

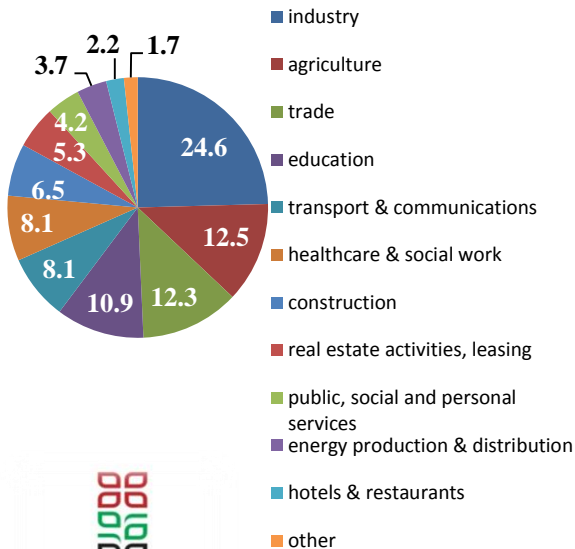


# Investment potential of Vitebsk region



## 1. Labour resources

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

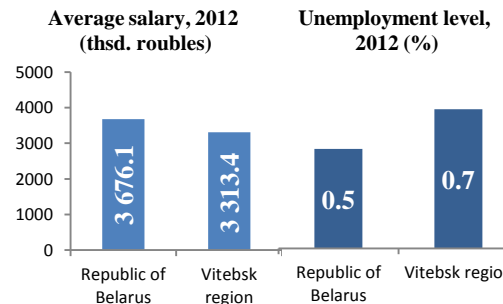


Almost a quarter of the population of Vitebsk Region is active in the industry, 13% in commerce and 12% in agriculture.

POPULATION ACTIVE IN SECTORS OF ECONOMY, 2012 (thsd. persons)	
Total active	545.4
including:	
Industry	134
Agriculture	68
Trade	66.9
Education	59.7
Transport and communications	44.3
Healthcare and social services	44.1
Construction	35.4
Real estate, lease and business services	28.7
Public, social and personal services	22.7
Energy production and distribution	20.3
Fishing and fish farming	12
Hotels and restaurants	9.3

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

The official unemployment level in the region is 0.7% of the economically active population, which exceeds the national index by 0.2%. The average monthly salary in the region is 10% below the relevant index in the country.



Out of the total workforce of Vitebsk Region, around 24% has higher education, 50% has either a vocational or specialised secondary education.

WORKFORCE QUALIFICATIONS, 2012 (thsd. persons)	
Workforce, total	455.8
including those with educational level as follows:	
higher	111.1
vocational	114.7
specialised secondary	111.1
general secondary	118.9

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

## 2. Region's economy

The key role in the economy development belongs to the industry. The region specialises in production of electricity, oil-processing products, metal-cutting machine tools, polyethylene, limestone and dolomitic meal for chalking of acid soils, TV sets, linen fabric, footwear. The enterprises of the region manufacture around 17% of the national volume of industrial products. The principal industrial centres are Vitebsk, Orsha, Novopolotsk, Polotsk, Postavy, Glubokoye, Lepel.

GROSS REGIONAL PRODUCT (GRP), 2012		
	2011	2012
Total (bln. roubles)	23 519.3	48 839.8
Per capita (mln. roubles)	19.3	40.3
GRP share in GDP of Belarus (%)	8.6	9.3
Real GRP growth rate (%)	106.3	105.3

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

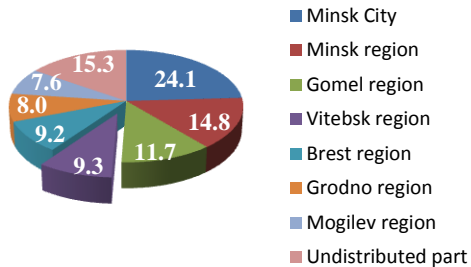


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In the total volume of the region's industrial products, production of coke and oil products (43.8%), production and distribution of electricity, gas, and water (15.2%).

