



Monthly newsletter of Belarus business news, with a focus on M&A and privatization potential, published by Quantum capital, one of the leading M&A and strategic advisory boutiques in the region. © Quantum capital. All rights reserved.

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## M&A AND PRIVATIZATION NEWS

### OAo "Gruppa GMS" acquired OAo "Bobruyskiy Mashynostroitel'nyi Zavod"

OAo "Gruppa GMS" of Russia (a subsidiary of unit of HMS Hydraulic Machines & Systems Group PLC) acquired a 57% interest in Belarussian state- owned OAo "Bobruyskiy Mashynostroitel'nyi Zavod", a Bobruysk-based manufacturer of pumps and pumping equipment, for BYR 48 bil (USD 9.6 mil) in cash. The purpose of the transaction was for OAo "Gruppa GMS" to broaden its portfolio and OAo "Bobruyskiy Mashynostroitel'nyi Zavod" to increase its revenues and to provide its clients with new services.

### Belarus plans market float of Belaruskali

According to Belarus Deputy Prime Minister Vladimir Semashko, there are plans to sell a 10-15 percent stake in potash miner Belaruskali in an initial public offering.

### Belarussian truck maker BelAZ plans IPO

According to Belarus Deputy Prime Minister Vladimir Semashko, Belarussian truck maker BelAZ plans to hold an initial public offering on the international stock markets. According to A. Semasko "Deutsche Bank is preparing BelAZ for an IPO on external stock markets".

### Privatization in favor of local investors is gaining momentum

During the first 2 weeks of July, the following companies were sold:

- Shares in "Baranovichgazstroy" have been acquired by a private equity Belarussian unitary enterprise "AnvoyInvest" at an auction. The investor has bought 80.7% of the capital shares of the enterprise for Br 1 billion 98 million;
- Stakes in the JSC "Promstroysistema" (75.4% of the statutory capital) have been sold for Br 168.6 million rubles to "Sog Story" ltd;
- Shares of the JSC "Borisov repair and mechanical plant" (42.1% of the statutory capital) have been acquired for Br 2.8 billion by the JSC "ATEP-5";
- 15.4% of the statutory capital of the JSC "Lesohimik" (Borisov) has been bought for Br 3.705 billion by the JSC "Polesezhilstroy";
- 42.1% of the statutory capital of the JSC "Borisov repair-mechanical plant" has been bought for Br 2 billion 800 million also by the JSC "ATEP—5";
- 1.8% of the statutory capital of the JSC "Baranovichi Shoe Factory" has been bought by a Russian investor.



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Sale auctions concerning "Pukhovichi Experimental Plant", "Slonim car repair factory", "Special vehicles", "TransMozyr", "Polymer" and "Bobruisk shoe factory" did not take place due to the lack of bids from potential buyers.

## OTHER NEWS

### **EurAsEc approves USD3 bln. loan for Belarus**

The EurAsEc (EurAsian Economic Community) anti-crisis fund has approved a USD3 billion stabilization loan for Belarus to help tackle its currency problems. Belarus will receive USD1.2 bln. during the first year from the EurAsEC relief fund, USD800 million during the second year, one USD1 billion during the third year.

### **Belarus inflation eases further in July**

According to the state services, the consumer inflation in Belarus rose 3.5 percent in July, month-on-month, compared with 8.6 percent in June and 13.1 percent in May. In y-o-y terms inflation totaled 48.4 percent.

### **IMF mission postponed**

When commenting on the status of the Belarusian authorities' appeal for the new IMF loan, the IMF Resident Representative in Belarus, Natalia Kolyadina said "The IMF mission is not yet to come, as the authorities have not formulated and publicly presented a clear integrated anti-crisis plan".

### **Sources used**

Corporate know-how of Quantum capital, Belta, The Baltic Course, Telegraf, Belmarket, EBRD, IMF, National Bank of Belarus, Ministry of Economy of the Republic of Belarus, National Department of Statistics, S&P, Belarus Today, Naviny, AFN, Prime-TASS, Economy Watch