

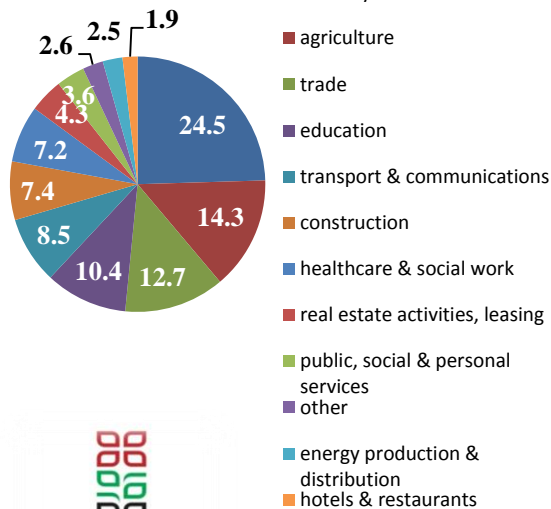


Investment potential of Brest region



1. Labour resources

Employment by sector of economy (%), 2012
Brest region

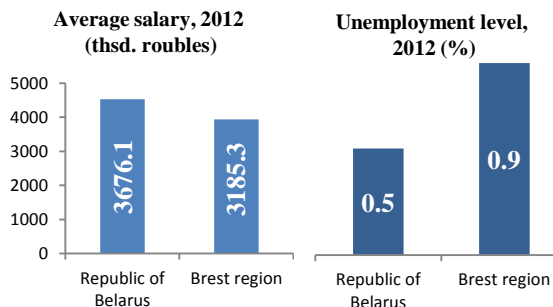


The population of Brest Region is mostly active in the industry (24.5%), agriculture, hunting & forestry (14.3%), trade (12.7%).

POPULATION ACTIVE IN SECTORS OF ECONOMY, 2012 (thsd. persons)	
Total active	628.1
including:	
Industry	153.7
Agriculture	90.0
Trade	79.5
Education	65.6
Transport and communications	53.3
Construction	46.7
Healthcare and social services	45.5
Real estate, lease and business services	26.8
Public, social and personal services	22.5
Other	16.6
Energy production and distribution	15.7
Hotels and restaurants	12.2

Source: National Statistics Committee of the Republic of Belarus, 2013

The official unemployment level in 2012 in the region is 0.9% of the economically active population, which exceeds the national index by 0.4%. The average monthly salary in the region amounts to 87% of the relevant index in the country.



Out of the total workforce of Brest Region, over 24% has higher education, 44% has either a vocational or specialised secondary education.

WORKFORCE QUALIFICATIONS, 2012 (thsd. persons)	
Workforce, total	535 100
including those with educational level as follows:	
higher	130 099
vocational	112 068
specialised secondary	125 547
general secondary	154 997

Source: National Statistics Committee of the Republic of Belarus, 2013

2. Region's economy

The principal sectors of the region's economy are light industry, food industry, electrical power engineering, machinery construction, production of construction stone. The region specialises in production of incandescent electric lamps, compression-type machines, single-bucket mechanical self-propelled excavators, cookers, chip boards, cotton fabric. Large industrial centres are Brest, Baranovichi, Pinsk, Kobryn, Beryoza.

The agriculture specialises in production of meat and milk, cultivation of potatoes, grain, sugar beet, and vegetables.

