

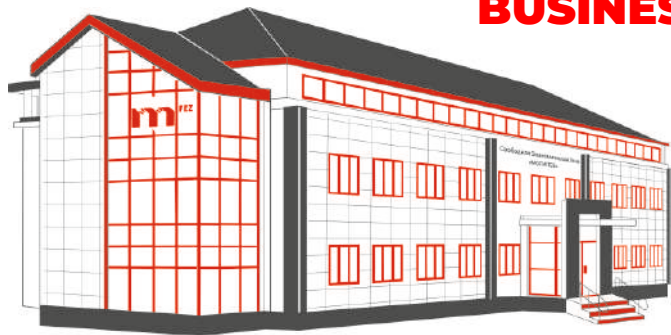
# mogilev

free economic zone



## INVESTMENT IDEA

**Production of spunlace nonwoven fabric**

**HOME** FOR YOUR  
**BUSINESS**

From the very beginning of its activity, "Mogilev" FEZ administration has been scrupulously following the goal to create favourable conditions for business.

"Mogilev" FEZ provides a number of tax benefits, customs and other preferences for implementation of investment projects. Coordinated work of "Mogilev" FEZ administration is aimed at comprehensive support for such projects.

Special attention is paid to the development of engineering and transport infrastructure of the land plots within the boundaries of "Mogilev" FEZ, which significantly saves investor's time and money starting from business plan development to construction of the enterprise and making profit. Currently, advanced engineering and transport infrastructure of "Mogilev" FEZ sites allows both foreign and local investors to implement investment projects of any complexity in shortest period saving up to 30% of investment capital.

The advantages of implementation of investment projects in "Mogilev" FEZ have been duly appreciated by our residents including such world famous companies as the Lithuanian holding VMG with its resident company VMG Industry, Foreign Limited Liability Company, Lithuanian Concern SBA - resident company - Mebelain, the Russian Industrial Group Omsk Carbon Group - resident company - Omsk Carbon Mogilev, Foreign Limited Liability Company, resident companies of the Austrian Concern Kronospan and others.

Welcome home, home for your business! Welcome to "Mogilev" FEZ!

# ABOUT THE PROJECT

## “Production of spunlace nonwoven fabric”



Spunlace - is a nonwoven fabric that uses fibers, the most popular of which are viscose and polyester staple fibers. Spunlace nonwoven fabric is a product of the process of entangling a web of loose fibres through multiple rows of jets of water at high pressure which pierce the material and tangle the fibres.

Spunlace is highly demanded due to its properties. It is soft, cheap, strong, high moisture absorptive, low fluffing and washable.

Spunlace is widely used in production of all kinds of protective clothing such as surgical gowns, disposable facial and surgical tissues, household wipes, etc.

### Economics of the project



#### Cost of the project

15 - 20 mln. USD



#### Participation of the investor

Establishing a new enterprise

(together with the parties concerned - BelEmsa, OOO and Mogilevkhimvolokno, OAO)



#### Target consumers

**Local market:** BelEmsa, OOO - monthly demand - up to 500 tons.

**Foreign market:** Spunlace consumers from EAEU countries, South-Eastern Asia, EU and BRICS



#### Project efficiency

- Full capacity : in 2-3 years
- Internal rate of return: 22-28%
- Payback period: 3-4 years

Project efficiency was analyzed with respect to spunlace nonwoven fabric market potential in the EU, China, the Russian Federation and other EAEU countries



## WIPES

Wet wipes  
Surgical tissues  
Household wipes



## ABSORBING AIDS

Baby diapers  
Diapers for bedridden patients  
Sanitary towels



## MEDICAL GOODS

Surgical dressing  
Means of personal protection  
Items of medical gown



## AUTOCOMPONENTS AND SERVICE

Filter filling  
Materials for polishing

Use of spunlace in medicine is determined by its high barrier ability, which decreases the risk of wound infection up to 60%. Medical gowns, masks and bed linen is made of nonwoven due to its durability and stretching ability.

Spunlace is widely used in cosmetology and hairdressing: napkins for make-up removal, towels, collars, etc.

