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NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION
REPUBLIC OF BELARUS

LIGHT INDUSTRY in the Republic of Belarus

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1. Current state of the industry

1.1. Key industry indicators

Traditionally, the light industry consists of a set of sub-sectors, including textiles, apparel, leather, fur, and footwear. In Belarus, there are four such sub-sectors: textile, apparel, knitwear, and leather-footwear. These sub-sectors form a single type of economic activity – the production of textiles, clothing, leather, and fur products.

In 2023, there were 2,135 enterprises operating in Belarus's light industry (3.8% more than in 2022) with a total workforce of approximately 85,000. They produced clothing (44.1%), fabrics and textile products (42%), footwear (10.4%), and leather and fur goods (3.5%). The light industry sector accounts for about 1% of the country's GDP. Overall, the products of Belarusian light industry enterprises are exported to 95 countries worldwide. In 2023, more than 80% of production was exported to 77 countries.

Large companies account for 61.7% of total industrial output and employ 56,300 people, while constituting only 2.7% of all industry organizations. These are typically enterprises that are part of the Belarusian State Light Industry Concern “Bellegprom.” Medium-sized enterprises employ 12,300 people and contribute 12.1% to the total industrial output. Small enterprises employ 24,900 people and produce 21.8% of the output. Small organizations make up 27.2% of the industry's total number of companies. Most enterprises in the industry are micro-organizations (66.6% of all companies), employing 6,500 people and generating 4.4% of the sector's industrial output.

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The nominal accrued average monthly wage in the sector in 2023 amounted to 1,406.5 Belarusian rubles, which is 73.4% of the national average. Capital investments in 2023 reached 143.9 million rubles, representing an 18.1% increase compared to 2022.



1.2. Legal environment

One of the main priorities for the development of light industry organizations is the production of innovative products with new or improved consumer properties. The «Bellegprom» concern, in cooperation with its member organizations, is continuously engaged in the development of innovative products. Currently, these initiatives are included in the State Program for Innovative Development of the Republic of Belarus for 2021–2025, approved by Presidential Decree No. 348 of September 15, 2021.

To enhance the competitiveness of light industry organizations, increase exports, strengthen the sector's position in the market, create conditions for technical re-equipment, develop new product types, and reduce import dependency, the state program «Technologies and Materials in Light Industry» for 2021–2025 is being implemented.

The goal to enhance the competitiveness is also supported by cooperative efforts within the framework of the Eurasian Technology Platform «Light Industry.» This platform focuses on creating a scientific and technological foundation

based on the results of joint priority research and development by member states of the Eurasian Economic Union. It also aims to open new markets for high-tech products and services and enable rapid dissemination of advanced technologies in the textile and light industry sectors across the Union's member states.

For the next five years, the legal framework for the industry will be shaped by the strategy for light industry development until 2030, which is currently being developed by the «Bellegprom» concern. It's also worth noting that within the Commonwealth of Independent States (CIS), work is underway on a draft Concept for the Development of Cooperation among CIS member states in light industry. This initiative aims to unite efforts for the effective use of available resources and promote national brands.



1.3. Research and Development Base

Scientific support for the light industry is provided by the Republican Unitary Enterprise «Center for Scientific Research of the Light Industry,» which is a part of the Bellegprom concern. This enterprise is the only scientific organization in the Republic of Belarus which provides scientific and technical support for the development of the domestic light industry.

Since 2017, the center's research and technological developments have included biotechnology, new multifunctional materials, eco-friendly and safe technologies and materials (including those for medical use), and technologies for the deep processing of domestic raw materials—primarily flax fibers and “smart threads.” The center's scientific staff provides research support for the innovation business plans of OJSC «Polesie» and JSC «Gronitex,» including the development and implementation of technologies for the production of entirely new types of blended and flax-containing yarns, novelty yarns, and seamless knitwear.

In 2017, the Sectoral Research Laboratory of the Textile Industry was established and operates on the basis of the Center. Its' activities are aimed at advancing innovation processes in the textile industry by developing and implementing new production technologies and forming a modern scientific, experimental, and educational base for the sector. This supports cost reduction for testing new technologies and improves the professional training level of personnel in affiliated educational institutions.

