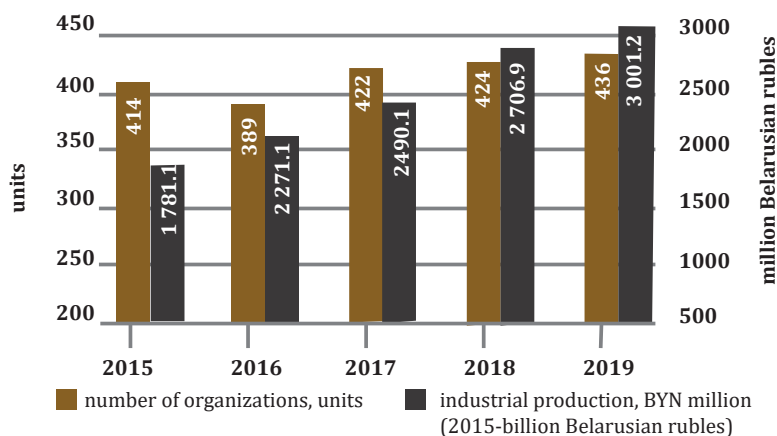


## 34.4 %

the share of export of organizations under the Ministry of Industry in the total export of the republic by the CJ subsection (production of electrical equipment).



### Core indicators by the type of economic activity "Production of electrical equipment"



*In 2019, the volume of foreign investment by the type of economic activity "Production of electrical equipment" amounted to 57.7 million US dollars (+ 32% compared to 2015), including direct investment 56.6 million US dollars (+ 84% compared to 2015).*



# Production of machinery and equipment not included in other groups

## The main organizations of the Ministry of Industry engaged in this type of activity are:



OJSC "BELAZ" is the managing company of the "BELAZ-HOLDING" holding. In 2019, the share of the company's export in the nationwide export by the relevant type of activity was 30.6%.



JSC "Minsk Tractor Plant". In 2019, the share of Minsk Tractor Plant export in export across the republic by the relevant type of activity was 22.8%. The export growth rate is 106.6% against 2018.

Minsk Tractor Plant is constantly diversifying its exports and carries out promising markets development.

Work is underway to increase the supply of complete equipment to Uzbekistan. The issue of organizing complete tractors assembly in Uzbekistan is being considered. The supplies of tractor equipment to Kazakhstan are increasing.

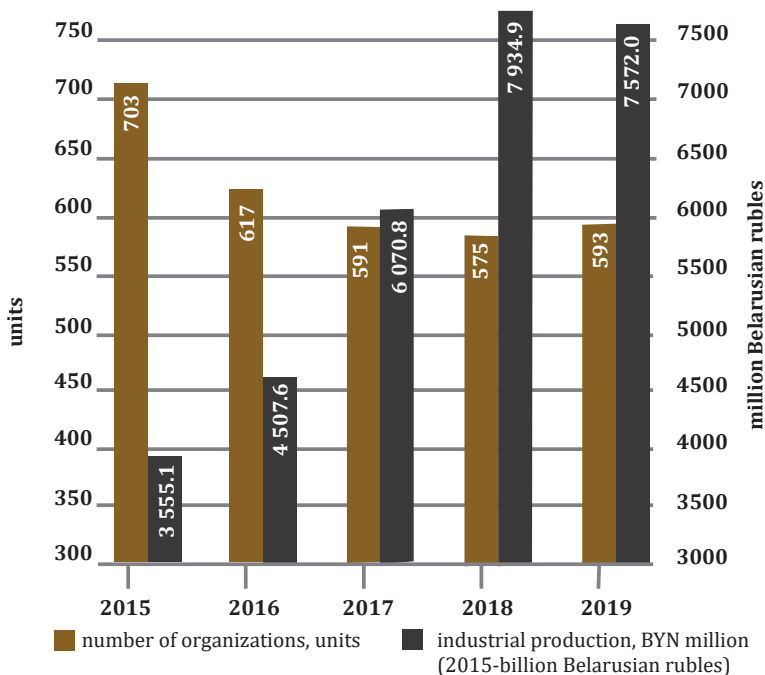
**70.6 %**

the export share of the enterprises under the Ministry of Industry in the nationwide export by subsection CK (production of machinery and equipment not included in other groups).





## Key indicators by the type of economic activity "Production of machinery and equipment not included in other groups"



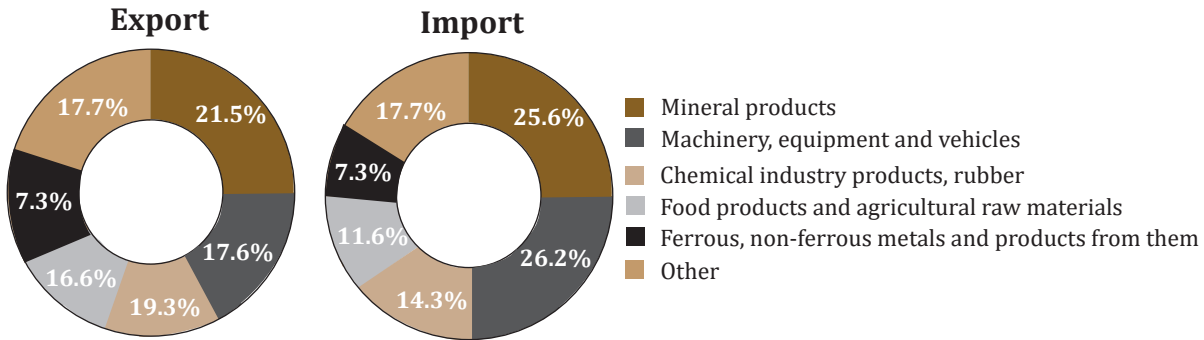
*In 2019, the volume of foreign investment by the type of economic activity "Production of machinery and equipment not included in other groups" amounted to 223.4 million US dollars (+ 31% compared to 2015), including direct investment 123.4 million US dollars (+ 11% compared to 2015).*



# Foreign trade

*Along with mineral and chemical products, machinery, equipment and vehicles dominate in the commodity structure of exports and imports of the Belarusian industry.*

## Commodity structure of exports and imports, 2019



## Foreign trade in goods by type of economic activity in 2019

	2019	
	export	import
production of electrical equipment	1 030,2	1 780,9
production of machinery and equipment not included in other categories	2 372,5	2 926,4
production of vehicles and equipment	1 838,6	3 125,5

## Exports of the main products of the engineering industry in 2019





			Including			
			CIS countries		non-CIS countries	
	2019	% 2018	2019	% 2018	2019	% 2018
<b>Tractors</b>						
quantity, thsd pcs.	47.3	121.9	41.5	128.8	5.8	88.0
average price, USD a piece	11 350	87.7	10 963	86.8	14 123	97.4
<b>Trucks</b>						
quantity, thsd pcs.	5 809	83.1	5 521	88.5	288	38.4
average price, USD a piece	164 113	88.4	160 562	98.3	232 195	62.7
<b>Parts and accessories for cars and tractors</b>						
quantity, thsd tons	86.2	116.8	80.5	120.4	5.7	82.1
average price, USD per ton	4 650	97.5	4 604	97.3	5 301	103.6

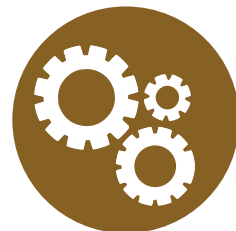


## Key players

Belarusian enterprises in mechanical engineering are widely known abroad due to such national brands as "BelAZ" mining dump trucks, "Belarus" tractors, "MAZ" trucks, "Amkodor" special equipment and "Gomselmash" agricultural machines.

