

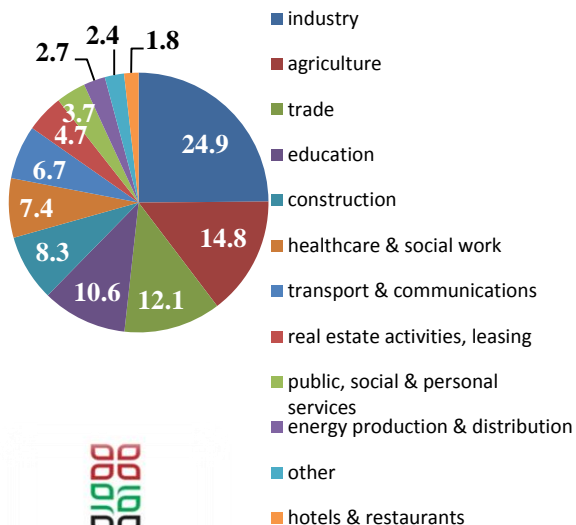


# Investment potential of Grodno region



## 1. Labour resources

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

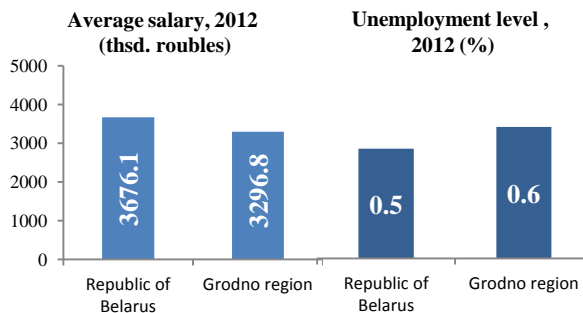


The population of Grodno Region is mostly active in the industry (24.9%), agriculture (14.8%) and commerce (12.1%).

QUANTITY OF POPULATION ACTIVE IN SECTORS OF ECONOMY, 2012 (thsd. persons)	
Total active	501.1
including:	
Industry	126.8
Agriculture	74
Trade	60.6
Education	53.1
Construction	41.4
Healthcare and social services	37.1
Transport and communications	33.7
Real estate, lease and business services	23.4
Public, social and personal services	18.5
Energy production and distribution	13.3
Other	12
Hotels & Restaurants	9.2

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

The official unemployment level in the region is 0.6% of the economically active population. The average monthly salary in the region is 10,4% below the relevant index in the country.



Out of the total workforce of Grodno Region, around 24% has higher education, 46% has either a vocational or specialised secondary education.

WORKFORCE QUALIFICATIONS, 2012 (thsd. persons)	
Workforce, total	427.1
including those with educational level as follows:	
higher	102.8
vocational	105.2
specialised secondary	90.4
general secondary	116.3

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

## 2. Region's economy

The economy of Grodno Region is oriented towards agriculture. This field develops dynamically and stably. The main sector of agriculture is dairy and meat husbandry, an important one is poultry-farming. The weight of animal products in the total volume of production amounts to over 50%.

The region also specialises in production of aminocaproic lactam, nitrogen fertilisers, ammonia, potato diggers, sowers, planters and seedling setters, tyre lining, slate, cement, tobacco products.

GROSS REGIONAL PRODUCT (GRP), 2012		
	2011	2012
Total (bln. roubles)	21 196.7	42 299.9
Per capita (mln. roubles)	19.9	39.91
GRP share in GDP of Belarus (%)	7.7	8
Real GRP growth rate (%)	105.1	103.0

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



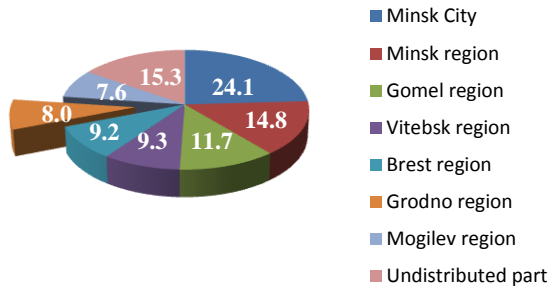
# Investment potential of Grodno region

The chemical industry dominates in Grodno Region. The main manufacturing capacities are located in Grodno and Lida, the biggest towns of the region along with Slonim, Volkovysk, Smorgon. The majority of large enterprises are concentrated around Grodno.

Among other important industries there are: food; engineering; metal-processing; manufacturing of construction materials.

With its volume of the gross regional product Grodno Region occupies the penultimate place among the regions.