As a result of R&D and experimental design work, new technological processes have been developed for producing yarns, textiles, and knitwear (including those with functional and special properties). These processes are based on modern polyamide and polyester fibers and threads, as well as advanced flax fiber processing techniques using biotechnology, shortened spinning systems for wool-type yarns, and novel structural fantasy yarns. In total, more than 50 innovations have been created and successfully implemented at Belarusian enterprises such as JSC «Gronitex,» JSC «Polesie,» JSC «Slonim Worsted Spinning and Weaving Factory,» JSC «BPHO,» JSC «Alesya,» JSC «8 Marta,» and JSC «Svitank.» The adoption of these technologies is conducted in accordance with current legislation. The average efficiency coefficient of the laboratory's scientific and technical programs is 15.43.

The leading university engaged in research for the light industry is the Vitebsk State Technological University. Several scientific schools operate within the university: «Textile Material Technologies,» «Computer Technologies in Light Industry Production,» «Energy-Efficient Technologies for Moist-Heat and Thermal Treatment and Drying of Products and Materials in the Light and Textile Industries,» «Technology and Design of Complex Structured Fabrics,» «Footwear Quality and Components,» and «Development and Study of Medical Knitwear and Its Production Process.» The university also hosts a science and technology park.

1.4. Staffing

The only higher educational institution that trains specialists for the light industry is the Vitebsk State Technological University (VSTU). VSTU is a unique educational, scientific, and production complex, which includes 2 colleges, 5 academic buildings, a technology park, and modern production-testing and educational-scientific laboratories. The preparation of highly qualified specialists for textile, garment, and footwear enterprises is carried out at the Faculty of Production Technologies. The faculty employs 56 teachers, including 6 doctors of science, professors, and 34 teachers with academic degrees of candidate of sciences and the title of associate professor.

Since the university's foundation, more than 43,000 highly qualified specialists have been trained.

Additionally, specialists for the light industry are trained at the Minsk State Vocational Technical College of Light Industry and Household Services, the Minsk State College of Technology and Design of Light Industry, the Vitebsk State Vocational Technical College of Light Industry, the Baranovichi State College of Light Industry named after V.E. Chernyshev, and the Pinsk State Vocational Technical College of Light Industry.



1.5. Technologies

In the Republic, innovative technologies are actively being developed and implemented in the following areas:

1) RUE «Center for Scientific Research of the Light Industry» – development of biotechnological methods for improving natural raw materials, primarily domestic flax, processing of import-substituting polyester «smart» threads and threads with new structural and color effects, development of new functional textile materials with specified properties, creation of technologies for processing modern modifications of chemical fibers into yarn, and technologies for deep processing of flax.

2) RUPTP «Orsha Flax Mill» – jacquard flax-containing tapestry curtain fabrics with a shading effect, flax-containing jacquard fabrics for decorative bedspreads with three-dimensional multi-color patterns, flax-containing decorative jacquard fabrics with the effect of multi-color vintage embroidery for interior and furniture design, complex-structured table linen fabrics made from a new type of cottonized yarn: colored and bleached, lightweight flax-containing fabrics with a sparsely-dense structure like blinds, flax-containing colored suit fabrics with complex structures.

3) JSC «Lenta» – new technologies for producing highly elastic braided threads

4) JSC «Granitex» – blended yarn for the production of household and technical fabrics.

In 2023, light industry enterprises launched the production of new products for the domestic market:

- Fiberglass fabrics and threads with improved consumer characteristics;
- “Denim” type cotton fabrics;
- Silicone-treated fabrics;
- Semi-wool decorative and suit fabrics;
- High-volume polyacrylonitrile yarn.

Taking into account the priority areas of scientific, scientific-technical, and innovative activities for 2021-2025, as defined in the Comprehensive Forecast of Scientific and Technological Progress of the Republic of Belarus for 2021-2025 and the period up to 2040, the conduct of industry-specific scientific research and developments is planned in the following areas:

- Development of science-intensive technologies for deep processing of domestic raw materials (chemical and natural fibers and threads, leather and fur raw materials) to create finished products with improved physical-mechanical, hygienic, and consumer properties;
- Development of new types of special materials with specified properties for the production of light industry products for defense, medical, and other purposes using chemical, plasma, nano- and biotechnology;
- Development of resource-saving technologies for the production of high-quality textile and knit materials for export and import substitution purposes using innovative types of raw materials

1.6. Production-territorial clusters

The light industry is one of the key sectors of the Republic. It is the main producer of such essential goods as clothing and footwear, as well as other household items, ensuring the operation of related industries. The textile industry is rightfully considered the key subsector of light industry. It drives the growth of the garment, leather, and other subsectors of light industry, while simultaneously being a consumer of products from the agricultural and chemical industries. In this regard, steps have been taken to form a cluster in the textile industry in the Vitebsk region based on the Orsha Linen Mill and Vitebsk State Technological University. A roadmap for the future cluster has already been developed. There are also potential clusters in the Brest region, such as the garment cluster based on JSC «Brest Hosiery Mill», LLC «LentaStil», JSC «BPHO» (Blakit), and JSC «Polesie».

