



INVESTMENT OFFER

Production of automotive filters

REPUBLIC OF BELARUS

Business Environment

EURASIAN ECONOMIC UNIT



512 mln
consumers

EAEU



183 mln consumers in the EEU

10 mln consumers in Belarus

INVESTMENT LEGISLATION

70 agreements on avoidance of double taxation

The Republic of Belarus is a member of the Multilateral Agency for Guarantees and Investments

66 agreements on assistance in the mutual protection of investments

Law on investment

1. Protection against nationalization
2. Unhindered transfer of profit (income) abroad
3. Equality and non-discrimination of investors

VISA REGIME

In 2025, Belarus extended its visa-free regime for citizens of 38 European countries until December 31. Visa-free entry is possible through all international road, rail, and airport border checkpoints



ABOUT THE PROJECT

INVESTMENT PROJECT PROPOSES THE ESTABLISHMENT OF AN ENTERPRISE FOR THE PRODUCTION OF AUTOMOTIVE FILTERS (AIR, OIL, AND FUEL) IN THE TERRITORY OF THE REPUBLIC OF BELARUS.

PROJECT DESCRIPTION



The project involves the construction of a plant for the production of filters for passenger cars and/or trucks, agricultural and/or construction machinery, as well as motorcycles.

ABOUT THE PRODUCT



An automotive filter is a vehicle component designed to clean specific flows (air, fuel, oil) from abrasive particles and dirt that affect the operation of the engine and key vehicle systems.

BENEFITS OF USE



Increases engine lifespan, as well as:

- Extends fuel system life
- Extends air system life
- Extends oil system life

Increases engine power

Reduces financial costs and losses

Reduces environmental impact

Overall, it improves vehicle performance.

PREREQUISITES FOR PROJECT IMPLEMENTATION

- ✓ Growing level of motorization among the population and the resulting expansion of the automotive components market, which includes automotive filters (In 2024, approximately 88.6 million new cars were sold worldwide. According to GlobalData, more than 6.7 million cars were sold in January 2025. S&P Global Mobility expects car sales to reach 89.6 million units in 2025);
- ✓ Growing level of motorization among the population and the resulting expansion of the automotive components market, which includes automotive filters (In 2024, approximately 88.6 million new cars were sold worldwide. According to GlobalData, more than 6.7 million cars were sold in January 2025. S&P Global Mobility expects car sales to reach 89.6 million units in 2025);
- ✓ The necessity to replace imported automotive filters with domestically produced filters;
- ✓ The undersaturation of the automotive filter market in the Republic of Belarus and the Russian Federation with domestically produced filters.

ADVANTAGES OF PROJECT IMPLEMENTATION in the Republic of Belarus

- ✓ Availability of qualified labor resources;
- ✓ Possibility to implement the investment project as a resident of the Vitebsk Free Economic Zones on land plots with developed infrastructure;
- ✓ Guaranteed sales markets within the Republic of Belarus and abroad;
- ✓ Benefits and preferences during the implementation of the investment project;
- ✓ Opportunity for further production expansion;
- ✓ Possibility to use production capacities of domestic enterprises such as OJSC "Svetlogorsk Pulp and Cardboard Mill" and OJSC "SvetlogorskKhimvolokno" for manufacturing filter elements;
- ✓ Possibility to export finished products to EAEU countries (more than 180 million consumers) without paying customs duties and fees.

PROJECT ECONOMICS

PROJECT COST

The estimated cost of project implementation ranges from **10 to 15 million USD**.

FORM OF INVESTOR PARTICIPATION

Establishment of a new enterprise.

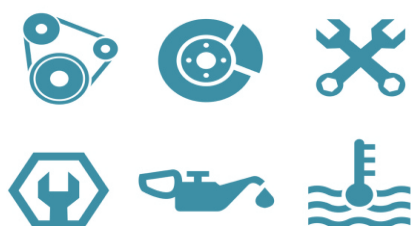
PRODUCTS TO BE MANUFACTURED

- Air filters
- Cabin filters
- Oil filters
- Fuel filters

Project efficiency

The time to reach design capacity is **2 to 3 years**, with an internal rate of return (IRR) ranging from **22% to 28%**, and a payback period of **3 to 4 years**.

The project efficiency analysis was conducted taking into account the capacity of the automotive components market in the Russian Federation, as well as other EAEU and CIS countries.



MAIN CONSUMERS

Domestic market:

Professional market – supplies to state and private construction and maintenance organizations, agricultural enterprises, bus fleets, manufacturers of passenger and commercial vehicles (OJSC «MAZ», OJSC «MTZ», OJSC «BELAZ», CJSC «BelGee», JV CJSC «Unison», OJSC «Gomselmash» and others).

