



UNITER



Wood-processing industry



WOOD-WORKING INDUSTRY

Wood-working industry is one of the largest industries of Belarus.

Wood-working industry has share of 4% in total industrial production. Share of wood-working factory in forest, wood-working and pulp and paper industry is 72,6%. In 2011 output amounted to 1439 mn USD.

Belarus exports timber and its products in more than 50 countries and imports wood products from 20 countries.

In 2011 exports of wood products accounted for 964 mn USD (24% growth to 2010). Imports amounted to 423 mn USD (19% increase compared to 2010). Belarus exports wood products to Russia, Poland, Germany, the Baltic countries, Kazakhstan, Ukraine and other countries. Wood products are imported from Russia, Ukraine, Italy, France, Germany, Poland, the Baltic countries and other countries.

At the average, the Belarusians spend for furniture 52 USD per year and consume 32 kg of paper.

In 2011, according to the estimation of UNITER, woodworking market capacity was 898 mn USD. Consumption of paper per capita in Belarus is about 32 kg. This figure is significantly lower than in EU countries and also lower than in Russia (48 kg) and Poland (80 kg). Furniture consumption per capita in Belarus is 52 USD, that is higher than in the Baltic countries (22-33 USD), Ukraine (9 USD) and the world average (46 USD), but significantly lower than in EU countries (at the average 252 USD), Russia (105 USD) and Poland (104 USD).

At the interior wood-working market the demand for domestic products dominates.

In Belarus in the wood-working industry the demand for domestic products dominates (especially at the furniture market). At the average the share of imported furniture accounts for only 9% (in Russia 19%). At the wallpaper market both domestic and imported products have 50% share. The state supports local producers, limits access of foreign producers, establishes high tariffs on imported products and provides domestic producers with various incentives.

"Bellesbumprom" is a monopolist in harvesting of wood and producing of wood products.

Wood-working industry is mainly represented by timber, woodworking, pulp and paper industry concern "Bellesbumprom". "Bellesbumprom" is a monopolist in the harvesting of wood and production of its products. "Bellesbumprom" includes 60 enterprises, that concentrates 70% of wood processing, 38% of furniture production in the Republic of Belarus.

In wood-working sector of Belarus there are large investment projects with foreign investors.

Till 2016 "Kronospan" is going to invest 150 mn USD in construction of a plant of wood boards and wood-based floor coverings. In 2012 a vertically integrated wood-processing complex will be built in free economic zone "Mogilev". The Lithuanian group VMG will build three plants for production of chipboard panels, furniture parts made of veneer sheets and cabinet furniture. The total project value is 77 mn euro. According to the agreement with SBA its subsidiary "Mebelain" will produce furniture under IKEA brand and will use chipboard and veneer furniture components made by "VMG Industry."

UNITER Investment Company – financial and investment adviser in Belarus with 14+ years of experience with national and international investors in 40+ industries and markets within the country.

The company's activity is focused on investment banking; support of foreign investors and attraction of financing for national companies; conducting marketing and analytical research; project and asset management.

UNITER



220114 Belarus, Minsk, 117A Nezavisimosti avenue 12 floor (Aleksandrov Passage Business Center)

Office +375 17 385 24 65, Fax +375 17 385 24 64, uniter@uniter.by, www.uniter.by

Disclaimer

This outlook was prepared for informational purpose only and does not constitute an offer or solicitation of a strategic transaction. Points of view, forecasts and evaluations presented in this outlook reflects our opinion as of the publication date and may be changed without notice. Although the information contained herein has been obtained from sources we believe to be reliable and although we ensured their accuracy as of the publication date, we cannot guarantee, expressly or impliedly, practicality of this outlook regarding future events or current or future value evaluation. Any investment decision based on this outlook should be made only at the discretion of the investor and UNITER or its employees or any third party shall not be responsible in any form and in no circumstances for any action of any party taken on the basis of this outlook. Nor UNITER, nor any of its employees, nor any third party shall be responsible for losses that result from such actions.

©2017 CJSC «UNITER Investment Company» is registered entity under Belarusian legislation. All rights reserved.

UNITER and UNITER logo are registered trade marks under Belarusian legislation.