In general, the core of potential innovation-industrial clusters may consist of the largest producers and exporters in the industry – these include CJSC «Conte Spa», RUE «Orsha Linen Mill», JSC «Vitebsk Carpets», JSC «Mogotex», CJSC «Belvest», JV CJSC «Milavitsa», JSC «Baranovich Cotton Production Association», JSC «Polesie», JSC «Slonim Camber-Carding Factory», JSC «Kamvol», JSC «Minsk Leather Production Association», JSC «Slavyanka», JSC «Brest Hosiery Mill», JSC «Lenta». According to the concern's estimate, a cluster of 20–30

enterprises may form around JSC «Kamvol», over 50 around JSC «Mogotex», and there are 400 bed linen manufacturers who can work with the Orsha Linen Mill and Baranovich Cotton Production Association.

Moreover, effective platforms for the development of light industry organizations include free economic zones and technology parks. There is also the possibility of becoming a member of the Association of Light Industry Enterprises, which coordinates and protects the interests of its members.

For reference. The Association of Light Industry Enterprises was registered on February 8, 2021. The founders were representatives of large private businesses: the companies «Marko», «Furnitur-BY», «Solo-Pinsk», as well as the Business School IPM. Potential members of the organization may include hundreds of enterprises from the country – not only large players but also small businesses.



2. Resource and raw material base

The resource and raw material base of the light industry is a crucial factor in the development of the sector. Currently, 70% of the raw materials processed by the Belarusian light industry are imported (accounting for over 70% of costs in the cost structure). Primarily, combined fabrics, natural and synthetic materials such as acrylic, polyacrylonitrile, elastane (spandex or lycra), polyamide, polyester (made from polyethylene terephthalate), viscose, wool, cotton, and linen are used. Belarus mainly satisfies its demand for flax fiber and fabrics, chemical fibers, but is forced to import cotton (which is not grown in Belarus) and a significant amount of cotton fabrics, as well as wool (sheep farming is underdeveloped).

This share of imported components in the cost of the final product creates significant pressure on the pricing of domestic manufacturers. However, due to existing technologies and methods of organizing production in the light industry, this pressure is mitigated. As a result, the Belarusian consumer has the opportunity to buy domestic products at an acceptable and affordable price-quality ratio

This situation is not typical of all subsectors. In the leather and footwear subsector, the share of imported components is lower. This is due to the domestic raw material base of leather (since 2019, the Minsk Leather Production Association has been producing high-quality leather goods). Belarusian leather goods manufacturers and shoemakers use about 70% of domestic leather raw materials. Major footwear producers – «Marko» and «Belvest» – still import a large volume of leather. Imported components such as glue, dye, and accessories are currently brought in from Russia, China, and Turkey.

The exclusively domestic raw material base is flax. When grown properly, it allows for the provision of high-quality fabrics and products for the domestic market, as well as servicing external markets. However, non-compliance with agricultural technologies and the processing of low-quality flax stems using outdated equipment results in insufficient production of long flax fiber at factories. As a result, a small portion of such flax is imported. Overall, nearly half of the flax is exported.



3. Production infrastructure

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

To accelerate the innovative development of organizations in the industry and improve the investment climate across Minsk and the regions, free economic zones (FEZs), industrial sites, and technoparks have been established. Currently, there are 6 functioning FEZs:

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

A project to create a network of industrial parks is being developed in Belarus. The network will cover 11 cities across all regions of the country. Currently, new industrial parks are being established in the Baranovichi and Pinsk cities.

The starting area of the industrial park in Baranovichi is 13 hectares, with the possibility of expanding to 83 hectares. The starting area of the industrial park in Pinsk is 12 hectares, with the possibility of expanding to 50 hectares. The selected sites are either part of or planned to be included in the Brest Free Economic Zone, which

guarantees developers and residents a number of special tax preferences.

The industrial park in Baranovichi is generally focused on the development of chemical production, while the park in Pinsk is geared towards the production of battery cells, polymer and nonwoven materials. Additionally, the «Polesie» technopark and Polesie State University are located in Pinsk.