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



### Largest enterprises by industries:

- *food* (Grodno Meat-Processing Factory OJSC, Lida Beer OJSC, Skidel Sugar Factory OJSC, Grodnobioprodukt CJSC);
- *chemical and petrochemical* (Lakokraska OJSC, Grodno Azot OJSC);
- *engineering and metal processing* (Lidselmash OJSC, Grodno Factory of Commerce Engineering RUE, Grodno Mechanical Factory OJSC, Grodno Automobile Unit Plant RUE, Belkard OJSC, Lidagroprommash OJSC);
- *manufacturing of construction materials* (Grodno Factory of Construction Materials OJSC, Krasnoselskstroimaterialy OJSC, Smorgonsilikatobeton OJSC, Nyoman Glass Factory OJSC);

- *light* (Conte Spa LLC, Slonim Worsted-Goods and Spinning Factory OJSC, Elod SCF OJSC, Gronitex GPRUE, Nyoman Grodno Footwear Factory OJSC);
- *wood-processing* (Mebel-Nyoman JV, Mostovdrev OJSC, ZOV-Len-Yevromebel JLLC, Medis FMPUC, Amtako International JV, Trio BelDrev JV);
- *cigarette production* (Grodno Tobacco Factory Neman OJSC).

## 3. Foreign trade

Grodno Region trades with 122 countries of the world. The goods of the local producers are exported to the markets of 87 countries, products are imported from 110 countries.

VOLUME OF FOREIGN TRADE IN GOODS, 2012 (mln. USD)		
	Grodno region	Republic of Belarus
Turnover	3 803.7	92 464.3
Exports	2 007.8	46 059.9
Imports	1 725.9	46 404.4
Balance	351.9	-344.5

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

Among the principal trading partners of the region are Russia, Poland, Germany, China, Ukraine, Lithuania, Italy, Switzerland, France and India.

In 2012 new the Region developed 13 new foreign markets, including: Honduras, Greece, Djibouti, Ireland, Iceland, Kenya, Costa Rica, Macedonia, Paraguay, Syria, Thailand, Chile, El Salvador. Change in the geography of the export confirms demand for the region's products in new countries. The major share in services exported belongs to transportation services, business services, construction, tourist, and computer services.

## 4. Foreign investment

The main investment areas in the region are:

- modernisation of organisations of food, processing, chemical, wood-processing, light, fuel industries, engineering, industry of construction materials;
- creation of enterprises producing knowledge-consumptive products;
- reconstruction and equipping of agricultural complexes with modern processing equipment;
- development of the tourism and leisure infrastructure, roadside service;
- development of transportation and telecommunications systems.

FOREIGN DIRECT INVESTMENT, net, 2012 (mln. USD)	
Republic of Belarus	1 376.5
Grodno region	113.5

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

As to the ratio of foreign investment accumulated in the region, investors from the Russian Federation, Czech Republic, Poland, Finland, Lithuania, Cyprus, the United States of America, Austria, the United Kingdom prevail. In the region constant increase of enterprises with foreign investment can be observed.

## 5. Transport and communications

- The length of general railway operating tracks is 649 km.
- The length of general motorways is 12.9 thousand km.
- The principal motorways of the region are those in the direction of Minsk, Vilnius, Baranovichi and Brest (principal highways are Minsk-Oshmyany-Vilnius, Minsk-Lida-Grodno, Baranovichi-Slonim-Volkovysk-Grodno, Vilnius-Lida-Slonim).
- Grodno airport of class IV (18 km to the south-east from Grodno) has the status of an international one.
- The distance from Grodno to Minsk is 269 km.





# Investment potential of Grodno region

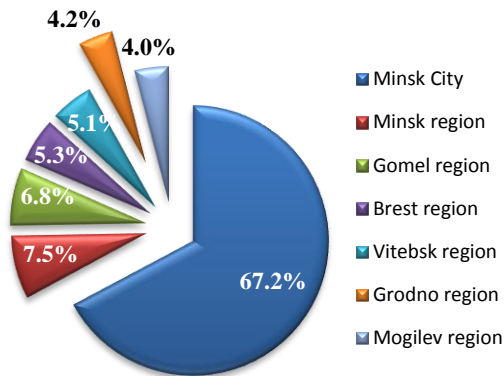
## 6. Education and science

EDUCATION AND SCIENCE, 2012	
No. of higher educational institutions	3
No. of R&D organisations	22
Personnel engaged in R&D	473
Expenses for R&D (million roubles)	61 559
No. of organisations active in innovations	46

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

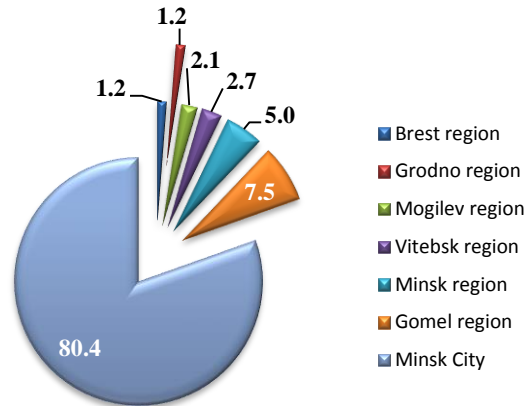
Grodno Region along with Mogilev Region occupies the penultimate place among the regions as to the number of R&D organisations.

R&D organizations by region and Minsk City, 2012



Grodno Region occupies the penultimate place concerning expenses for R&D.

R&D expenses by region and Minsk City, 2012



In the overall volume of expenses for R&D in Grodno Region more than half falls within development and 28% within fundamental research.

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