According to the report "World motor vehicle production by country" of the International Organization of Motor Vehicle Manufacturers (OICA), the production of vehicles by country in 2018-2019 amounted to, units:

	2018	2019
 Russia	1 768 546	1 719 784
 Belarus	23 235	30 487
 Ukraine	6 623	7 265
 Azerbaijan	1 136	2 523



*The production potential of the machine-building industry in Belarus is characterized by a highly qualified workforce and a developed infrastructure, including accumulated experience, scientific organizations, supply and distribution channels.*

**>70%**

of the value added in the industry is accounted for OJSC MTZ, OJSC Gomselmash, OJSC MZKT

# Automotive industry

The automotive industry includes enterprises that produce cars and road-trains for international haulage, dump trucks and timber trucks, all-wheel drive off-road vehicles, super-heavy mining dump trucks and dump trailers, loaders, self-propelled scrapers, truck trailers and semi-trailers, caravan trailers for diesel engines, buses for various purposes, components and spare parts for automobile equipment. The largest state enterprise of the Republic of Belarus for the production of heavy-duty automobile equipment, as well as buses and trailers, is the Minsk Automobile Plant OJSC.



## Key enterprises

Enterprise	Range of products
<i>JSC "Minsk Automobile Plant" - the managing company of the "BELAVTOMAZ" holding</i>	Production of the Minsk Automobile Plant meets the environmental standards Euro-3, Euro-4, Euro-5, Euro-6. Truck tractors, flatbed vehicles, chassis for the installation of various special equipment are manufactured under the MAZ brand. Small class buses, suburban-international buses of Euro-4 and 5 levels, city buses of Euro-4 and Euro-5 levels are being made to order.
<i>JSC "Belarusian Automobile Plant" - the managing company of the holding "BELAZ-HOLDING"</i>	The world's largest manufacturer of heavy and extra heavy duty dump trucks, as well as other heavy transport facilities for mining and construction industries.
<i>JSC "Management Company of the "Minsk Motor Plant" Holding"</i>	The largest in Belarus and one the leading in the CIS countries manufacturer of modern diesel engines. Ranks first by the number of tractor and combine engines produced.
<i>JSC "Borisov Plant" Avtohidroustilitel "</i>	Steering mechanisms, power steering pumps, hydraulic cylinders, auto parts.

# Tractor and agricultural machinery manufacturing

The sub-industry is focused on the agricultural sector of the economy. In the sub-industry, corporate structures have been formed on the basis of the Minsk Tractor Plant, Gomselmash and Belagromash, which produce tractors, combines, machinery and equipment for production and processing of agricultural products.

The flagship enterprise of the sub-industry is Minsk Tractor Plant OJSC. For a range of years, the plant has been controlling 8-10% of the world tractor market, ranking among the ten largest world manufacturers.



## Key enterprises

Enterprise	Manufactured products
<i>JSC "Minsk Tractor Plant" (MTZ)</i>	The largest manufacturer of agricultural equipment (produces and exports wheeled tractors, spare parts). It occupies more than 7% of its segment in the world market, selling products to more than 120 countries. MTZ manufactures a wide range of tractors in accordance with Stage-3A environmental requirements. The main consumers of tractors "Belarus" are Russia, Kazakhstan, Ukraine.
<i>JSC "Minsk Gear Plant"</i>	Products and services: <ul style="list-style-type: none"><li>- gear wheels and shafts for tractors, automobiles, agricultural machines, engines, gearboxes, pumps, light industry machine tools;</li><li>- products from metal powder;</li><li>- tractor plows.</li></ul>
<i>Gomselmash Holding</i>	A modern diversified manufacturer, producing, under the PALESSE brand, a range of grain and forage harvesters, snapping and potato harvesters, mowers and other agricultural machinery. Export deliveries of OJSC "Gomselmash" are carried out to the CIS countries and Europe. Also, the company has entered the Latin American market (supplies to Brazil).
<i>Lidselmash Holding Managing Company OJSC</i>	Potato planters, cultivators, hillers, potato diggers, disc harrows, seeders, grain cleaning and drying complexes, machines for gardening and forestry.



# Construction, road and municipal machinery manufacturing

The sub-industry consists of the enterprises that currently produce most of the machines, equipment and tools needed by road, construction and public utility organisations. In recent years, new products have been mastered that successfully compete with foreign counterparts. Among them are automobile hydraulic cranes, container trucks, sidewalk cleaning machines, assembly hoists, manipulators for working with timber.

The enterprises of the sub-industry also produce concrete mixers, painting units, painting stations, spray guns, machines for applying bitumen mastics, diaphragm compressors, pumps and other equipment for construction and finishing works.



## Key enterprises

Enterprise	Manufactured products
<i>JSC "Amkodor" - holding managing company</i>	The largest manufacturer of road construction, municipal, snow removal, airfield, special, forestry, agricultural machinery and equipment in the CIS. The plant annually produces more than 5 thousand units of special machines of over 80 models and modifications, which are operated in more than 30 countries.
<i>Plant "Mogilevtransmash" JSC "MAZ" - the managing company of the holding "BELAVTOMAZ", Mogilev</i>	The plant manufactures truck cranes based on MAZ chassis, as well as trailers and semi-trailers for trucks.
<i>JSC "Volkovysk Roofing and Construction Finishing Machines Plant"</i>	Concrete mixers, painting units, painting stations, machines for applying bitumen mastics, spray guns, compressors, pumps.

# Mechanical engineering for food and consumer industry, household appliances

Despite the abundance of imported equipment for food and consumer industry, as well as for household use, the Belarusian mechanical engineering in this sector retains its positions. Production of commercial equipment, food machinery, and various mini-factories is increasing in the republic.

The sub-industry comprises companies with an extensive experience in the development and production of various equipment. These are industrial and household sewing machines, centrifugal pumps, trade and technological equipment for foodservice industry, equipment for processing cattle and poultry, etc.