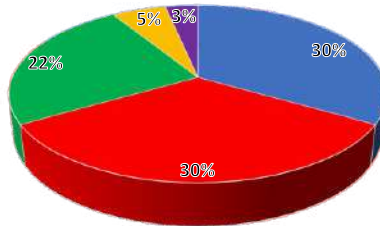
The nonwoven is used in car service as well. Due to its high absorbing ability it is used for polishing vehicles and as filter filling.

Thus, spunlace is a multipurpose material, that is used in all spheres. It is difficult to replace in the modern world because it simplifies significantly professional and household duties.

Marketing researches show that by 2024 spunlace will take about 25% of all nonwoven materials. Its consumption will estimate as 1.4 mln tons or 31.1 billion sq.m. The volume of the world market will reach 6.30 billion USD and its annual growth will be rated at 5.7% by 2030.

Asia, the top producer of spunlace, is constantly expanding capacity. Second comes Europe followed by North America.

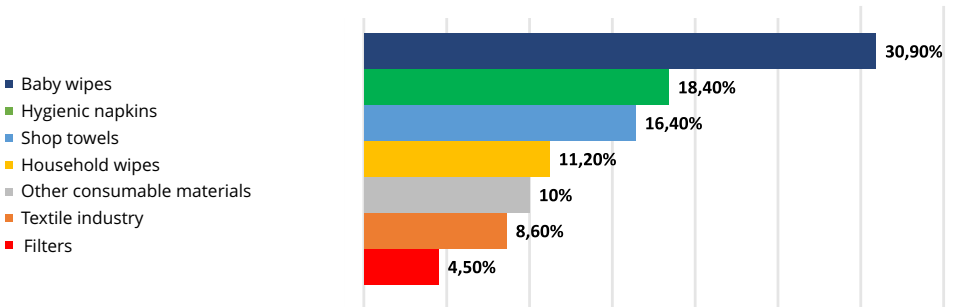
## The share of spunlace producers in the world market



■ Europe ■ China ■ North America ■ Asia and the Pacific ■ other regions

In recent years the spunlace market has been mainly represented by wet wipes. As this product is gaining popularity in the world, nonwoven producers finance the embrace of spunlace technology.

## Use of spunlace in production of end items



"Mogilev" FEZ is a favorable place for implementation of the investment project due to possibility to build steady and efficient cooperation with the local producer of polyester fiber (raw material for spunlace nonwoven fabric production) and a large local spunlace consumer (producer of hygienic napkins and other personal-care products).

Producer of raw material  
for spunlace production



MOGILEVKHIMVOLOKNO, OAO

"Mogilev" FEZ  
resident  
Site No 4

Spunlace  
producer



INVESTOR

Spunlace  
consumer



BELEMSA, OOO

"Mogilev" FEZ  
resident  
Site No I

Special legal environment in "Mogilev" FEZ and opportunities for industrial and logistics cooperation with FEZ resident-companies on the model of **"Producer of raw material - Processor of raw material - Consumer of the product"** favor efficient implementation of the investment project and rapid gaining of profit.

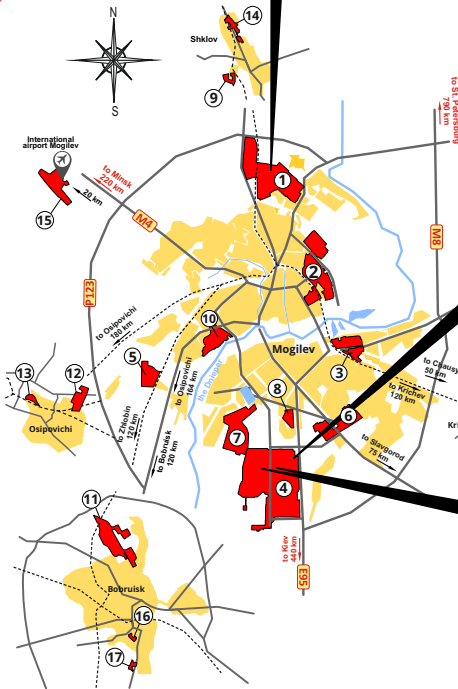
# PARTICIPANTS OF THE INVESTMENT PROJECT in “Mogilev” FEZ



