

mogilev

free economic zone

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**Start the production of melamine
(50,000 tons/year)
in Mogilev FEZ**

Used in the production

- ◆ Furniture
- ◆ Chemicals
- ◆ Textiles
- ◆ Electrical
- ◆ Paper
- ◆ Automotive
- ◆ Leather
- ◆ Rubber



- ◆ The main raw material for the melamine production plant (50,000 tonnes/year) is urea (carbamide) in the amount of ~ 115,000 - 120,000 tonnes/year (Grodno Azot OJSC).
- ◆ Since urea is the raw material for melamine production and the by-products of melamine production are the starting materials for urea production, their joint production has many positive effects, including a reduction in harmful emissions;
- ◆ The stages of melamine production from urea are as follows:
 - The first stage is the decomposition of urea into ammonia and hydrocyanic acid: the process is carried out at a pressure of 0.1-0.8 MPa and a temperature of 330-350.
 - The second stage is the conversion of hydrocyanic acid into cyanamide and then into melamine.

The main consumers of melamine are the woodworking, paint and varnish industries. Melamine is a source of polymer materials (melamine-formaldehyde resins, adhesives, plastics), herbicides, fungicides, bleaches, tanning agents, antiseptics, and disinfectants.

Market size



- ◆ The global melamine market is estimated at \$8.93 billion in 2024 and is expected to reach \$11.75 billion by 2032, with an average annual growth rate of 3.49%.
- ◆ The total volume of the Russian domestic market is estimated at approximately 80-100 thousand tonnes. The global market volume in 2020 was 2.2 million tonnes.

Currently, the demand for melamine, as a valuable chemical product, on the global market is significantly higher than the volume of production of this product.

The expansion of demand for melamine makes it relevant to increase its production capacity.

MELAMINE

Melamine is in high demand in the thermosetting plastics industry, 95% of melamine production is used in the manufacture of melamine-formaldehyde resins.

Consumers only in the Mogilev region

Kronospan group is the largest manufacturer of resins for the woodworking industry, manufacturers of thermal insulation and refractory materials, impregnating resins and formalin. It is not just a consumer, but potentially the largest domestic buyer, as melamine is a direct raw material for the production of modified resins.



COOPERATION AND DEVELOPMENT

- ◆ Grodno Azot

Melamine is purchased by furniture and woodworking companies (**Mebelain, Fabrika Kukhon**), where it serves as the basis for wear-resistant decorative coatings, and is used in paper factories (**Zavod gazetnoy bumagi, Paper-mill «Spartak»**) as a modifier to give products increased strength and moisture resistance.



INVESTMENT TERMS AND CONDITIONS

- ◆ Required investment: **at least 200 million \$**

BENEFITS OF PROJECT IMPLEMENTATION IN MOGILEV FEZ

TAX BENEFITS

- Exemption from tax on profit from the sales or export or to other FEZ residents
- Real estate tax exemption
- Exemption from land tax and rent for plots within the boundaries of "Mogilev" FEZ
- Land plots are provided to FEZ residents without holding an auction

CUSTOMS PREFERENCES

- Exemption from customs duties when importing raw materials and equipment into the territory of a free customs zone (Free customs zone is determined for each resident separately)
- Exemption from customs duties on finished products when they are sold outside the Eurasian Economic Union countries