## Key enterprises

Enterprise	Manufactured products
<i>JSC "Torgmash"</i>	Technological machinery, refrigerating equipment, spare parts, etc. Machinery and equipment for public catering and trade: meat grinders, potato peelers, wiping machines, refrigeration cabinets, refrigeration showcases, trade pavilions, mini-cafes, mini-markets, trade awnings, equipment for sausages production.
<i>OJSC "BRESTMASH"</i>	OJSC "BRESTMASH" produces storage equipment, tanks, cylindrical vessels, bulk capacity facilities for various industries.
<i>JSC "Grodorgmash"</i>	Technological equipment for public catering, medical equipment, consumer goods (electric water heaters), equipment for agriculture, dishes for public catering, equipment for food processing enterprises.
<i>ATLANT Inc.</i>	Household refrigerators and freezers, wine refrigerators, washing machines, trade equipment, compressors.
<i>JSC "Plant" Legmash "</i>	Hydraulic cylinders, units and parts for automotive and agricultural engineering enterprises, metallurgical industry. Consumer goods: hardware and locks, household and household goods, construction accessories.

## **STADLER**



Belarusian locomotive and railway coach building industry is an example of a success story of foreign investment.

The Swiss Stadler Rail Group and OJSC “Managing company of the holding “Belkommunmash” have launched an investment project to organize the production of railway and urban electric transport in Fanipol near Minsk. Stadler manufactures railway rolling stock - intercity and high-speed trains, articulated electric trains for regional and suburban traffic, subway trains, low-floor trams, dual-system locomotives.

Since 2010, the Belarusian Railway has been cooperating with the Stadler company. The first contract was signed up for the supply of 10 modern electric trains for urban lines. The first route was the railroad section between the Minsk-Passenger and Zhdanovichi stations. Nowadays, modern trains of the EPG city lines connect the capital of Belarus with three satellite cities - Zaslavl, Rudensky and Smolevichi. The second stage was the organization of passenger transportation in regional business class traffic on the route Minsk-Brest. In 2016, interregional business-class passenger transportation by the EPM InterCity electric train on the route Minsk - Gomel started. To date, 18 modern electric trains EPG and EPr and EPM by Stadler run in Belarus in urban, regional and interregional traffic.



# Production of passenger cars

*The passenger car manufacturing in Belarus is represented by two industrial enterprises. These are the Belgee and Unison companies.*

## Key enterprises

Enterprise	Manufactured products
<p>JV CJSC "UNISON"</p> 	<p>The Belarusian-British joint venture UNISON CJSC was founded in 2000 on the basis of the Ford Union enterprise. For 20 years, the company has assembled a number of car brands, including Ford, KIA, Samand, Lublin, Zotye, Cadillac and others.</p> <p>JV CJSC "UNISON" is the first plant in Belarus for the production of passenger cars. The production capacity is 25,000 cars per year. 300 special vehicles were produced . Today the UNISON plant produces:</p> <ul style="list-style-type: none"><li>• Peugeot 301, Partner, 508, 3008</li><li>• Citroen C-Elysee, Berlingo, DS4</li><li>• Cadillac XT5, Escalade</li><li>• Chevrolet Tahoe</li><li>• Specialty vehicles</li></ul>
<p>CJSC "BELGEE"</p> 	<p>The BELGEE plant was set up in 2017 - an CKD plant (small-node assembly of car sets) of a full cycle, namely: welding, painting, assembly. The enterprise is located between Borisov and Zhodino and covers an area of 118 hectares. The car production capacity is up to 60,000 vehicles per year with the possibility of further capacity expansion up to 120,000 vehicles.</p> <p>BelGee is planning to supply 30% of the produced cars to the domestic market, 70% - for export. Apart from Russia, BelGee is going to sell cars to Lithuania, Latvia, Ukraine and Moldova.</p>





According to the statistics of the Belarusian Automobile Association, the total number of new cars sold in 2019 in the Republic of Belarus amounted to 64,504 units, which is by 22% more than in 2018.

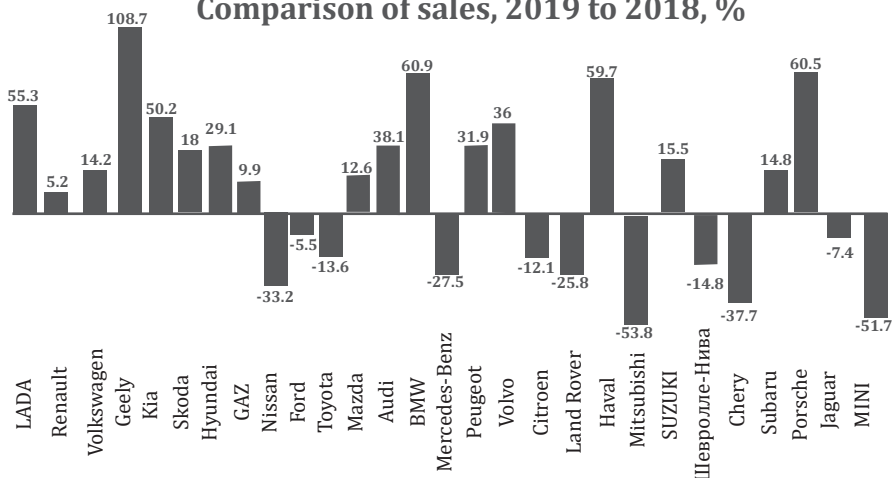
In 2019, Geely sales grew up to 6,894 vehicles. As a result, CJSC "BELGEE" entered the top-five and took the 4th place in sales of passenger cars in Belarus. Geely cars have become the leaders in sales of the SUV C class, with Geely Atlas and Geely Emgrand X7 being the most preferred.