GROSS REGIONAL PRODUCT (GRP), 2012		
	2011	2012
Total (bln. roubles)	24 682.8	48 335.9
Per capita (mln. roubles)	17.7	34.8
GRP share in GDP of Belarus (%)	9	9.2
Real GRP growth rate (%)	101.2	100.5

Source: National Statistics Committee of the Republic of Belarus, 2013

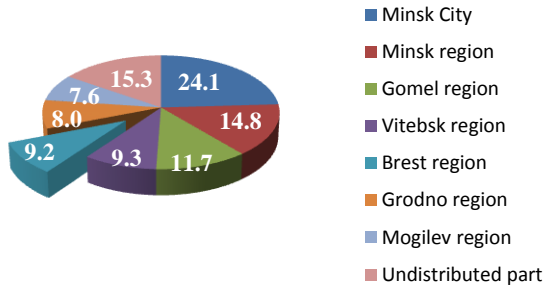


Investment potential of Brest region

90% of the total volume of industrial production is provided by the processing industries (production of food products, machines and equipment, nonmetallic mineral products, electric equipment, electronic and optical equipment, chemical production, textile and sewing industries, wood-processing and production of wood products).

With its volume of the gross regional product Brest Region occupies the 5th place after the city of Minsk, Gomel, and Minsk Region.

Share of Brest region in the country's GDP, 2012 (%)



Largest enterprises by industries:

- *light and textile industries* (Polesye Pinsk Manufacturing Group, Baranovich Cotton Group OJSC, Brest Hosiery Factory OJSC, Brest Carpets OJSC);
- *food production* (Savushkin Produkt OJSC, Zhabinka Sugar Factory OJSC, Santa-Bremor OJSC, FC Inko-Food, Brest Meat-Processing Factory OJSC, First Chocolate Company JLLC, Belsolod OJSC, Berioza Meat Processing Plant OJSC);
- *wood-processing* (Baranovichdrev OJSC, Luninetsles OJSC, Ivatsevichdrev OJSC, Pinskidrev CJSC, Involux CJSC, BRV-Brest FC LLC);
- *engineering* (Brestgazoapparat JV, Tsvetotron Plant RUE, Gefest-Tekhnika UE, JofeLabortechnik JLLC, Baranovich Plant for Automatic lines OJSC).

3. Foreign trade

Around 80 per cent of the land export of the CIS countries to the Western Europe crosses Brest Region. This determines high development of goods services exports in the region.

VOLUME OF FOREIGN TRADE IN GOODS, 2012 (mln. USD)		
	Brest region	Republic of Belarus
Turnover	4 319.4	92464.3
Exports	2 196.1	46 059.9
Imports	2 123.3	46 404.4
Balance	72.8	-344.5

Source: National Statistics Committee of the Republic of Belarus, 2013

Trade companies of the region provide for a sixth of the country's trade. The region's geographical location ensures favourable conditions for international trade. Companies of Brest Region develop trade and economic co-operation with over 100 countries of the world. 700 companies of all types of ownership and entrepreneurs perform export and import operations.

In Brest Region a positive foreign-trade balance is ensured. The principal foreign-trade partners of Brest Region are Russia, Germany, Poland, Ukraine, Italy, Lithuania, France, the Netherlands, Belgium, the USA.

In Brest Region a positive foreign-trade balance is ensured. The principal foreign-trade partners of Brest Region are Russia, Germany, Poland, Ukraine, Italy, Lithuania, France, the Netherlands, Belgium, the USA.

4. Foreign investment

The priority areas of investment attraction to the region are

- high-technology and innovation projects;
- high-technology and innovation projects;

- export-oriented and import-substituting production;
- production and processing of agricultural products;
- development of roadside service infrastructure;
- development of tourist services (along the principal transportation corridors, in the towns with valuable historical and cultural heritage, Belovezhskaya Pushcha National Park).

In Brest Region over 500 companies with foreign investment have been registered. First three places in the number of joint and foreign companies are shared by Poland, Germany, and Russia.

FOREIGN DIRECT INVESTMENT, net, 2012 (mln. USD)	
Republic of Belarus	1 376.5
Brest region	64.9

Source: National Statistics Committee of the Republic of Belarus, 2013

The overall number of companies registered on the territory of Brest Free Economic Zone is 88 as of January 1st, 2013, 62 of them have foreign capital.

