

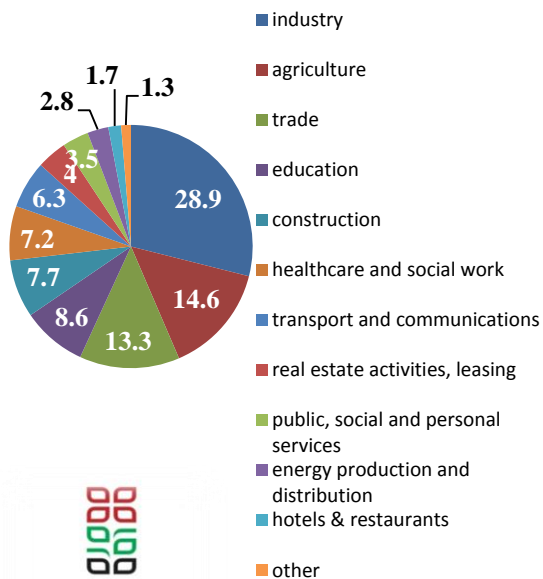


Investment potential of Minsk region



1. Labour resources

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

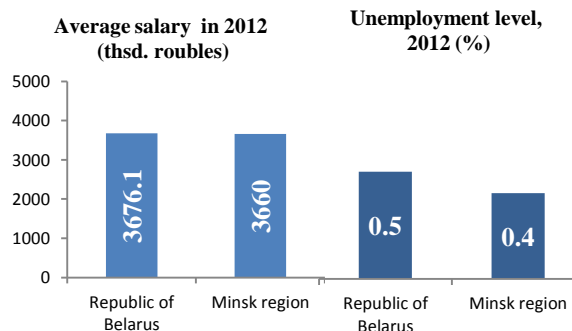


The population of Minsk Region is mostly active in the industry (28.9%), agriculture (14.6%), and commerce and catering (13.3%).

POPULATION ACTIVE IN SECTORS OF ECONOMY, 2012 (thsd. persons)	
Total active	688.7
including:	
Industry	199.1
Agriculture	100.7
Trade	91.6
Education	59
Construction	52.8
Healthcare and social services	49.9
Transport and communications	43.5
Real estate, lease and business services	27.8
Public, social and personal services	24.3
Hotels and restaurants	11.6
Energy production and distribution	19.2
Other	8.9

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

The official unemployment level in the region is 0.4% of the economically active population, which is the same as in the country in general.



Out of the total workforce of Minsk Region, around 20% has higher education, 54% has either a vocational or specialised secondary education.

WORKFORCE QUALIFICATIONS, 2012 (thsd. persons)	
Workforce, total	589 557
including those with educational level as follows:	
higher	118 107
vocational	135 361
specialised secondary	127 804
general secondary	187 873

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

2. Region's economy

The industry of the region has a developed sector structure and close manufacturing ties with the industrial complex of the city of Minsk.

The region specialises in production of potassium fertilisers, roof tiles, mine trucks, knit wear, pasta, sugar, mineral water.

GROSS REGIONAL PRODUCT (GRP), 2012		
	2011	2012
Total (bln. roubles)	44 116.4	78 132.9
Per capita (mln. roubles)	31.3	55.7
GRP share in GDP of Belarus (%)	14.8	14.8
Real GRP growth rate (%)	107	106.5

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

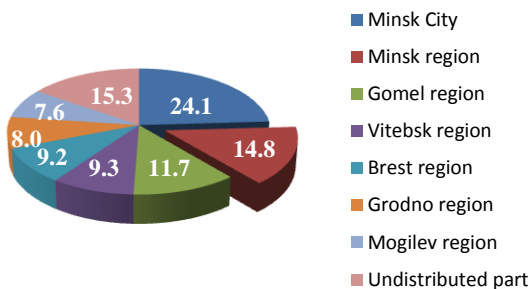
A significant share of industry is concentrated in five largest towns: Soligorsk, Borisov, Zhodino, Slutsk, Molodechno.



Investment potential of Minsk region

With its volume of the gross regional product Minsk Region occupies the 2nd place (after the city of Minsk).

Share of Minsk Region in the country's GDP, 2012 (%)



Largest enterprises by industries:

- *chemical and petrochemical* (Belaruskaliy OJSC);
- *engineering and metal processing* (Belarusian Vehicle Factory RUMC, Borisov Factory of Automotive Electric Equipment – managing company of Avtokomponenty Holding OJSC, Borisov Device Factory OJSC, Avtoguidrousilitel Borisov Factory OJSC);
- *machine-tool manufacturing* (Molodechno Machine-Tool Manufacturing Factory OJSC);
- *food* (Kletskeya Krynochka OJSC, Molodechno Dairy Factory OJSC, Soligorskaya Poultry Factory OJSC, Borisov Dairy Factory OJSC, Berezino Cheese Factory OJSC, Slutsk Sugar Refinery OJSC, Borisovkhebprom RUC, Gorodeya Sugar Factory OJSC, Konfa OJSC, Ivkon JCOJSC, Arok JLLC, Mashpischeprom OJSC);
- *wood-processing* (Borisovdrev OJSC, Slutsk Furniture Factory OJSC, Molodechnomebel CJSC);
- *light* (Svitanak OJSC, Kalinka CJSC);
- *production of construction materials* (Holding Company of Zabudova Holding OJSC).