## Sales by brand, 2019

	<b>1 LADA</b>	<b>16281</b>		<b>11 Toyota</b>	<b>834</b>		<b>21 Mitsubishi</b>	<b>178</b>
	<b>2 Renault</b>	<b>11895</b>		<b>12 Mazda</b>	<b>625</b>		<b>22 Suzuki</b>	<b>164</b>
	<b>3 Volkswagen</b>	<b>7919</b>		<b>13 Audi</b>	<b>605</b>		<b>23 Шевроле-Нива</b>	<b>161</b>
	<b>4 Geely</b>	<b>6894</b>		<b>14 BMW</b>	<b>605</b>		<b>24 Chery</b>	<b>157</b>
	<b>5 Kia</b>	<b>4029</b>		<b>15 Mercedes-Benz</b>	<b>414</b>		<b>25 Subaru</b>	<b>124</b>
	<b>6 Škoda</b>	<b>3826</b>		<b>16 Peugeot</b>	<b>335</b>		<b>26 Porsche</b>	<b>122</b>
	<b>7 Hyundai</b>	<b>3160</b>		<b>17 Volvo</b>	<b>302</b>		<b>27 Jaguar</b>	<b>50</b>
	<b>8 GAZ</b>	<b>2628</b>		<b>18 Citroen</b>	<b>261</b>		<b>28 Maserati</b>	<b>17</b>
	<b>9 Nissan</b>	<b>2066</b>		<b>19 Land Rover</b>	<b>193</b>		<b>29 MINI</b>	<b>14</b>
	<b>10 Ford</b>	<b>1049</b>		<b>20 Haval</b>	<b>190</b>		<b>30 ZOTYE</b>	<b>1</b>

## Comparison of sales, 2019 to 2018, %



# Development of electric transport in Belarus



*The President of Belarus signed a decree  
“On stimulating the use of electric vehicles”,  
providing benefits for owners of electric vehicles.*

## The decree provides for exemption:



for owners of electric vehicles - from paying toll and toll  
communal parking lots.



for individuals - from paying VAT when buying an  
electric car for personal use



for electric charging stations - from VAT



Land plots for electric charging stations will be  
provided without auction.

*Manufacturers of electric vehicles and electric charging stations, as well as organizations operating them, have been given the right to apply an increased investment deduction under the current procedure stated at the Tax Code.*



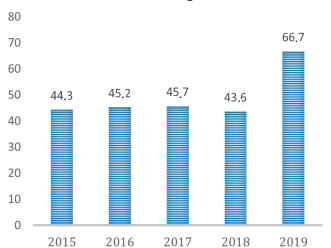
# Automotive components



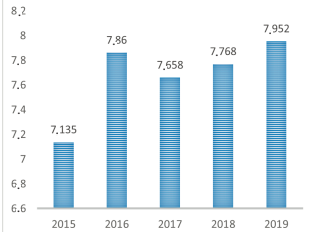
The rapid development and structure changes of the automotive market create favourable conditions for a significant expansion of the auto components sector. The positive dynamics of production and sales of vehicles determines the main trends in the development of the automotive components market in the Republic of Belarus.

## Production of the selected types of auto components in the Republic of Belarus in 2015 - 2019

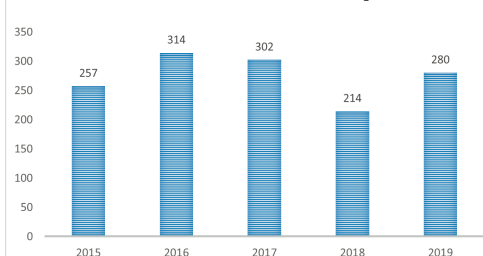
Internal combustion engines for cars, thousand pieces



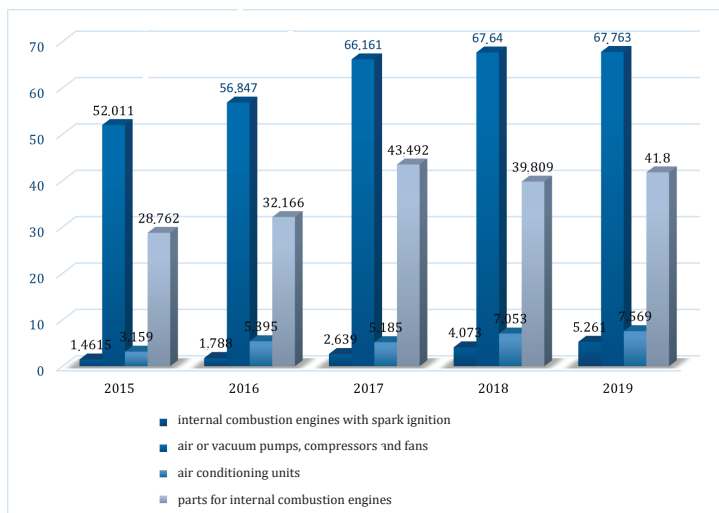
Insulated wrapping wires, thousand tons



Lead-acid accumulators, thousand pieces



## Export of the selected types of auto components from the Republic of Belarus in 2015 - 2019, thousand US dollars



## *Holding "Autocomponents" comprises 11 production sites:*

### *Holding structure:*

Division of electrical machines:



JSC "BATE-managing company of the  
"Autocomponents" holding"

Electrical equipment division:



OJSC "EKRAN"



JSC "VZEP"



JSC "Prema"



JSC "REMIZ"

Division of hydropneumatic parts and transmissions:



JSC "Borisov plant"  
Avtogidrosilitel "



OJSC "Belcard"



JSC "Borisov Plant  
of Aggregates"

Lighting devices division:



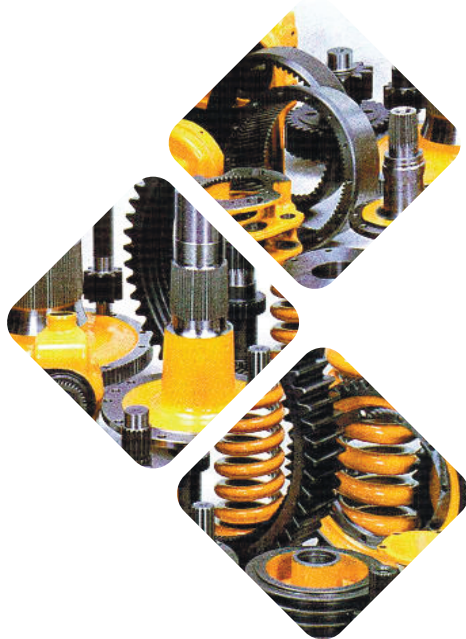
JSC "Rudensk"



JSC "Shchuchinsky plant"  
Avtoprovod "



JSC "Radiotekhnika"



*At present, JSC BATE, the managing company of the "Avtokomponenty" Holding, has implemented a quality management system at each enterprise of the holding.*

*The products are protected by a trademark on the territory of Azerbaijan, Armenia, Bulgaria, Vietnam, Kazakhstan, China, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, the Russian Federation,*

*Uzbekistan, Ukraine, Estonia. The company also possesses four patents for invention and two patents for an industrial design.*