Private market – retail and wholesale trade, sales to owners of large vehicle fleets (taxi and delivery services), as well as private individuals.

External market:

Automotive components products are in demand in developed and developing countries with a high level of motorization (USA, Canada, EU countries, Southeast Asia and BRICS, Japan, as well as CIS countries and others).

SALES DISTRIBUTION BY MAIN REGIONS

CIS countries – **60%**
Belarus – **20%**
EU countries – **10%**
Southeast Asia – **30%**



Overview of the Automotive Filter Market

Global Trends

According to the latest research and forecasts, the global automotive components market significantly expanded and was valued at approximately USD 1.96 trillion in 2023, with an expected compound annual growth rate (CAGR) of about 5.7% from 2023 to 2033.

Global sales of passenger cars and light commercial vehicles have fluctuated around 88–90 million units annually in recent years. In 2025, new car sales are projected to reach approximately 89.6 million units. Among major markets, the highest growth continues in BRICS countries and other rapidly developing regions, which account for up to 92% of the global increase in car sales.

The automotive filter market continues to grow proportionally with the increasing number of vehicles in operation. The stage of final market maturity began in the early 2020s and continues through 2025; however, growth potential remains due to fleet renewal and the expansion of the electric vehicle segment, which requires specialized filters.

Russian Federation

As of April 2025, the Russian automotive market shows signs of stabilization following a significant downturn in 2022–2023. In 2024, new vehicle sales reached about 1.6 million units, representing a 48.4% increase compared to 2023.

In the first quarter of 2025, approximately 246 934 new passenger cars were sold in Russia, which is 25.3% less than the same period in 2024.

In 2025, automotive component prices are expected to rise by 10% to 40%, driven by ruble exchange rate volatility, logistical challenges, and sanctions-related restrictions. Despite record new car sales of around 1.6 million units in 2024, a 10–20% decline is forecasted for 2025, which may impact the automotive components market dynamics in the short term.

Overall, the automotive components and new car sales market in Russia continues to recover after the crisis but remains significantly influenced by macroeconomic factors, sanctions, and domestic conditions.

Automotive filter market overview

Republic of Belarus

In recent years, the automotive market in Belarus has demonstrated steady growth. In 2024, sales more than doubled compared to 2023, exceeding 50.7 thousand vehicles, indicating a recovery in demand and an expansion of market supply.

The vehicle fleet in Belarus continues to grow: approximately 3 million passenger cars are in operation on the country's roads, which corresponds to about one car per three residents.

Automobile production in Belarus is actively developing thanks to BelGee plant, which produced a record 90 thousand vehicles in 2024. In 2025, production is planned to increase further, along with expanding exports to EAEU countries, including Kyrgyzstan, Armenia and Kazakhstan.

The automotive filter market in Belarus aligns with the growth of the vehicle fleet and sales. The capacity of the passenger car filter market exceeds 12 million units per year, with an estimated value of more than 80 million USD. The rise in new car sales, expansion of production, and import of automotive components contribute to increased demand for filters and other consumables.

Additionally, a significant growth in electric vehicle sales is forecasted for 2025, which will also affect the structure of the automotive components market and the demand for specialized filters and spare parts.

Export and Import

Between 2023 and 2025, trade in automotive filters remains an important segment of Belarus's foreign economic activity, showing stable export and import volumes despite regulatory restrictions introduced in 2023–2024.

Exports of air filters for internal combustion engines amount to about 1–1.2 million units annually, while oil and fuel filters reach approximately 5–5.5 million units, with a total value around 16–18 million USD.

At the same time, imports of air filters are about 1.5–1.7 million units, and oil and fuel filters range from 8 to 9 million units, totaling around 40 million USD.

In 2024, temporary export restrictions were imposed on certain industrial goods, including automotive components, which complicated trade flows somewhat. However, due to exemptions and licensing, there was no sharp decline in volumes. The market diversification and stable supply are supported by the expansion of the product range through new international suppliers and the development of local production.

Thus, Belarus maintains active trade in automotive filters, highlighting the importance of this segment for the country's automotive industry and the regional market.

NATIONAL AGENCY OF INVESTMENT AND PRIVATIZATION

The Agency is ready to help foreign investors interested in doing business in Belarus:

- Presentation of information on investment opportunities, preferential regimes and benefits, industries, legislation.
- Provision of current information on investment projects.
- Selection and provision of information on options for land and premises.
- Search for potential partners for the implementation of the investment project, organization of meetings, negotiations with potential partners to establish cooperation.
- Providing a platform for negotiations and support for the investor during the negotiations,
- Organization of visits to the Republic of Belarus (development of a program of stay, assistance in obtaining a visa).
- Representing the interests of the investor in negotiations with government officials on the implementation of investment projects, as well as on improving business practices in the Republic of Belarus.
- Post Investment support.




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