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2



OLLI REHN

The energy security of the supply to Finland and the Balticconnector project



MIKA ANTTONEN

Blending mandate for advanced biofuels



**ARI-JUSSI KNAAPILA &
JUKKA-PEKKA JOENSUU**

A maritime cable from Finland to Central Europe

VLADIMIR ZINOVSKIY

Belarus sails from turbulence of past challenges to quiet haven of advantages

Expert article • 1951

Belarus is often regarded as Europe's final frontier, where foreign businesses fear to tread. Still, there is a growing interest in the country among investors looking beyond the negative headlines and seeking to be the first to tap its potential.

For the majority of businesses it is vital to grow in a generally supportive environment, in which both external and internal risks would be foreseeable. Today economic turmoil in Eurozone and tides of regional conflicts around the Europe generate a total reevaluation of risk in the region. In this situation it is mutually beneficial cooperation and development of businesses than suffers.

Facing this turbulence the government of Belarus puts a special emphasis on ensuring stable business environment in the country and enhancing its value as a security and stability factor in the region. Possessing a clear strategic vision to be a transit hub between the Eurasian Economic Union and the EU, Belarus aspires to play a role of regional quiet haven for investors.

The main strategy of the government is to respond a common delusion that investing in Belarus is only for the risk-takers by a very strong monetary policy, a good budget consolidation in order to maintain the economic potential of the country, create a necessary environment to protect foreign investors, as well as an environment for efficient investment in the country.

There is a lot that has already been done and now the time has come to take a fresh look at what Belarus can offer to focused entrepreneurs in the rapidly changing environment.

First of all, Belarus benefits from a relatively balanced sector structure: the leading sectors here are manufacturing, trade, construction and agriculture. In Soviet times, thanks to its developed industry, Belarus was known as the USSR's 'assembly plant'. And even now, heavy machinery remains the staple of Belarusian exports, with every 10th tractor in the world produced in Minsk. Belarus fully satisfies its domestic needs in dairy products. The annual per capita milk output in Belarus is 2.7 times higher than its consumption. In 2015 Belarus gained a strong footing on the world market of dairy products, showing progress in all main positions. Par exemple in the export of butter Belarus moved the United States from the 3rd place in the list of world exporters.

Secondly, while not being very rich in oil and gas, Belarus benefits from its rich intellectual «resource», growing a basis of new technologies and scientific development, - people. There are about 500,000 students enrolled at Belarus's 55 higher education institutions each year, an impressive number for the country with relatively small population of about 10 million.

Belarus has a well-developed IT sector. In 2005 the Hi-Tech Park (HTP) was set up in Minsk to support Belarus's software industry. In total, there are 140 companies registered in the HTP and they work with a large number of respected clients: Barclays, Bank of America, Western Union, the London Stock Exchange, Google, IBM, Expedia, BP, Chevron, Microsoft and Airbus. In 2014 its production volume amounted to \$527m. Exports account for 88% all the software produced in the park in 56 countries of the world.

Thirdly, doing business in Belarus is less complicated than it is often believed. The investment climate of Belarus shows positive dynamics. The World Bank's 'Doing Business 2016' report ranked Belarus 44th among 189 countries for ease of doing business and the 4th place by number of reforms in all areas over the past 10 years.

There is a progressive Law on investments, which ensures that foreign investors have equal business conditions with individuals and legal entities of Belarus. Investors have the right to appeal for protection of their rights to international arbitration bodies and the International Centre for Settlement of Investment Disputes. Besides progressive local Belarus entered more than 60 agreements on assistance in the mutual protection of investments. Since 2012 the country has been a member of Multilateral Investment Guarantee Agency. Intellectual property rights are also protected by a number of national laws and international treaties. The country participates in multiple conventions on both copyright and proprietary rights. Being a member of the World Intellectual Property Organization (WIPO) since 1970, Belarus participates in many international IP agreements administrated by WIPO.

Besides to develop the potential of Belarus as a communication link between the CIS, Russia and Europe the China-Belarus industrial park Great Stone is opened for investors who are interested in the creation of high-tech enterprises. It provides for investors preferential taxation regime and regime of free customs zone.

And finally, today we offer a market of not only 10 million Belarusians but 176 million consumers in the Eurasian Economic Union. The union allows for the free movement of goods, equal access to services of natural monopolies, common technical regulations, a liberalization of trade in services. With a huge market of EEU, strong beneficial relations with traditional economic partners, new markets, which are being developed, export diversification and numerous favorable regimes for investors Belarus seeks to establish long-term partner relations with companies, which would be mutually beneficial. Thus Belarus can point to many examples of companies large and small operating successfully within it. There are such worldwide known and respected companies, which have come to the country to exploit the opportunities it provides, as HP, Coca-Cola, Bosh, Culligan, Stadler, Kapch, Heineken, Raiffeisen, Microsoft, IBM, Pepsi, Danone, Uniliever, Henkel, United Parcel Group among them.

So, when looking for a stable and predictable partner, Belarus should be on the top of the list. We welcome to Belarus all partners from East and West, North and South and we do not see any reasons not to come to our country. ■



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