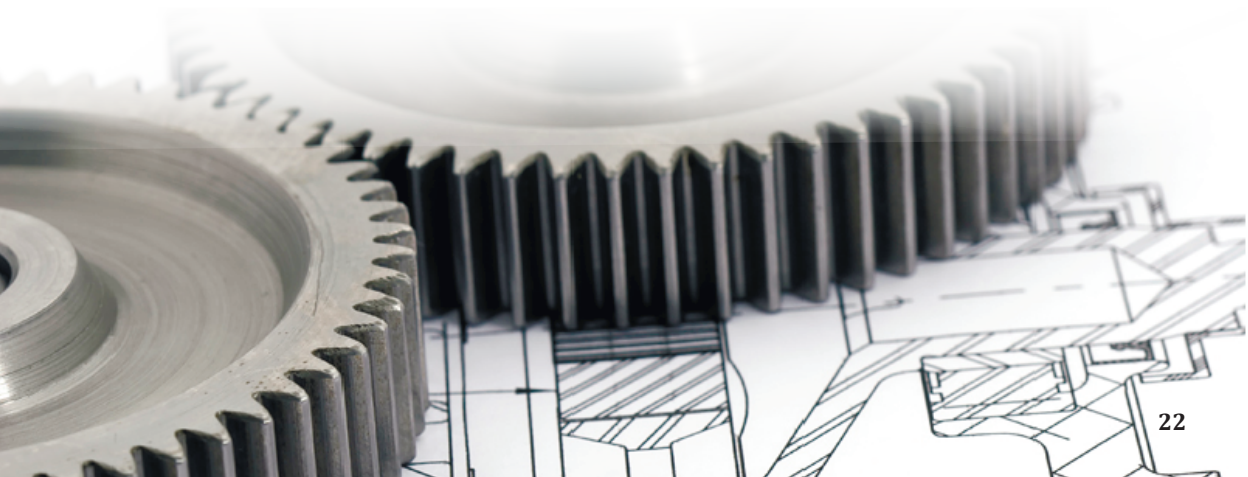
# Investment potential and development prospects of the industry



In order to actively attract investment in the machine-building complex, actions are being taken in the following areas:

- formation and development of innovative industrial clusters;
- activation of industrial subcontracting and technology transfer;
- implementation of joint infrastructure projects with investors on the basis of public-private partnership;
- launching a complex of stimulating conditions for investments aimed at accelerating the development and implementation of fundamentally new technologies, the implementation of innovative projects, increasing the resource efficiency of production and product quality;
- growth of capitalization of mechanical engineering organizations.

**The development of cooperation, interaction and collaboration in the engineering industry contributes to the improvement of the investment climate, increasing the export potential of manufacturing enterprises in the engineering industry.**







# *Investment projects* **to implement in Belarus**





## DEVELOPMENT AND LAUNCHING INTO MANUFACTURE OF EBS, ABS, ESP SYSTEMS, OTHER ASSISTANCE SYSTEMS FOR THE TRUCK AND BUS DRIVERS

The investment project is aimed at reducing the share of the delivered imported EBS, ABS, ESP systems for trucks and buses.

The implementation of the investment project will allow to take at least 60% of the market of safety systems for trucks and buses in the Republic of Belarus.

### About the enterprise

BelOMO Holding is a diversified association that specializes in the development and production of high-quality optical-electronic, laser and optical-mechanical products meeting international standards and requirements.

This investment offer refers to the company OJSC Minsk Mechanical Works named after S.I. Vavilov - the managing company of BelOMO holding. The public corporation has a large production capacity focused on special-purpose production lines such as foundry, mechanical, optical, processing of polymeric materials, press rooms, galvanizing and varnish-and-paint rooms, assembly rooms and tooling rooms.

### BelOMO geography

the Republic of Belarus and the Russian Federation.

### Goal of the project

The project goal is the development and launching into large-scale manufacture of safety systems for road freight transport with selling auto parts to traditional consumers by upgrading technological conversions for the production of brake gear devices.

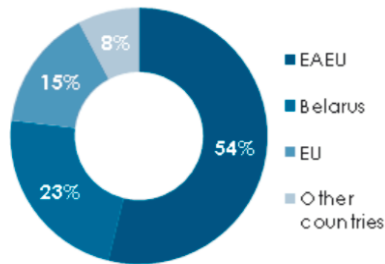
### Range of products

The range of the products supposed to be produced: sets of EBS, ABS, ESP systems for trucks and buses. Driver assistance systems.

### The form of the investor's participation

Creation of a joint production (the investor's share in the registered capital during the implementation of the planned form of participation may be 30-49%).

Estimated distribution of sales in main regions



#### Project financing

The total investment costs for the project will amount to 25 mln. US dollars. Among them: own funds of OJSC MMW named after S.I. Vavilov – the managing company of BelOMO holding – 10 mln. US dollars, the investor's funds – 15 mln. US dollars

#### Project benefits

a strong brand of the company (the company is well-known both in the Republic of Belarus and in the EAEU countries);  
specialized staff (highly qualified specialists work at the company);  
a well-established supply chain of raw stuff and components (there is a long-term experience with suppliers);  
guaranteed volumes of orders (PJSC KAMAZ, Managing company GAZ Group, BelAvtoMAZ, Automobile Plant Ural);  
the availability of valid patents, permits (QMS is certified for compliance with the requirements of GOST R ISO/ TU 16949);  
the absence of similar industries in the Republic of Belarus.

## CONSTRUCTION OF MODERN PLANT FOR PRODUCTION COMPONENTS FOR EQUIPMENT OF ENGINES THAT MEET THE REQUIREMENTS OF ENVIRONMENTAL STANDARD EURO-4/5 AND HIGHER, STAGE-3A AND HIGHER

The project's goal is to modernize and develop the plant production capacity for the organization of production competitive products for the equipment of engines that meet the environmental standard of Euro-4/5 and higher, Stage-3A and higher.

### About company

**OJSC Borisov plant of aggregates** is specialized enterprise for the production and distribution of components to diesel engines of tractors vehicles.

Distribution of OJSC Borisov plant of aggregates products is planned to foreign and domestic markets. The main export markets of the company include the Russian Federation and other member States of the Eurasian economic Union.

### Property structure

OJSC BATE – 99,2%  
Borisov district – 0,8%

### Manufactured products

- turbochargers;
- compressors;
- water and oil pumps;
- filters and other products for diesel engines of automotive; tractor, road construction and agricultural vehicles.

The range of products is more than 40 units

Market volume in 2017 – 10.1 mln USD;  
Profitability of sales in 2017 – 8.2%



# DEVELOPMENT OF JSC AMKODOR, HOLDING MANAGING COMPANY

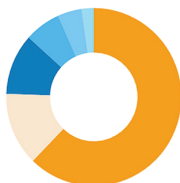
Amkodor, holding managing company is interested in attracting a strategic investor to implement joint projects, conduct research, and produce innovative products.

## About the company

Amkodor, holding managing company is one of the largest manufacturers of road construction, forestry, municipal, agricultural and other special equipment in the CIS and Europe.