**BelEmsa, OOO**  
“Mogilev” FEZ resident  
Producer of baby diapers  
and wet hygienic wipes



**Future  
spunlace producer**



### Reference designations:

- city/town area
- “Mogilev” FEZ territory
- motor-road
- railway



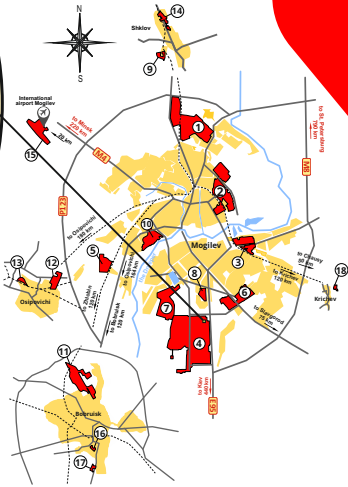
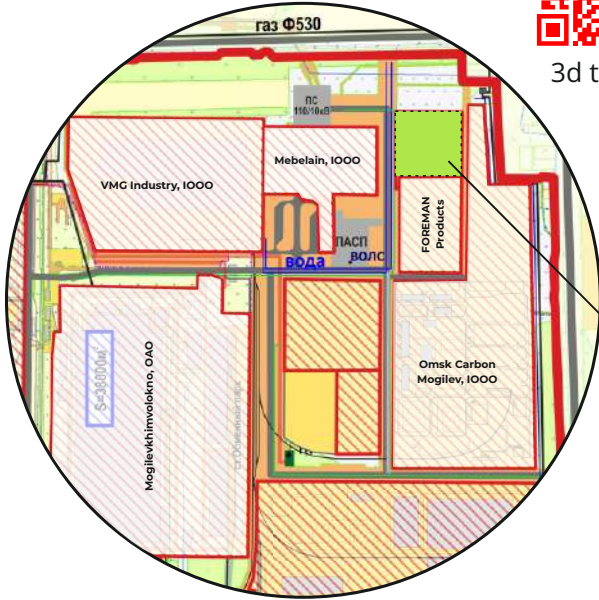
**Mogilevkhimvolokno, OAO**  
“Mogilev” FEZ resident  
Producer of PET preforms,  
fibers and yarns, polyester fabrics,  
polymer films and other products




3d tour



go to website



 vacant land lot (S = 3.6 ha)





# DESCRIPTION of the vacant land lot (S = 3.6 ha)



## Advantages of the greenfield project implementation:



Withdrawing and assigning of land plots to the FEZ residents is executed without holding an auction for the right to conclude Land Rent Agreement



Exemption from payment for the right to conclude Land Rent Agreement



The land plot is provided for 99 years



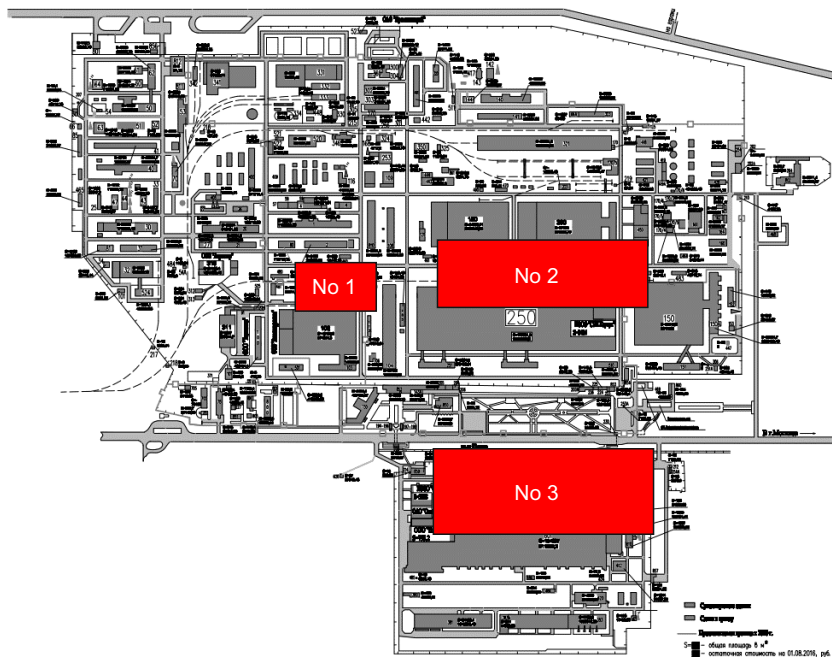
Exemption from the Land Tax and Land Rent for land plots in "Mogilev" FEZ