With its volume of the gross regional product Vitebsk Region occupies the 4<sup>th</sup> place.

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



## Largest enterprises by industries:

- *light* (Marko JLLC, Belwest JLLC, Orsha Flax-Processing Factory RUMCC, Lyubava-Lux JLLC, Vitebsk Carperts OJSC);
- *food production* (Meat and Dairy Products Vitebsk Group State Group enterprises, Vitba Vitebsk Confectionery MUC, Vitebsk Horticultural Factory OJSC, Vitebsk Oil-Extracting Factory OJSC);
- *machine-tool manufacturing and tooling, engineering* (Vistan OJSC, Krasnyi Borets OJSC, Orshaagroprommash OJSC, Kokhanovo Excavator Factory OJSC, Svyatovit JV, Vitebsk Motor Repair Factory OJSC, Orsha Tooling Factory OJSC);
- *electricity production* (Vitebskenergo RUC);
- *oil processing* (Naftan OJSC, LK-Naftan JLLC);
- *production of TV sets, household appliances* (Vityaz OJSC);
- *production of fibre glass and polyethylene* (Polotsk-Steklovolokno OJSC, Polimir OJSC).

## 3. Foreign Trade

The region's economy has a good export potential. The share of the region in the country's foreign trade is around 11.6%. Trading relations are maintained with 100 CIS and non-CIS countries.

The export potential of Vitebsk region is determined by the importance of the geographical location providing opportunities of sustainable development of trade and economic co-operation with the Russian regions and the Baltic countries.

The principal partners of Vitebsk region are the Russian Federation, the United Kingdom, Denmark, the Netherlands, Latvia, Ukraine, Germany, Lithuania, the United States of America and Poland. Supply of products to Estonia, France, Finland, Iran and Turkey has increased.

VOLUME OF FOREIGN TRADE IN GOODS, 2012 (mln. USD)		
	Vitebsk region	Republic of Belarus
Turnover	7 074.1	92 464.3
Exports	3 731.0	46 059.9
Imports	5 707.8	46 404.4
Balance	-1 976.8	-344.5

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

In the goods composition of the exports prevail oil products, polyethylene, acrylic fibre, footwear, textile, glass cloth, TV sets, carpets, construction materials (brick, bloating clay, fibreboards), hosiery.

The principal products imported are crude hydrocarbons (around 70% of all the imports), equipment (15%), grain and protein feed, rolled metal products, leather and textile raw materials.

## 4. Foreign Investment

In 2012 the work to attract direct foreign investments for establishing new companies, enterprises and modernising the existing ones has been stepped up. The efficiency of providing investment offers to potential investors and direct negotiations with them has been increased.

DIRECT FOREIGN INVESTMENT, net, 2012 (mln. USD)	
Republic of Belarus	1 376.5
Vitebsk region	43.6

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

Special attention is paid to the maximum attraction of the available reserves of economic growth and investment attraction in accordance with Additional Conditions for Investment in the Republic of Belarus of Decree of the President of the Republic of Belarus No. 10 dd. 6 August 2009.

With foreign investment attracted over 30 investment agreements to the amount of around 160 million US dollars are being implemented, including those with foreign direct investment on a net basis – 10 investment contracts to the total amount of around 100 million dollars.

## 5. Transport and communications

- Principal thoroughfares connecting Moscow, St. Petersburg, Riga, Vilnius, Warsaw, and Kyiv are located at the distance of 400-600 km away from Vitebsk.
- The territory of the region forms part of two European transportation corridors: Berlin-Warsaw-Minsk-Moscow and Helsinki-Vitebsk-Gomel-Kyiv-Plodiv.
- At present Vitebsk Region is a participant of the transborder co-operation programme Baltic Sea Regions, Lithuania-Latvia-Belarus, is one of the partners of the EWTC project (East-West green transportation corridor).