## Ownership structure

93 % - the share of private investors  
7 % - state share



**56 %**  
FRONT-END AND  
UNIVERSAL  
LOADERS

**6 %**  
TIMBER  
INDUSTRY  
MACHINERY

**12 %**  
ELECTRIC LOADERS  
ON THEIR OWN  
CHASSIS

**4 %**  
SIDE-TURN  
MINI-LOADERS

**10 %**  
WAREHOUSE  
EQUIPMENT

**2 %**  
TELEHANDLERS

\* Based on the results of 9 months of 2019  
(in % of total sales of self-propelled vehicles  
in physical terms)

## Manufactured products

### EXPECTED FORM OF INVESTOR'S PARTICIPATION

- Contribution to the authorized capital of a new company
- Acquisition of a stake in an existing company
- Setting up joint ventures

### AREAS OF RESOURCES APPLICATION

- Research and development
- Purchase of equipment and technologies
- Modernization of existing production facilities



## ABOUT THE HOLDING



**28**  
ORGANIZATIONS  
IN THE HOLDING



**18**  
PLANTS  
IN THE HOLDING



**250 MLN \$**  
INVESTMENTS  
IN OWN ENTERPRISES  
OVER THE PAST  
10 YEARS



**93%**  
OF SHARES  
ARE OWNED  
BY PRIVATE  
INVESTORS



**7%**  
OF SHARES  
ARE STATE-  
OWNED



**6500**  
UNITS  
OF MACHINE  
AND PROCESS  
EQUIPMENT



**6500**  
PRODUCT  
NAMES



**125**  
MODELS AND  
MODIFICATIONS  
OF SPECIAL AND  
AGRICULTURAL  
EQUIPMENT



**177 HA**  
LAND PLOT  
AREA

## INVESTMENT ATTRACTIVENESS

**1**

### INNOVATIVE NATURE

AVAILABILITY OF OWN TECHNOLOGICAL AND TECHNICAL SOLUTIONS



SCIENCE AND  
TECHNOLOGY  
CENTER AS PART  
OF THE HOLDING



OPTIMIZATION OF  
THE TIME REQUIRED  
FOR MACHINE  
DEVELOPMENT



TESTING AND  
CERTIFICATION OF  
MANUFACTURED  
PRODUCTS

**2**

### AVAILABILITY OF PRODUCTION FACILITIES

TO CREATE NEW PRODUCTION FACILITIES AND PRODUCE NEW PRODUCTS



UNUSED  
LAND PLOTS  
SUITABLE FOR  
DEVELOPMENT



VACANT  
BUILDINGS  
READY FOR USE



AVAILABLE  
PRODUCTION  
CAPACITY

**3**

### USE OF OUR OWN COMPONENTS



PRODUCTION OF  
DRIVING  
AXLES



PRODUCTION OF  
HYDRO-MECHANICAL  
TRANSMISSIONS



WORLD-CLASS  
CABIN  
MANUFACTURING

## Project Finance

**Total cost of investment project** is 10.8 mln. USD

- OJSC Borisov plant of aggregates contributes 3.9 mln USD
- Investor contributes 6.9 mln USD.

## INVESTMENT PROJECT ADVANTAGES

- Recognized brand;
- Unsaturated domestic market;
- Stable financial and economic indicators of the enterprise;
- Availability of full-fledged production and engineering infrastructure, technical and technological reserves for modernization and further development of production;
- Distribution network;
- Availability of supply chain of raw materials and components;
- Possibility to expand production line and set up of additional facilities;
- Access to EAEU's market;
- Guaranteed orders from enterprises (public and private);
- Possibility of using local raw materials.

## FINANCIAL EFFICIENCY

<b>Calculation horizon, years</b>	10
<b>Annual revenue, thousand, USD</b>	26 700
<b>Period of reaching the project capacity, year</b>	2021
<b>Simple payback period, years</b>	5,9
<b>Dynamic payback period, years</b>	7,1
<b>NPV, mln. USD</b>	1,52
<b>IRR, %</b>	12,51



# PRODUCTION OF UTILITY UNIVERSAL MACHINES WITH ELECTRIC DRIVE AND SET OF MOUNTED EQUIPMENT

## ABOUT THE PROJECT

The aim of the project is to organize the production of special equipment with electric drive for the construction and maintenance of roads.

## ABOUT THE PARTNER

LLC Dorelektromash  
LLC "Dorelektromash" heads a group of production enterprises, in which includes four more legal entities: ETON LLC, ETON-ELTRANS UP, SOO Hydrostar, Smolmet LLC.

The total number of employees is more than 300 people.

## SALES MARKETS

Belarus  
Russia  
Ukraine

## EFFICIENCY



**FROM \$3.5 MILLION**

Project implementation cost



**2020-2025**

Project indicative dates



**INVESTOR  
PARTICIPATION  
FORM**

Joint venture



**ADVANTAGES OF  
THE PROJECT**

- Availability of qualified workers;
- Benefits and preferences in the implementation of the investment project.

## ESTABLISHMENT OF HIGHLY EFFICIENT PRODUCTION OF INTELLIGENT COMPONENTS AND SYSTEMS FOR VEHICLES OF THE ECOLOGICAL CLASS EURO-5, EURO-6

The implementation of the investment project involves the development of manufacture of new products, installation of modern flexible automated assembly lines for pneumatic devices, sensors, and other automotive components, implementation of enterprise management information systems.

### About the project

To implement the project, it is necessary to purchase modern high-performance metal-cutting equipment (CNC lathes, vertical machining centers) and equipment

- for the assembly shop (a chamber furnace, an autoclave, a winding semi-automatic machine);
- for the plastic casting site (injection molding machines, crusher knife, vulcanizing press);
- for the production of collector and brushless motors.

The modern enterprise management information system will include:

- design and engineering of new products;
- production, supply and marketing management.

### Directions for the development of production

- smart sensors (including programmable) and execution units (pneumatic devices)
- active security systems
- brushless motors

### About the company

Ekran JSC is one of the leading manufacturers of automotive tractor equipment (sensors, devices) and automotive electronics (anti-lock brake systems, ABS/ASR and electronic air suspension control systems) in the CIS-region.

There is no production of analogues in Belarus

### Ownership

100% of the company's shares are owned by BATE JSC (the managing company of Avtokomponenty Holding)



**Main consumers**

The main potential consumers of the developed auto-electronic systems and programmable pressure sensors are MAZ JSC, KAMAZ PTC, Ural AZ JSC and other manufacturers of heavy vehicles in the Republic of Belarus and the Russian Federation, as well as Ganja Auto Plant PC (Azerbaijan).

**Main competitors**

The basic set of intelligent control systems for the brake drive of commercial vehicles, anti-lock braking system for trailers with anti-tipping function, a programmable pressure sensor have comparable technical and quality characteristics with respect to imported analogues: WABCO (Austria), Knorr-Bremse (Germany), Sensor Technic Wiedemann (Germany ); at the same time, there are no domestic analogues.