There are 16 technoparks operating in the Republic, with a total area of over 145,000 square meters. The technopark resident amount exceeds 250 people. The total number of employees-residents of the technopark in 2023, or more than 9% compared to 2022, reaching 5,323 people. The production volume in 2022 amounted to 190 million USD, and the production volume in 2023 is almost 1.5 times higher, reaching 275.83 million USD. Residents of the technoparks exported products (goods and services) worth more than 116 million USD, which constitutes 42% of the total production volume. Compared to 2022, this figure more than doubled.



Technoparks have been established in all regional centers, as well as in Novopolotsk, Pinsk, Gorki, Bobruisk, and Molodechno. It is important to note the significant role of technoparks in the development of innovative entrepreneurship in the regions of the Republic of Belarus. Technoparks regularly organize and hold startup events, including forums, investment weekends, masterclasses, seminars, and others. Technoparks are actively involved in the development of local startup schools.

Currently, 24 entities of innovation infrastructure operate in the Republic of Belarus, including:

- 16 science and technology parks (technoparks);
- 6 technology transfer centers;
- Belarusian Innovation Fund;
- National Center for Intellectual Property.

Special attention should be given to the project of the science and technology park «Threads of Development.» Characteristics of the park:

- 2.3 ha – the total area of the park land in Minsk.
- 34,707.6 sq. m – area of 13 buildings on the industrial site.

- 12,714.0 sq. m – area of the premises of the management company of the «Obuv-Luch» holding.

- 6,491.1 sq. m – area of production, warehouse, and auxiliary rooms in a separate facility.

To build a scientific and technological park, it is proposed to establish a separate legal entity as part of the Management Company of the «Obuv-Luch» holding. The expected composition and residents of the park are Minsk Footwear JSC «Luch» – the managing company of the «Obuv-Luch» holding, JLLC «Chevlyar», CJSC «Otiko», Unitary Enterprise «Khimproizvodstvo», RUE «Center for Scientific Research of the Light Industry», JSC «Kamvol», Unitary Enterprise «Euroodjezhda», Private Enterprise «SAV-Service».



Real Estate

The market for industrial and logistics real estate in the Minsk region (Minsk city + 25 km from the MKAD) accounts for over 80% of the total market for industrial and logistics real estate in Belarus and has maintained a stock level of 1,612 thousand square meters since 2023. More than 35% of the total stock consists of built-to-suit properties (buildings constructed according to the customer's requirements, where, after construction is completed, the customer and developer become the tenant and landlord, respectively).

In 2024, it is planned to introduce about 225 thousand square meters of space (including 125 thousand square meters in the Wildberries LC in the Great Stone Industrial Park).

Throughout 2023, two new large modern warehouse facilities totaling 36.5 thousand square meters were introduced in Minsk and its suburbs (in 2022, 151.5 thousand square meters of warehouses were introduced). The G13 warehouse complex project with a total area of approximately 20 thousand square meters was

launched at the Sukharevo Business Center. Two new warehouses are under construction at the Prilesye Logistics Center.

A feature of the market development in 2024 is the increasing demand for warehouse spaces of classes C and D. Due to low vacancy rates and the lack of widespread availability of space in the Minsk region, there is a rise in rental rates and a further decrease in vacancy to as low as 1%.

The highest rental rate increases are seen at the lower boundary of class B (+25%), while the lowest are at the upper boundary of the same class (+3%). The highest rates are recorded for areas of 3.5 thousand square meters or more, with the maximum requested rate reaching 10 euros per square meter per month during the period.

The key factors driving the demand for large warehouse spaces were the active development of companies in the e-commerce sector, the growth of traditional retail companies, and changes in the logistics routes and conditions for goods.

3.2. Logistics opportunities

In 2023, there were 67 logistics centers operating in Belarus. Of these, 18 logistics centers are state-owned or have more than 50% state shares. The remaining centers are privately owned.

Thus, 51 logistics centers were established with the participation of national investors (such as «Evrotorg», «A-100», «Tabak-invest», «Belinterprodukt», «Darida», «ALIDI-West»,

Alitrade-ALMI, «Vitalyur», «ELEKTROSILA», «MILLENNIUM GROUP», «BelVillesden», «Romax», «Astomstroy», «Libretik», M&M) and foreign investors (from Azerbaijan, Belgium, Germany, Iran, China, Lithuania, Poland, Russia, Ukraine, Serbia, Turkey, and the Czech Republic).