3. Foreign trade

Organisations of Minsk Region carry out foreign-trade operations with 141 countries of the world. Principal trade partners of the region are Russia, Ukraine, Brazil, Germany, Netherlands, China, Poland, India, Norway and Kazakhstan. At the same time, Minsk Region performs foreign-trade operations with all the 27 countries of the EU.

Among the promising areas of foreign-trade operation further development of the markets of such countries as China, Brazil, Venezuela as well as new markets of Africa, Asia, and Oceania is considered.

VOLUME OF FOREIGN TRADE IN GOODS, 2012 (mln. USD)		
	Minsk region	Republic of Belarus
Turnover	12 428	92 464.3
Exports	7 442.4	46 059.9
Imports	4 985.5	46 404.4
Balance	2 456.9	- 344.5

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

The goods composition of the exports of Minsk Region is based on the products of the chemical and relevant industries, including potassium fertilisers, vehicles, mineral products, animal products, food products.

Over half of the regional exports are provided by 7 biggest exporter producers of the region. These are Belaruskaliy OJSC, Avtoguidrousilitel Borisov Factory OJSC, Borisov Factory of Automotive Electric Equipment OJSC, Gorodeya Sugar Factory OJSC, and Slutsk Cheese Factory OJSC.

Machines, equipment, non-noble, mineral products, products of the chemical and relevant industries, plastics, animal products, vehicles prevail in the goods composition of the exports.

4. Foreign investment

The majority of companies with foreign investment operate in wood-processing, production of chemical products, rubber products and plastics, trade and transportation. The majority of foreign partners of the region's companies come from Germany, Cyprus, Lithuania, Poland, Russia, and the USA.

FOREIGN DIRECT INVESTMENT, net, 2012 (mln. USD)	
Republic of Belarus	1 376.4
Minsk region	137.2

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

The priorities of the investment policy of Minsk Region are:

- introduction of new technologies, new process equipment enabling to improve qualitative characteristics of the products, works, and services produced to reach international standards;
- mastering production of new product types with high value added certified according to the modern quality standards sufficient for systematic increase of exports;
- preservation and strengthening of competitive goods positions of the region's organisations in the traditional markets of Russia, Ukraine, EU countries as well as market expansion in other non-CIS countries.
- expansion and diversification of the distribution network of organisations;
- active development of exports of all kinds of services.

5. Transport and communications

- Minsk Region is located at the crossroads of the principal transportation routes connecting Western Europe and the East, the Black Sea regions and the Baltic countries.
- The length of general motorways is 19.4 thousand km.
- The length of general railway operating tracks is 870 km. The railway network of the region connects Russia and Europe, the Baltic countries and southern countries of the CIS.





Investment potential of Minsk region

• Minsk National Airport (located 37 km to the east from the city of Minsk). At present such airlines as the Belarusian Belavia, Polish LOT, Israeli ELAL, Lithuanian SkyExpress, Latvian AirBaltic, Czech CSA, German Lufthansa, Austrian Austrian Airlines regularly operate from Minsk National Airport.

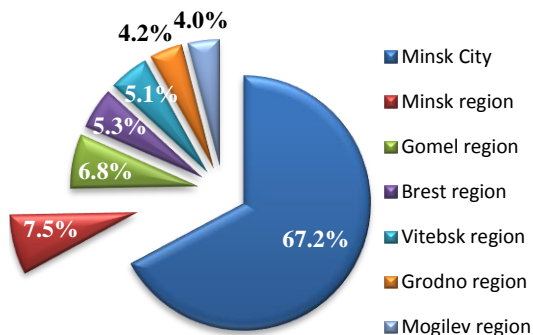
6. Education and science

The existing educational institutions comprise a system able to meet the requirements of Minsk Region as to specialists and workers. Educational institutions are distributed quite equally in the region taking into consideration concentration of the population in large, medium, and small towns and principal thoroughfares. Training of blue- and white-collar workers for all the sectors of the region's economy is performed in 42 specialities and 90 qualifications at the level of vocational education and in 18 specialities at the level of specialised secondary education.

EDUCATION AND SCIENCE, 2012	
No. of higher educational institutions	7
No. of R&D organisations	40
Personnel engaged in R&D	3 036
Expenses for R&D (million roubles)	89 625
No. of organisations active in innovations	67
Source: National Statistics Committee of the Republic of Belarus, 2013	

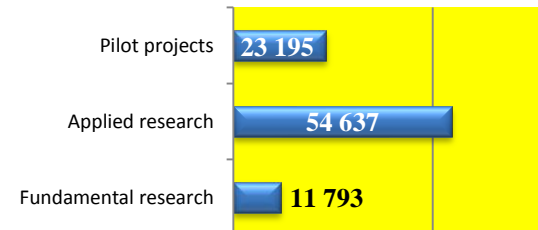
Minsk Region, along with Brest Region, occupies the 3rd place as to the number of R&D organisations.

R&D organizations by region and Minsk City, 2012



In the overall volume of expenses for R&D in Minsk Region around half falls within applied research and around 30% within development.

R&D expenses distribution by type, mln. roubles Minsk region, 2012



Minsk Region occupies the 2nd place after Gomel Region among regions as to the R&D expenses.

R&D expenses by region and Minsk City, 2012

