

## Investment potential of Vitebsk region



## 1. Labour resources

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

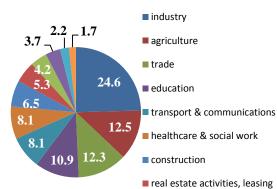
public, social and personal

hotels & restaurants

energy production & distribution

services

other

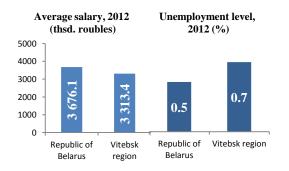




NATIONAL AGENCY OF INVESTMENT Almost a quarter of the population of Vitebsk Region is active in the industry, 13% in commerce and 12% in agriculture.

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		



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  $4^{\rm th}$  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, LLK-Naftan JLLC);
- production of TV sets, household appliances (Vityaz OJSC);
  production of fibre alass 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-Plovdiv.

• 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).



• Gas pipeline Yamal-Europe, oil pipeline Druzhba are available.

• The length of general motorways is over 17.7 thousand km.

• The length of operating tracks of general purpose railway transport is 1,202 km; the main rail junctions are Vitebsk, Orsha, and Polotsk. International railways connecting Russia with Ukraine, Poland, Lithuania cross the region's territory.

• International airport is located in Vitebsk (10 km to the South from Vitebsk), its capacity is up to 150 passengers per hour, a VIP lounge is available, and other necessary facilities necessary for passengers, luggage, cargo; at present charter flights are operated there.

• The distance from Vitebsk to Minsk is 269 km.

### 6. Education and Science

In Vitebsk Region a wide network of R&D institutions is concentrated: in total there are 26 organisations, including 5 higher educational institutions. R&D is carried out in all branches of science.

Implementation of innovation projects, technological breakthroughs and their efficient use are a priority of the economic policy of the region.

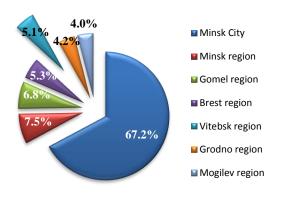
In Vitebsk Region a regional technological programme, Innovative Development of Vitebsk Region, is being implemented, Research and Technological Park of Polotsk State University Educational Institution operates.

#### EDUCATION AND SCIENCE, 2012

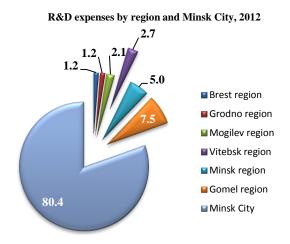
	-
No. of higher educational institutions	5
No. of R&D organisations	27
Personnel engaged in R&D	598
Expenses for R&D (mln. roubles)	85 826
No. of organisations active in innovations	72
Source: National Statistics Committee of the Republic of Belarus, 2013	

Vitebsk Region occupies the 5<sup>th</sup> place after Minsk and Gomel Region as to the number of R&D organisations.

#### R&D organizations by region and Minsk City, 2012



As to the expenses for R&D, Vitebsk Region occupies the 4<sup>th</sup> place after the city of Minsk, Gomel and Minsk Regions.



In the overall volume of expenses for R&D in Vitebsk Region over 60% falls within development and around 27% within applied research.