**Project finance**

Total investment costs - 6,090 mln. USD  
Own resources - 1,5 mln. USD  
Investor's resources - 4,59 mln. USD

**Indicators of financial efficiency of the project**

Time horizon, years	9
Annual revenue (without the VAT, after reaching the estimated capacity), mln USD	24,8
Period for reaching the project capacity, years	2024
Pay-back period, years	5,9
Dynamic pay-back period, years	6,4
NPV, mln USD	0,8
IRR, %	10,5
Discount rate, %	5,5

## ABOUT THE PROJECT

The aim of the project is to develop a production trolleybuses with elevated autonomous course up to 60 km.

Trolleybuses with increased autonomous course allow you to transport passengers by city electrified transport on bus routes.

Trolleybuses (unlike electric buses) do not require charging stations: they charge directly while driving under the contact network.

## ABOUT THE PARTNER

A unitary enterprise ETON-ELTRANS

## SALES MARKETS

Belarus  
Russia  
Ukraine  
Lithuania  
Latvia

## EFFICIENCY



FROM \$2 MILLION

Project implementation cost



2020-2025

Project indicative dates



INVESTOR  
PARTICIPATION  
FORM

Joint venture



ADVANTAGES OF  
THE PROJECT

- Availability of qualified workers;
- Environmentally friendly product;
- Benefits and preferences in the implementation of the investment project.

## The Republic of Belarus

The Republic of Belarus is a state in the center of Europe. The shortest transport communications that connect the CIS countries with the states of Western Europe run through the territory of Belarus. By area Belarus surpasses such European countries as Austria, Belgium, Greece, the Netherlands, Portugal, and the Czech Republic.

Agricultural land makes up 41% of the territory of Belarus, forest land -42%.

The Republic of Belarus is an exportoriented state with a developed industry, services sector and agriculture.

Belarus maintains trade relations with almost all countries of the world.



## Key indicators, 2019



### Population

9.48 mln (45.7 people/km<sup>2</sup>)



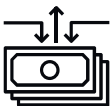
### Territory

207, 600 km<sup>2</sup>



### Foreign trade in goods and services

~84.2 bln \$ (2019)



### Nominal GDP

~63.2 bln \$ (2019)



### GDP per capita

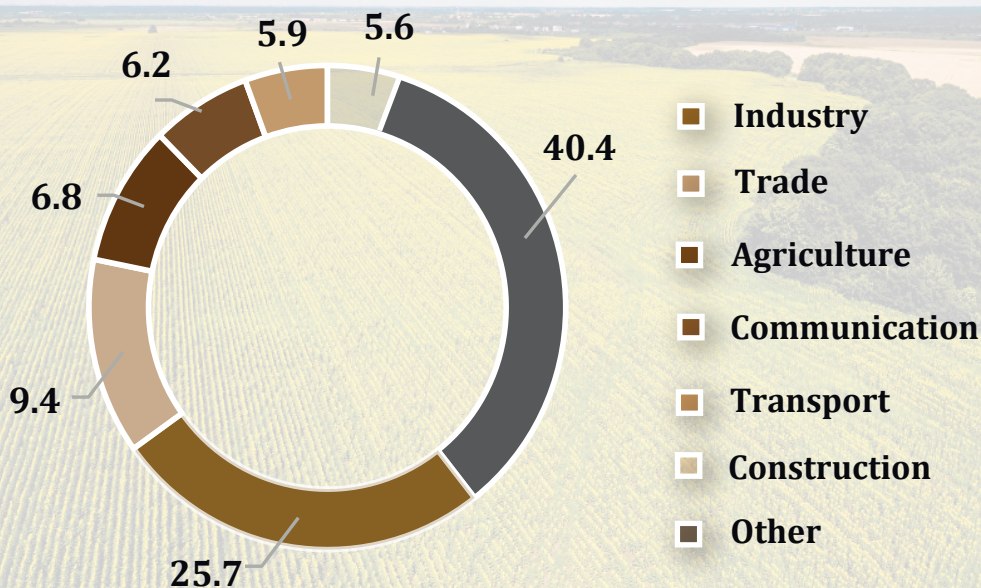
~20.1 thsd \$ (2019)



### Net FDI

~1.3 bln \$ (2019)

## GDP structure, 2019



## Global rankings

### FDI Intelligence, 2020

Minsk	2
Sofia	3
Bucharest	4
Kiyev	5

\* among the cities of Europe, division «The Financial Times», category "Cost Effectiveness doing business"

### Global Food Security Index, 2019

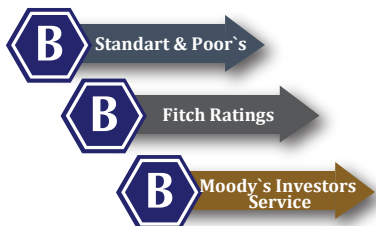
Belarus	36
Romania	38
Russia	42
Kazakhstan	48

\* country performance by food indicator security, 2019

### Human Development Index, 2019

Belarus	50
Bulgaria	52
Georgia	70
Ukraine	88

\* Belarus belongs to the group of countries with high level of human development



\* «B» - stable outlook



**5.7**  
Dentists  
per 10 000  
population



Belarus  
in **top 10**  
of Lonely Planet  
Best in Travel 2019



Belarus  
in **top 25**  
countries  
favorable for  
motherhood



BelAZ  
**450-ton**  
dump truck  
twice entered into  
the Guinness Book of  
Records



Belarus is  
world's  
**3rd** largest  
exporter of  
potash  
fertilizers





Eurasian  
Economic Union



### Investment agreement

**Investment agreement with Belarus provides certain other benefits and additional governmental support.**



agreements for promotion and mutual protection of investments



agreements on avoidance of double taxation

### Visa-free regime

**Visa-free travel to Belarus for 30 days for citizens of 70 + countries through the national airport. Visa-free travel to Brest and Grodno regions for 15 days for citizens of 70 + countries through 12 international checkpoints on the EU border.**

# Preferential Investment Regimes

## Free Economic Zones

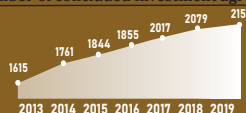
1. Exemption from income tax upon sale for export and to other residents of FEZ
2. Exemption from real estate tax on objects in the territory of FEZ for three years from the date of registration
3. Exemption from land tax and lease of land for the period of design and construction, but not more than 5 years from the date of registration. Exemption irrespective of the direction of their use (when sold for export and (or) to other residents of the FEZ)
4. Exemption from payment for the right to conclude a land lease agreement

\*Minimum investment amount 0.5 million EUR

## Investment agreement

1. VAT deduction in full
2. Exemption from import customs duties and taxes upon import into the Republic of Belarus of technological equipment, raw materials
3. Exemption from compensation for losses of forestry and agricultural production