Exemption from compensatory planting and compensatory payments of the cost of replanted or removed plants, exemption from compensation of losses of agricultural and forestry production

1. General information		
Total area (ha)	3.6	
Location	Region	Mogilev
	District	Mogilev
	City/ town	Veino Rural Council
	GPS data	Latitude - 53°49'55.84"C Longitude - 30°21'16.20"B
Ownership	<input type="checkbox"/> private <input checked="" type="checkbox"/> state	
Possible sphere of usage	<input checked="" type="checkbox"/> industry <input type="checkbox"/> trade <input type="checkbox"/> other (specify): <input type="checkbox"/> services <input checked="" type="checkbox"/> logistics	
Ways to obtain the land plot	<input checked="" type="checkbox"/> rent	<input type="checkbox"/> use <input type="checkbox"/> sale
Cadastral cost for 1 ha as on January 1, 2020	23,500.00 BYN, 11,145.00 USD	
Buildings on the plot	No	
2. Transportat access		
	Distance	Name
International, republican roads	8.0 km	M-8, E-95
Airport	29.0 km	"Mogilev" airport
Railway	1.0 km	Obmenniy Park
Automobile roads	Asphalt road along the land plot	
3. Infrastructure		
	Distance	Description (capacity, diameter, etc.)
Electricity supply	0.3 km	"Industrialnaya" Electricity substation 110/10 - 34.36 MW
Heat supply	50.0 m	Mogilev heat supply network
Drinking water supply	50.0 m	Water pipeline d-315 mm
Technical water supply	50.0 m	Technical water pipeline d-315 mm
Hot water supply	50.0 m	Mogilev heat supply network
Sewer system	50.0 m	Storm water drainage system - d-500 mm Sewerage - d-200 mm
Gas supply	100.0 m	Gas-distributing plant
Other	The land plot is located in the industrial area	

## Production premises of Mogilevkhimvolokno, OAO



The peculiarity of the enterprise is in its complex of productions united by a technological cycle that starts with obtaining initial raw material (dimethyl terephthalate, polyethylene terephthalate) to production of polyester fibers and yarns, nonwoven fabric of various properties and purpose, PET preforms, fatty acid methyl esters and biodiesel fuel.

### Advantages of the brownfield project implementation:



Exemption from Real Estate Tax



Exemption from the right to conclude Rent Agreement

### PRODUCTION PREMISES No 1

Spinning and finishing department of production of technical yarns

Vacant area	43,416 sq.m
Size	400 m x 108 m
Span/ bay	span - 24 m, bay - 12 m
Height	5.85 m until steel truss
Walls	large panel, brick
Roof	roll roof
Foundation	precast concrete
Utility lines	heat, electricity, water supply, sewer systems, ventilation

### PRODUCTION PREMISES No 2

Production of synthetic fibre

Vacant area	62,648.86 sq.m
Size	260 m x 240 m
Span/ bay	span - 24 m, bay - 12 m
Height	from 10 to 18 m
Walls	large panel
Roof	roll roof
Foundation	precast concrete
Utility lines	heat, electricity, water supply, sewer systems, ventilation. Two-storey building