Temporary storage warehouses, customs warehouses, and free warehouses are available at

logistics centers such as «Brest-Beltamozhservice», «Kolyadichi», «Transit», «Bremino-Orsha», «Ozersko-Logistik», «Borisovintertrans», «Dominik», «Belsotra», and «Great Stone.» According to expert estimates, the leaders in the number of services provided are logistics centers owned by «Beltamozhservice», «Brestvneshtrans», JV «Transit», and JV «Dominik.»

18 logistics centers are multimodal: Brest-Beltamozhservice, Brest-Beltamozhservice-2, Beltamozhservice (Minsk), Beltamozhservice-2, Beltamozhservice-Mogilev, Beltamozhservice-Gomel, Beltamozhservice-Bobruisk, TLC «Kolyadichi», Khatizhin Refrigeration Plant, Ozersko-Logistik, Great Stone, Bremino-Orsha, Bremino-Brestovitsa, Mikhonovichi Logistics Center, Eurowarehouse, Eurasia, Dobrada, and Minsk National Airport. Business entities also operate 13 container terminals for handling various types of containers.

Some logistics centers in Belarus either lease warehouse spaces (completely or partially, without defining a «key» tenant) to third parties without providing any services or have organized business activities of a production or service nature in these spaces. In terms of the services provided:

- About 20 specialize in providing transport and logistics services;
- About 20 offer distribution and warehousing functions;
- The rest operate in the niche of warehouse services and goods handling for internal use or lease spaces for production.

In 2023, there were 9 logistics provider companies: «TUT and TAM Logistics», «ALIDI-West», Pradius Nova, «Vladproimport» («AgroStalStroy»), «Beltamozhservice», «Bug-Market», «Karavan-Logistik», «VIT-LOGISTIC», and «New Logistics.»

Additionally, among these 9 companies, only 6 currently provide logistics services with delivery across Belarus.

It is also worth noting that Belarus ranked 79th in the Logistics Performance Index published in 2023. Kazakhstan, Georgia, and Ukraine also took the 79th place. China ranked 19th, Poland 26th, Latvia 34th, Lithuania and Turkey 38th, and Russia and Uzbekistan 88th. Compared to the last year of index publication (2018), the country improved its ranking by 24 positions. Belarus has the highest ranks for the development of logistics and transportation infrastructure, efficiency of customs border-crossing procedures, and delivery time adherence.



4. Main market trends. Key players

4.1. Main trends

Global Trends in Light Industry

The light industry, which includes textile production, apparel manufacturing, footwear production, and other sectors, is undergoing significant changes due to technological innovations, globalization, shifts in consumer preferences, and environmental challenges. Here are the key trends shaping the modern landscape of light industry:

1. **Sustainability and Eco-Friendliness:** The use of eco-friendly materials; the adoption of organic cotton, linen, bamboo; the development of biodegradable and recyclable fabrics; the introduction of alternative materials such as mushroom leather or recycled plastic. This also includes reducing carbon footprints, optimizing energy consumption in production facilities, and minimizing waste by implementing principles of a circular economy.

2. **Digitalization and Automation:** The introduction of digital technologies; automated footwear production lines, robotic sewing machines, equipment monitoring, and real-time quality control based on the Internet of Things (IoT); ensuring supply chain transparency and product authentication through blockchain technology; the use of artificial intelligence to optimize processes. Special attention should be given to 3D printing technologies: the production of shoes, accessories, and clothing tailored to individual measurements; the use of modular designs, with the ability to select colors, materials, and designs online.

3. **Globalization and Regionalization of Production:** The movement of production

facilities closer to markets; increasing local production to reduce dependence on imports; the growing consumption in Africa, South America, and Southeast Asia.

4. **Shifts in Consumer Preferences:** Consumers are prioritizing quality over quantity, preferring products with a longer lifespan that are easy to repair and reuse. Buyers value multifunctionality in products, especially in sportswear and smart clothing with sensors. There is increasing demand for antibacterial fabrics and protective clothing, as well as breathable and elastic materials.

Notable Startups in the Light Industry

1. **Additive Manufacturing:** FCTRY LAB creates 3D printing solutions for footwear.

2. **Augmented and Virtual Reality:** Fibbl offers a Software-as-a-Service (SaaS) platform that integrates AR-3D features into e-commerce websites. It converts physical products into 3D models compatible with any devices and formats.

