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Confectionery industry

## CONFECTIONERY INDUSTRY

<b><i>About 70% of the volumes of confectionery in Belarus is manufactured by Concern "Belgospisheprom"</i></b>	Belarusian confectionery industry is represented by 20 enterprises: 8 companies forming part of the State Food Concern "Belgospisheprom", enterprises and sections of communal, private and foreign owners property. About 70% of the total production output of confectionery is manufactured by the enterprises of the Concern "Belgospisheprom".
<b><i>The State Food Concern "Belgospisheprom" regulates activities of companies in the industry</i></b>	The majority of confectionery companies are privately owned, but their activities are regulated by the State Food Concern "Belgospisheprom". The Concern determines plan indicators (i.e. production growth rate, export supply), and controls their execution.
<b><i>Largest manufacturers "Kommunarka" and "Spartak" are state-controlled</i></b>	The key players in the Belarusian confectionery market are OJSC "Kommunarka" and JV JSC "Spartak". After the government, following the Presidential Decree №107, restored the control over "Kommunarka" and "Spartak", these enterprises became state-owned (57% of OJSC "Kommunarka" shares and 60 % of JV JSC "Spartak" shares).
<b><i>Increased competition in the confectionery market</i></b>	The creation of CEC and Russia's accession to the WTO led to the increased competition in the Belarusian confectionery market.
<b><i>Minor recession of confectionery production in 2015</i></b>	The production volume of confectionery in 2015 amounted to 257 thousand tons (in 2014 – to 262 thousand tons). In 2008-2012, average annual growth rate amounted to 17.39%, while in 2013-2015 annual average rate of drawdown decreased to -0.11%.
<b><i>Import of confectionery decreases concurrently with export growth</i></b>	Import of confectionery traditionally exceeds export in Belarus. Import of confectionery dropped by 4% (compared to 2014) and totaled 52.6 thousand tons in 2015. Contrarily, export of confectionery increased from 18 thousand tons to 19 thousand tons in 2015. Export share of the production reached 7.4%.
<b><i>Per capita consumption of confectionery amounted to 30.6 kg</i></b>	For the first time in years, the pace of sugar confectionery sales decreased and amounted to 97.4% in 2015 (127.4 thousand tons of sugar confectionery were sold through the market outlets). After a considerable drop in 2011, import ratio in the consumption structure increased again. Annual average growth rate of consumption for the period 2005-2011 amounted to 3.9% , increasing from 13.6 kg per capita in 2005 to 17.1 kg per capita in 2011. However, after changing the range of flour confectionery products, average per capita consumption of confectionery reached 29.2 kg in 2012, and exceeded 30 kg in 2013. Comparing to 2014, per capita consumption of confectionery in households went down in 2015 and amounted to 30.6 kg.
<b><i>Retooling and modernization processes at confectionery industry enterprises continue</i></b>	Organizations of the State Food Concern "Belgospisheprom" intended to accomplish re-tooling and modernization of processes of main production units in 2011-2015 (as part of the Program for the Development of Belarusian Confectionery Industry Organizations). The plan requires the installation of 29 modern complete lines. Retooling have not been completed in 2015 and will be going on in 2016-2017.

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.

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