Number of concluded investment agreements



## Small towns

1. Exemption from income tax for 7 years from the date of registration, in the sale of goods (works, services) of own production
2. Real estate tax exemption for 7 years from the date of buildings registration
3. Exemption from import customs duties in respect of imported goods contributed to the authorized capital, from the date of manufacture of which no more than 5 years have passed on some commodity items
4. Exemption from income tax in respect of profit derived from the sale of goods of own production
5. Income tax exemption for 7 years

## Southeastern region of the Mogilev region

1. Income tax - 10% for 7 years from the date of commencement of business
2. Pension insurance for entities - 24%, within 7 years from the start of business
3. Financing the costs of creating engineering and transport infrastructure for the implementation of projects in agriculture and industry

## Industrial park "Great Stone"

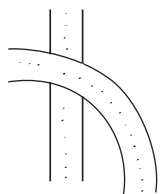
1. Exemption from income tax for 10 years, and subsequently at a rate of 50% of the current in the republic
2. Real estate tax exemption
3. Land tax exemption
4. Rent exemption
5. Exemption from compensation for losses of forestry and agricultural production
6. Income tax for employees of residents of the park - 9% until 01/01/2027

## Orsha district

1. VAT deduction in full when constructing and equipping facilities in the territory of Orsha district
2. Exemption from state duties for issuing special permits for the right to engage in labor activities in the Republic of Belarus to foreign citizens and stateless persons
3. Exemption from compensation for losses of forestry and agricultural production during the implementation of projects to create (expand) the production of goods (works, services)
4. Pension insurance for entities - 24%
5. Financial support of medium-sized enterprises at the expense of the regional budget



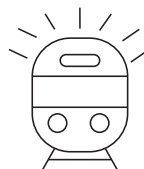
# Favorable geographical location



**103  
thsd km**  
motorway total  
length



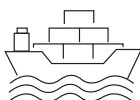
**6**  
international  
airports



**5,480  
km**  
railway total  
length



**2,067.4  
km**  
length of inland  
waterways



**8**  
river ports

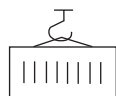


**Distance to the ports  
of the Baltic Sea**

- ➔ **Riga-600 km**
- ➔ **Klaipeda-700 km**
- ➔ **Ventspils-760 km**
- ➔ **Tallinn-760 km**
- ➔ **Gdansk-900 km**

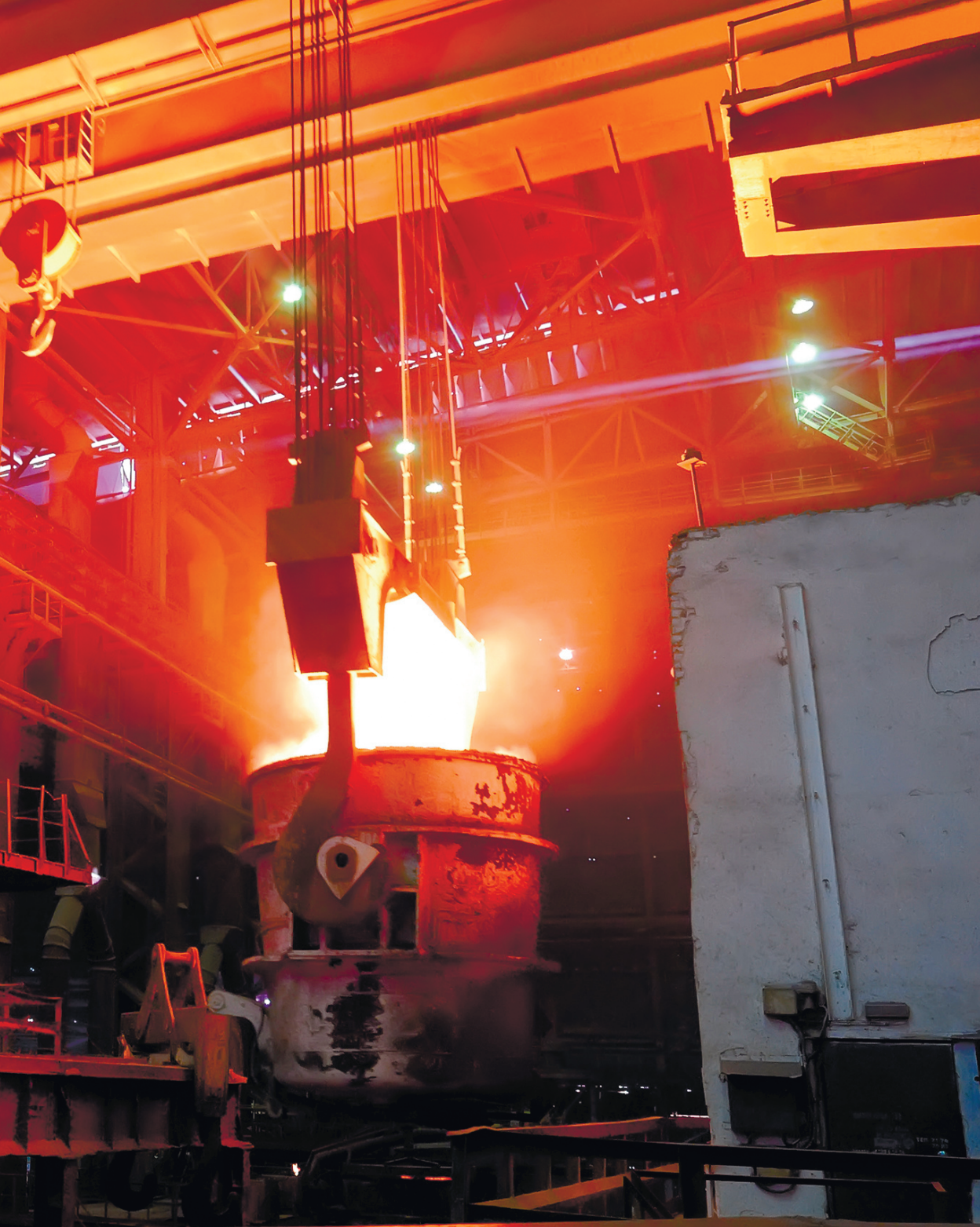
Belarus is crossed by the main Trans-European Transport Corridors (II West-East and IX North-South, with branching Corridor IXB). The country's beneficial geographical location determines its advanced transport infrastructure.

The Trans-European Transport Corridor with its branching opens direct access to the specialized sea ports of Klaipeda, Ventspils and Kaliningrad for cargo owners from Central Russia and Eastern Ukraine.



**20-foot container delivery charge (from Minsk)**







# National Agency of Investment and Privatization

**The Agency provides assistance for 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 doing business in the Republic of Belarus
- ▶ aftercare



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