3. **Emission Reduction and Waste Recycling:** Glenntex develops unique additives for superconcentrates that enable the advantages of graphene in the modern plastic supply chain and create more intelligent plastic products. Graphene additives facilitate plastic extrusion, improve barrier properties, and enhance overall quality.

4. **Internet of Things:** Nextwear Technologies develops smart clothing with electronics and sensors, incorporating advanced artificial intelligence and machine learning features.



5. Robotics: The Center for Transformative Garment Production uses artificial intelligence and robotics in garment manufacturing. The main goal is to create automated clothing production.

7. Internet of Things: IntelLUBU Technologies creates smart insoles with artificial intelligence that analyze movement, providing data on health or athletic performance.

6. Nanotechnology: Nanoloom produces graphene fibers. They are strong, stretchable, breathable, waterproof, durable, safe for humans and the environment, biodegradable, and recyclable.



4.2. Key players

Textile Industry

- JSC “Baranovichi Cotton Production Association (Blakit)”: The largest producer of textile products in Europe and the CIS countries. The company has a full production cycle: cotton processing, yarn manufacturing, and the production of ready-made sewing items.
- JSC “Vitebsk Carpets”: One of the largest carpet manufacturers in Belarus and the CIS. All products are certified for international quality standards.
- JSC “Rechitsa Textile”: The largest producer of terry products for the home in Belarus, operating for over 90 years.
- JSC “Kamvol”: One of the largest producers of high-quality exclusive woolen fabrics in the CIS and Europe. The company operates a full production cycle, from yarn to finished products.
- RUPTP “Orsha Flax Mill”: The largest producer of linen textiles in Belarus.
- JSC “Gronitex”: One of the leading manufacturers of combed and carded yarn, cotton and blended yarn, as well as sewing yarns in Belarus, with a wide range of linear densities.
- JSC “Lenta”: A leading company in the textile industry of Belarus, specializing in the production of textile and haberdashery products. The company's products are used in the apparel, footwear, electrical engineering, furniture, chemical, and other industries.
- JSC “Mogotex”: The largest producer of textile products in Belarus, manufacturing a wide range of fabrics for special and uniform clothing, leather goods, and home textiles.

Knitting Industry

- LLC “Mark Formelle”: A group of companies and one of the leading Belarusian producers of women's, men's, and children's underwear and knitwear.
- JLLC “Conte Spa”: A leader in the production of clothing, underwear, and hosiery in Eastern Europe.
- JSC “Svitanak”: A company producing knitted products, the largest producer of knitted goods in Belarus.
- JSC “Brest Hosiery Mill”: One of the oldest enterprises in the light industry of Belarus, specializing in the production of hosiery and underwear knitwear.
- JSC Alesya”: Specializes in the production of upper knitted garments for women, men, and children, using natural fibers such as viscose, cotton, linen, and wool.
- JSC “Kupalinka”: A steadily developing company in the light industry of Belarus, one of the largest enterprises in the Bellegprom concern. It specializes in the production of underwear and outerwear knitwear for adults and children.

- JSC “Polesie”. One of the most reliable and reputable Belarusian producers of yarn for machine and hand knitting, knitted products, and knitted semi-wool fabric.

Clothing Industry

- JV CSJC “Milavitsa». One of the largest manufacturers of corset products in Eastern Europe.



- CJSC «Kalinka». One of the largest modern enterprises in the sewing industry in Belarus. The company produces a wide range of products, with children's clothing accounting for 40% and women's clothing for 60%.
- JSC «Slavyanka». The largest manufacturer of clothing for children and adults in Belarus, specializing in business-style clothing for schoolchildren.
- JSC «Sewing Company 'Yunona'»: A leading Belarusian manufacturer of baby underwear.
- JSC «Zhlobin Sewing Factory» TM «FRANTishka»: Specializes in the production of children's clothing for all age groups. The enterprise also provides services for producing items on a commission basis.
- JSC «Mozyr Sewing Factory 'Nadex'»: One of the leading specialized sewing enterprises in Belarus, producing men's and children's shirts, as well as women's and girls' garments.
- JSC «Galaneya»: The largest manufacturer of leather goods in Belarus.
- CJSC «Otiko»: Specializes in the production of high-quality comfortable footwear with natural leather uppers on polyurethane soles, using injection molding technology.
- Holding «Belarusian Leather and Footwear Company 'Marko'»: A leading Belarusian leather and footwear holding, offering a wide range of footwear, bags, and leather and fur products.
- JSC «Grodno Footwear Factory 'Neman'»: The largest footwear enterprise in Belarus, holding a prominent position in the light industry market for over 75 years. The factory produces men's, women's, children's, and special footwear.
- JSC «Lida Footwear Factory»: One of the oldest footwear manufacturers in Belarus, producing more than 300,000 pairs annually.
- CJSC «Chevlyar»: The primary founder of this company is MOOAO «Luch», the managing company of the «Obuv-Luch» holding. The enterprise produces high-quality children's