Examples of successful operation of companies with foreign investment in the region are

- JV Santa Bremor (sea products processing);
- PC Gefest –Technika (production of gas-, electric stoves and cookers, kitchen air cleaners and ventilation pipes);
- FE Inco-Food (meat processing);
- STiM Ltd. (equipment and machines, paints for road marking);
- CJSC Involux (furniture production);
- Vegas LLC. (orthopedic mattresses manufacture);
- and many others.

Since May 1998 Brest Region has been a member of the transborder Bug Euroregion which includes Lublin Province of Poland and Volyn Region of Ukraine as well.



Investment potential of Brest region

5. Transport and communications

- The length of general motorways is 10.7 thousand km.
- The length of operating tracks of general purpose railway transport is 1062 km.
- Brest railway junction is one of the largest ones in Central Europe and it completely ensures transit of Western European countries to the CIS countries in Moscow and St. Petersburg directions. Large railway junctions are located in Brest, Baranovichi, Luninets, and Zhabinka.
- The international transportation corridor Berlin-Warsaw-Brest-Minsk-Moscow and a direct way to Vilnius and Kyiv cross Brest Region.
- Druzhba oil pipeline and Torzhok-Minsk-Ivatsevichi and Kobrin-Brest-Warsaw cross the region.
- Brest airport of class IV (located 17 km to the East from Brest) has the status of an international one; at present Gomelavia airline operates regular flights from Brest airport.
- The distance from Brest to Minsk is 345 km.

6. Education and science

In Brest Region there are 4 state higher educational institutions, 29 research, design, and survey institutions and organisations. The research potential of the region is mostly oriented towards applied research. Higher educational institutions engage in research in the field of biology, sewage treatment, development of new types of construction materials.

The following organisations function in Brest Region:

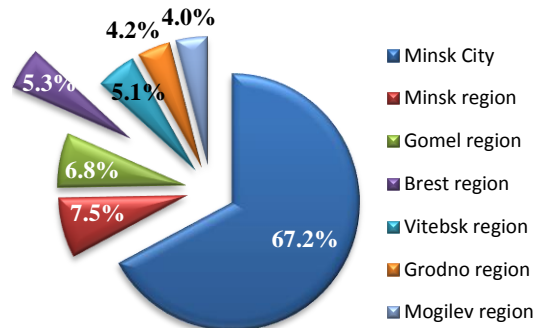
- technical park of Centre of Technological Development Introduction BRMUC;
- research and technological park of Brest Innovation Business Centre LLC.

EDUCATION AND SCIENCE, 2012	
No. of higher educational institutions	4
No. of R&D organisations	30
Personnel engaged in R&D	421
Expenses for R&D (million roubles)	36 451
No. of organisations active in innovations	63

Source: National Statistics Committee of the Republic of Belarus, 2013

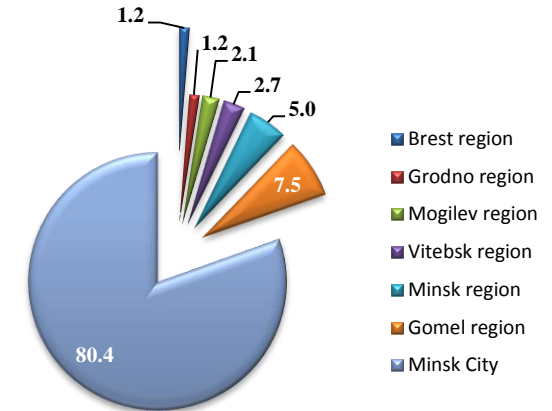
Brest Region occupies the 4th place among the regions as to the number of R&D organisations.

R&D organizations by region and Minsk City, 2012



Expenses for R&D in Brest Region amount to 1% of the national expenses.

R&D expenses by region and Minsk City, 2012



Among the total expenses for R&D in Brest Region 70% is for pilot projects development.

R&D expenses distribution by type, mln. roubles Brest region