### PRODUCTION PREMISES No 3

Production of technical yarns

Vacant area	49,487.9 sq.m
Size	48 m x 162 m
Span/ bay	span - 24 m, bay - 12 m
Height	from 10 to 18 m
Walls	large panel
Roof	roll roof
Foundation	precast concrete
Utility lines	heat, electricity, water supply, sewer systems, ventilation, elevators. Three-storey building



# LOCAL PRODUCER OF RAW MATERIAL for production of nonwoven fabric including spunlace



Resident company of “Mogilev” FEZ Mogilevkhimvolokno, OAO is the largest producer of dimethyl terephthalate, polyester granulate PET, polyester fibers and yarns. For years the enterprise has been a reliable supplier of high quality raw materials for light industry of the Republic of Belarus and foreign countries.

Over 65% of its production is exported and meets steady demand in 30 countries including Russia, Ukraine, China, Germany, the USA, Italy, Poland, Romania, Lithuania and Latvia.

Quality management system meets the requirements of ISO 9001, OHSAS 18001, ISO 14001 international standards.





BelEmsa, OOO has been a “Mogilev” FEZ resident-company since 2011. It specializes in production of hygienic napkins, SENSO BABY diapers, diapers for bedridden patients and other personal-care products.

Disposable hygienic goods, produced by BelEmsa, are exported outside the Republic of Belarus, thus, help to decrease the list of products being imported.

Products of BelEmsa are of great demand both at the local market and foreign markets of Russia, Kazakhstan, Kyrgyzstan and other countries.

Spunlace nonwoven fabric is one of the major raw materials that are used by BelEmsa in production. Nowadays the company uses imported spunlace only.

To decrease expenses and reach local manufacturing content BelEmsa is interested in purchasing nonwoven fabric from a local producer on regular terms. Joint spunlace production may be discussed as well.



**DILO** SYSTEMS

GENERAL CONTRACTOR

[www.dilo.de](http://www.dilo.de)

**TRÜTZSCHLER**

NONWOVENS

[www.truetzschler-nonwovens.de](http://www.truetzschler-nonwovens.de)

**BONINO 1913**  
*carding machines*

[www.bonino1913.it](http://www.bonino1913.it)

**oerlikon**  
neumag

[www.oerlikon.com](http://www.oerlikon.com)

**ANDRITZ**

[www.andritz.com](http://www.andritz.com)



[www.autefa.com](http://www.autefa.com)

# ADVANTAGES OF DOING BUSINESS in “Mogilev” FEZ



## Tax benefits:



Exemption from Profit Tax



Exemption from Real Estate Tax



Exemption from the Land Tax and Land Rent for land plots in “Mogilev” FEZ

## Customs preferences:



Are guaranteed by Free Customs Zone (FCZ) procedure



The goods that have been placed under the FCZ procedure are exempt from customs duties and taxes



All residents are fully exempt from customs duties and taxes (on raw materials that have been initially imported under the FCZ procedure) if manufactured projects are finally exported outside the Eurasian Economic Union

## Other preferences:



Withdrawing and assigning of land plots to the FEZ residents is executed without holding an auction for the right to conclude Land Rent Agreement



Exemption from the right to conclude Rent Agreement



If investment scope of a project exceeds 10 mln. EUR, construction of the required engineering and transport infrastructure is financed on the funds provided in the State Investment Program and local budgets

## Five steps to implement the project in “Mogilev” FEZ



Contact “Mogilev” FEZ administration



Register a legal entity



Develop a business plan with at least € 500,000 investments and have it approved



Obtain the status of “Mogilev” FEZ resident and start business activity



Take full advantage of being a FEZ resident

**“Mogilev” FEZ Administration**  
**78A Cheluskintsev Str., Mogilev, 212003**  
**Tel.: +375 (222) 62-66-01**  
**Fax: +375 (222) 62-66-02**  
**info@fezmogilev.by**



**Department for Investments and Foreign Economic Relations**

Tel: +375 (222) 62-66-08, +375 (29) 313-84-30

E-mail: [kiryl.khait@fezmogilev.by](mailto:kiryl.khait@fezmogilev.by)

Head of department - Kiryl Khait