

INVESTMENT PROPOSAL

“Manufacturing of abrasive tools in “Mogilev” FEZ



HOME FOR YOUR
BUSINESS

Production

- Non-metallic abrasive tools (including diamonds)
- Coated abrasive products
- Non-woven products

Markets

BELARUSIAN MARKET

- The volume of imports of abrasive materials and tools to the Republic of Belarus in 2020 amounted to 17 million US dollars
- Compound annual market growth rate for 2020 was 5%
- The volume of imports in the structure of consumption of abrasive materials and tools of the Republic of Belarus and the Russian Federation is 80 - 90%

Required investments

10-30 mln. USD

Potential investors

Large producers of abrasive tools from China, South Korea, Germany, Austria and Poland etc.

- In 2021, the global production of abrasives and tools was \$39.3 billion. 7% was compound annual growth rate (CAGR) of abrasive tools market for last 5 years.
- On the Belarusian market, domestically produced tools are in the greatest demand. The imported tool, due to the peculiarities of transportation, is more expensive than Belarusian and Russian counterparts, and the country is also pursuing a general policy of import substitution aimed at supporting domestic factories.
- Belarus has unique technologies in synthetic diamond production (20 thousand carat per year).
- The market is forecast to grow to \$58.3 billion in 2028 at a CAGR of 5.8% over the period 2021-2028. This sudden growth is due to demand and the growth of the abrasive tool market itself, which is returning to its usual levels after the end of the pandemic.
- Russian Federation is reckoned among top ten largest importers of abrasives.
- Abrasive market consists from 2 segments: abrasive tools (75%) and abrasive dust (25%).



Tax preferences

Profit tax
Not paid

Real estate tax
Not paid on the objects
within the territory of
“Mogilev” FEZ

**Rent payment for
land plots
(land tax)**
Not paid on the land
plots within the territory
of “Mogilev” FEZ

Customs preferences

Exemption from customs duties
on raw materials and equipment
imported to the territory of Free
Custom Zone (FCZ defined for
each resident individually)

Exemption from customs duties
on manufactured products being
exported outside the Eurasian
Economic Union

mogilev

free economic zone

HOME FOR YOUR BUSINESS



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