

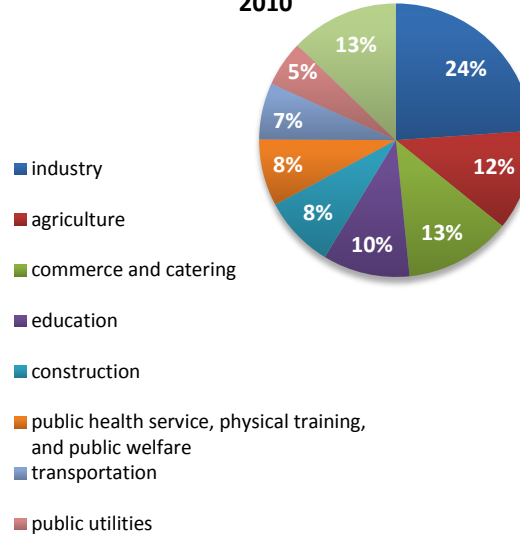


Investment potential of Vitebsk region



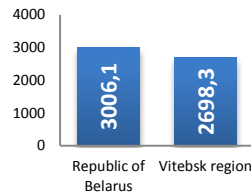
Almost a quarter of the population of Vitebsk Region is active in the industry, 13% in commerce and catering.

Employment by sectors of economy, 2010

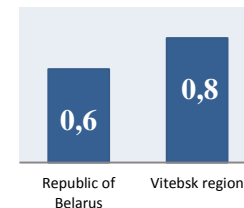


The official unemployment level in the region is 0.8% of the economically active population, which exceeds the national index by 0.2%. The average monthly salary in the region is 10% below the relevant index in the country.

Average salary in Q1 of 2012 (thousand rubles)



Unemployment level, 2011 (%)



Out of the total workforce of Vitebsk Region, around 22% has higher education, 48% has either a vocational or specialised secondary education.

WORKFORCE QUALIFICATIONS, 2010	
Workforce, total	499 062
workforce with the following education:	
higher	108 427
vocational	122 421
specialised secondary	116 008
general secondary	173 002

Source: National Statistics Committee of the Republic of Belarus, 2012

1. Labour resources

Quantity of population active in sectors of economy, 2010 (thousand persons)	
Total active	571,7
including:	
Industry	136,8
Agriculture	68,2
Commerce and catering	71,8
Education	59,0
Construction	48,7
Public health service, physical training, and public welfare	45,2
Transportation costs	38,5
Communications	8,7
Forestry	4,8
Science and science services	1,7

Source: National Statistics Committee of the Republic of Belarus, 2012

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), 2011		
	Total (billion rubles)	Per capita (million rubles)
Vitebsk region	23 519,3	17,7
GRP share in GDP of Belarus	8,6%	
Real GRP growth rate	106,3%	

Source: National Statistics Committee of the Republic of Belarus, 2012

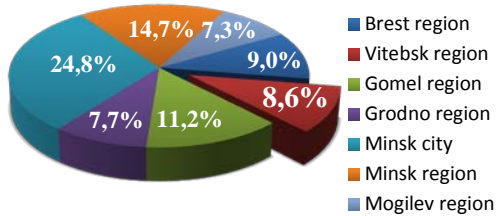


Investment potential of Vitebsk region

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

With its volume of the gross regional product Vitebsk Region occupies the 5th place.

Weight of regions' and Minsk's GRP in GDP, 2011



Largest enterprises by industries:

- *light* (Marko JLLC, Belwest JLLC, Orsha Flax-Processing Factory RUMCC, Lyubava-Lux JLLC, Vitebsk Carperts OJSC);
- *food* (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 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%. Trade is conducted 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 USA, Poland. Supply of products to Estonia, France, Finland, Iran, Turkey has increased.

Volume of foreign trade in products and services, 2011 (million US dollars)		
	Vitebsk region	Republic of Belarus
Turnover	7 079,5	86 041,1
Exports	2 512,1	40 294,0
Imports	4 567,4	45 747,1
Balance	-2 055,3	-5 453,1

Source: National Statistics Committee of the Republic of Belarus, 2012

In the goods composition of the exports 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 investors 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, 2011 (thousand US dollars)	
Republic of Belarus	3 973 953,9
Vitebsk region	21 399,4

Source: National Statistics Committee of the Republic of Belarus, 2012

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);





Investment potential of Vitebsk region

- there are gas pipeline Yamal-Europe, oil pipeline Druzhba;
- 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;
- an international airport is located in Vitebsk (10 km to the south from Vitebsk), its capacity is up to 150 passengers per hour, it has a VIP lounge, and everything 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.

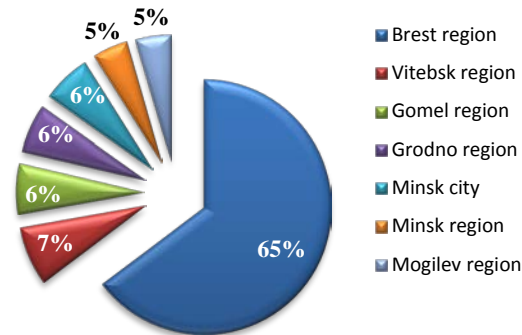
Implementation of innovation projects, technological breakthroughs and their efficient use are a priority of the economic policy of the region. In Vitebsk Region a regional technological programme, Innovation Development of Vitebsk Region, is being implemented, Research and Technological Park of Polotsk State University Educational Institution operates.

EDUCATION AND SCIENCE	
No. of higher educational institutions	5
No. of R&D organisations	30
Personnel engaged in R&D	688
Expenses for R&D (million rubles)	23 632
No. of organisations active in innovations	47

Source: National Statistics Committee of the Republic of Belarus, 2012

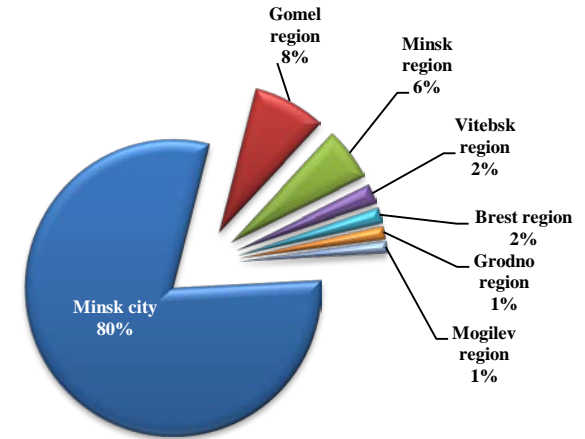
Vitebsk Region occupies the 3rd place after Minsk and Gomel Region as to the number of R&D organisations.

Distribution of R&D organisations by regions and Minsk, 2010



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

Expenses for R&D in regions and Minsk, 2010



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

Distribution of expenses for R&D, million rubles