Leather and Footwear Industry

- JLLC «Belvest»: The largest trade and production holding in Belarus. This high-tech enterprise operates a full cycle of production, manufacturing more than 2 million pairs of shoes made from genuine leather annually.

5. Investment and export potential. Industry development prospects.

5.1. Investments and investment attractiveness of the industry

The light industry plays a significant role in the socio-economic development of the country. Light industry enterprises are actively engaged in modernization and technical re-equipment. Special emphasis is placed on the automation and robotization of processes. Over the next five years, investments in the sector will be directed towards the following areas: the development and implementation of new modern technologies for producing high-quality, competitive products; the creation and adoption of technologies for deep processing of textile raw materials, followed by the formation of a fundamentally new product range structure in the light industry, including products with improved consumer and functional properties.

In 2025, 35 organizations in the industry have planned activities to implement elements of lean manufacturing using their own funds. An innovative project for the production of foundation fabric has already been launched at JSC «Vitebskie Kovry», which will meet the company's demand for previously imported raw materials.

At JSC «Baranovich Cotton Production Association,» the first automated line in the country for sewing bed linen has been installed. Belvest Footwear Factory has implemented robotic complexes for leather cutting. Orsha Flax Mill, which exports 90% of its products, has also installed two robotic complexes for sewing towels. The Minsk factory «Kamvol» plans to acquire a 3D scanner to optimize production processes and reduce costs for developing and sewing experimental samples.

The creation of a light industry technology park is currently being actively developed. Its main task will be to enhance innovation activity within the industry.



5.2. Export potential of the industry

The majority of exports from the light industry sector are directed to the countries of the Eurasian Economic Union (EAEU), with Russia accounting for the largest share at 81%. In 2023, the enterprises of the Bellegprom concern exported products to 75 regions of the Russian Federation, with supplies increased to 39 regions. The largest share of exports is directed to Moscow and the Moscow region, Saint Petersburg, Rostov region, and Krasnodar and Stavropol Krai. The most popular Belarusian products in this market are hosiery, linen fabrics, synthetic fiber yarn, carpets, and footwear.

There is ongoing development in the export to distant countries, with the share of exports in this direction standing at around 8%. In 2024, there has been growth in exports to Kazakhstan, Azerbaijan, Tajikistan, Turkey, and the United Arab Emirates.

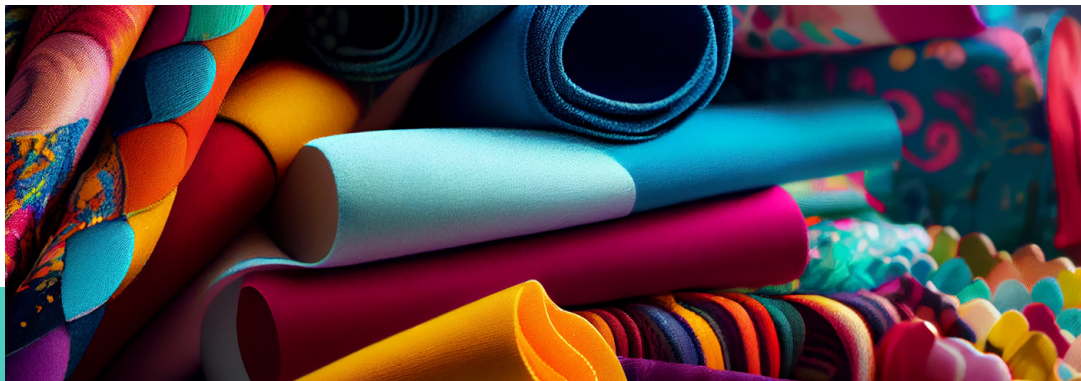
Belarus is actively developing its' relations with People's Republic of China . In 2023, the export growth rate reached 227%. The most popular Belarusian products in China are cottonized flax fiber and finished leather.

Exports to Vietnam, Kenya, Rwanda, Cuba, Togo, Sudan, and Morocco have begun.

Belarus has managed to regain its position in the European Union market, some of which were lost in 2023. The dynamics of export shipments have been restored to countries such as the Netherlands, Lithuania, Latvia, Estonia, Poland, and Hungary.

The growth rate of light industry goods exports to distant countries has reached 155%, and to the European Union, 135%. Products made from Belarusian leather and linen are especially popular on foreign markets. These items are actively purchased by countries that are competitors to Belarus's light industry, such as Turkey.

Before the sanctions were imposed, Belarusian light industry products were exported to 52 countries worldwide. Now, Belarusian exporters cover 55 markets. The leader in light industry exports remains the Orsha Linen Mill, which supplies its products to 52 countries. Currently, Turkey is one of the key markets for this producer.



5.3. Industry development prospects

The development prospects for the light industry are linked to increased production volumes, deeper processing of domestic raw materials, and growing domestic market presence, along with diversification of exports. Key priorities to enhance export potential include the development of distribution networks and online sales, as well as increased marketing activity. The long-term competitiveness of the industry will be supported by the implementation of «Internet of Things» technologies at every stage of the product lifecycle – from raw material quality control to collecting data on consumer preferences.

The development of the light industry includes mastering the production of heat-resistant knitted underwear, modernizing production to create competitive fabrics and textile materials with PVC coatings, and advancing sewing production through the introduction of innovative automated technology for product design and manufacturing.

Plans also include increasing the production of cottonized linen fiber, mastering the production of high-count yarns made by ring-spinning from domestic bleached cottonized linen fibers, and fabrics made from these fibers. The production of yarn using modern natural and chemical fibers will be expanded.

New technologies for the innovative processing of waste from the light and textile industries will be implemented, including the creation of composite material production.

The production of multifunctional clothing and footwear from composite materials, artificial leathers with specified properties, next-generation fleece fabrics, and «smart» textile products with integrated electronic devices is also planned.

«Bellegprom» is focusing on developing branded retail in Russia, investing significant funds to create new jobs in the allied country. In 2023, two «Da domu» stores opened in Russia, specializing in the sale of linen textiles, decorative items, dishware, and various household goods of purely Belarusian production. The concern is currently negotiating with the Russian «Mega» shopping center chain to place «Da domu» stores in their malls. The plan is to open about 10 such outlets in Russian million-sized cities over the next two years. Additionally, discussions are underway regarding the creation of a joint legal entity for developing the wool processing industry in collaboration with Dagestani partners, representatives of the Dagestani wool cluster.

Belarusian producers have developed strategic programs to increase exports up until 2030. The enterprises of the concern are gradually transitioning from the sale of semi-processed and raw materials to the export of finished products with high added value. The export focus is shifting from yarn, fabrics, and leather to finished products such as bed linen, clothing, and footwear. This shift is driven by global trends that favor exporting high-value-added products.

It is also worth noting the creation of a national marketplace for consumer goods. This platform will serve as a venue for domestic producers from various sectors of the economy.

6. Investment climate

6.1. Marcoeconomic indicators of the country

Indicator	2019	2020	2021	2022	2023
Gross Domestic Product (GDP), billion USD	64.41	61.38	69.69	72,80	71.82
Population (end of year), thousand people	9410.30	9349.60	9255.50	9200.60	9155.98
Average annual number of employed population, thousand people	4334.20	4319.60	4284.50	4215.90	4152.20
Nominal accrued average monthly salary, USD	522.57	514.39	568.67	620.35	632.18
Average assigned pension (end of year), USD	206.23	197.87	202.65	239.94	230.14
Industrial output, billion USD	55,32	48.54	61.42	64.51	62.23
Agricultural output in all categories of farms, billion USD	10.38	9.68	10.28	12.10	11.01
Retail turnover, billion USD	23.72	21.94	23.68	25.68	25.38
Paid services to the population, billion USD	6.12	5.13	6.03	6.50	6.71
Fixed capital investments, billion USD	13.77	12.14	12.21	10.57	11.88
Foreign trade turnover of goods and services, billion USD	84.40	72.40	94.90	89.20	86.67
Exports	42.00	37.20	49.40	46.80	43.70
Imports	42.40	35,20	45.50	42.40	42.97
Trade balance	-0.40	2,00	3.90	4.40	0.73

6.2. 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, 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.

National Agency of Investment and Privatization

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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