



EI VSTU
Foreign Language

2015



Foreign Investment in the Republic of Belarus

By Orlova Anastasia



Invest

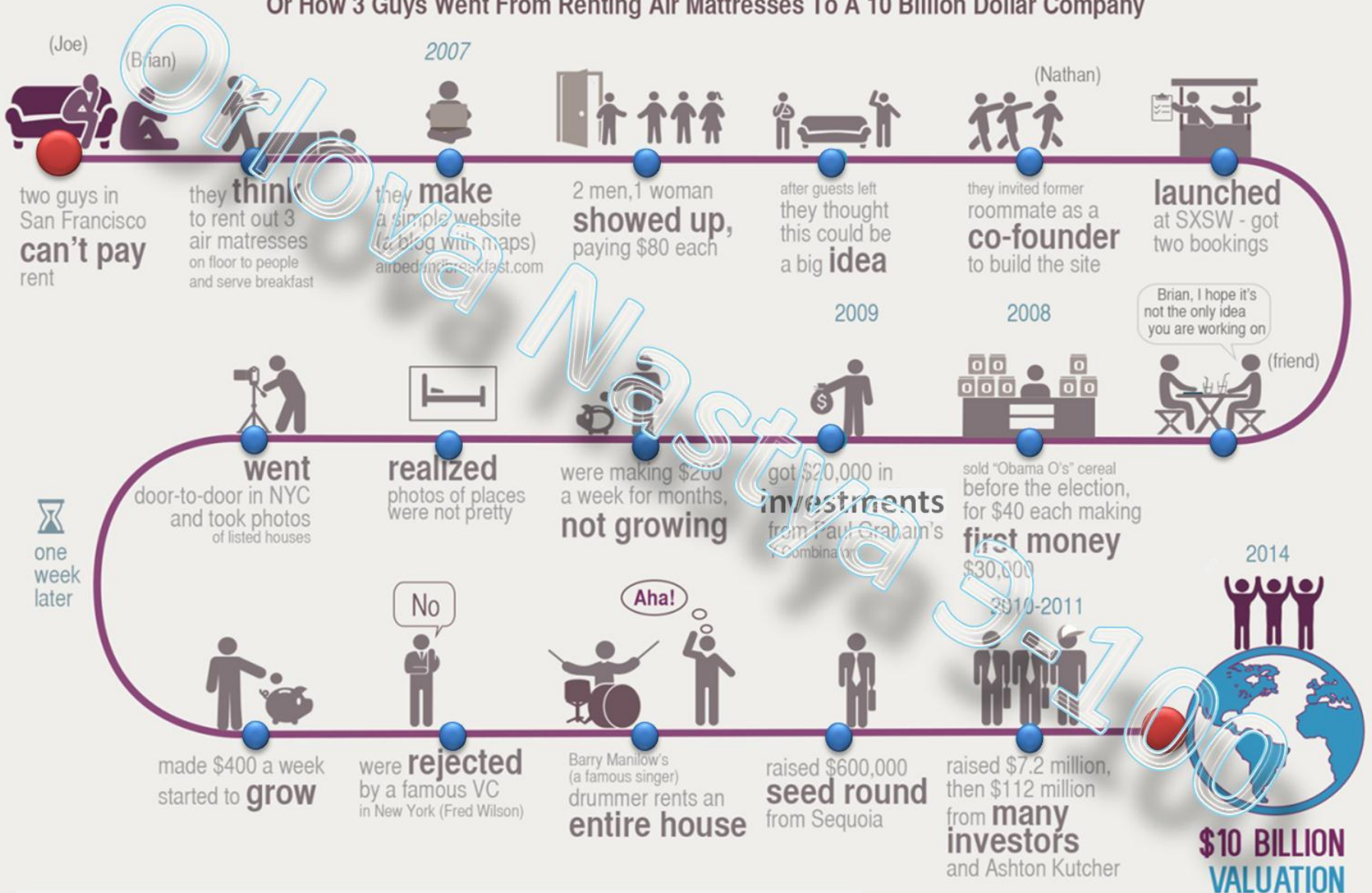
**in
yourself**

**- Investment in knowledge
always pays the highest interest**

*(инвестиции в знания
всегда дают наивысшие проценты)*

HOW AIRBNB STARTED

Or How 3 Guys Went From Renting Air Mattresses To A 10 Billion Dollar Company



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Investments

The economic activities of individual businesses and the country as a whole characterized by the volume and shape of the investment.

The main document defining the term investment is the Investment Code of the Republic of Belarus, adopted 22 June 2001.

"Investments" in Latin means "attachment." (*вложение*)

Investments - an investment capital in order to further increase it. There are many types of investments.



International investments are made in two forms:

- 1) Business capital invested directly in the industry, agriculture and trade;
- 2) The loan capital is provided in the form of loans.



Prohibited investment areas:

1. Defense and security of the Republic of Belarus without a special decision of the President of the Republic of Belarus;
2. The manufacture and sale of drugs, potent and poisonous substances on the list approved by the Ministry of Health of the Republic of Belarus.



* Factors that stimulate the flow of investment into the country:

- 1) The system guarantees the rights of investors in the Republic of Belarus;
- 2) The high political and economic stability;
- 3) High attractiveness and capacity markets;
- 4) The level of political relations between the state with other countries and international organizations;
- 5) The skill level of the workforce;
- 6) Ease of opening and registration of business in the country;
- 7) The development of the financial system and credit;
- 8) Quality of the tax system, and others.



Classification

Short-term (investment period is not more than 1 year).

Краткосрочные (период инвестирования не больше 1 года).

Long-term (payback period – more than 1 year).

Долгосрочные (период окупаемости – больше 1 года).

Gross investment – a total amount of funds invested in a certain period.

Валовые инвестиции – это общий объем инвестированных средств в определенном периоде.

Portfolio (investments in securities paper).

Портфельные (инвестиции в ценные бумаги).

Investments

Investment in real assets (investment in physical assets).

Инвестиции в реальные активы (инвестиции в физические активы).

Straight (with the direct participation of the investor in choosing investment projects).

Прямые (при непосредственном участии инвестора в выборе проектов инвестирования).

Net investment – gross investment, reduced by the amount of depreciation in a certain period.

Чистые инвестиции

Indirect – with the participation of the investor mediated by others

Непрямые – при опосредованном участии инвестора другими лицами.



Investment Direction

Investors in order to determine the characteristics of regulation of their activities are treated as national and foreign investors.

The most promising industries for entry of foreign capital are:

- electronics,
- automotive,
- petrochemistry,
- construction,
- aircraft,
- forest products
- consumer goods and food products,
- medical equipment,
- etc.



The most promising industries for entry of foreign capital are:



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The influx of foreign investment in the Republic of Belarus according to the balance of payments (liabilities to residents)

Indicators	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
The total inflow of foreign investment, mln. USD.	454,3	888,1	339,2	1279,1	450,2	1843,6	7249,3	4652,5	7039,1	8091,1
Direct investments	21,1	27,8	50,6	12,8	67,7	19,2	24,9	46,9	2,7	16,7
Portfolio investments	-10	-0,8	1,6	4,7	-9	-2	0	0	0	15,4
Other investment	88,9	72,9	47,8	82,5	41,2	82,8	75,1	53,1	97,3	67,9

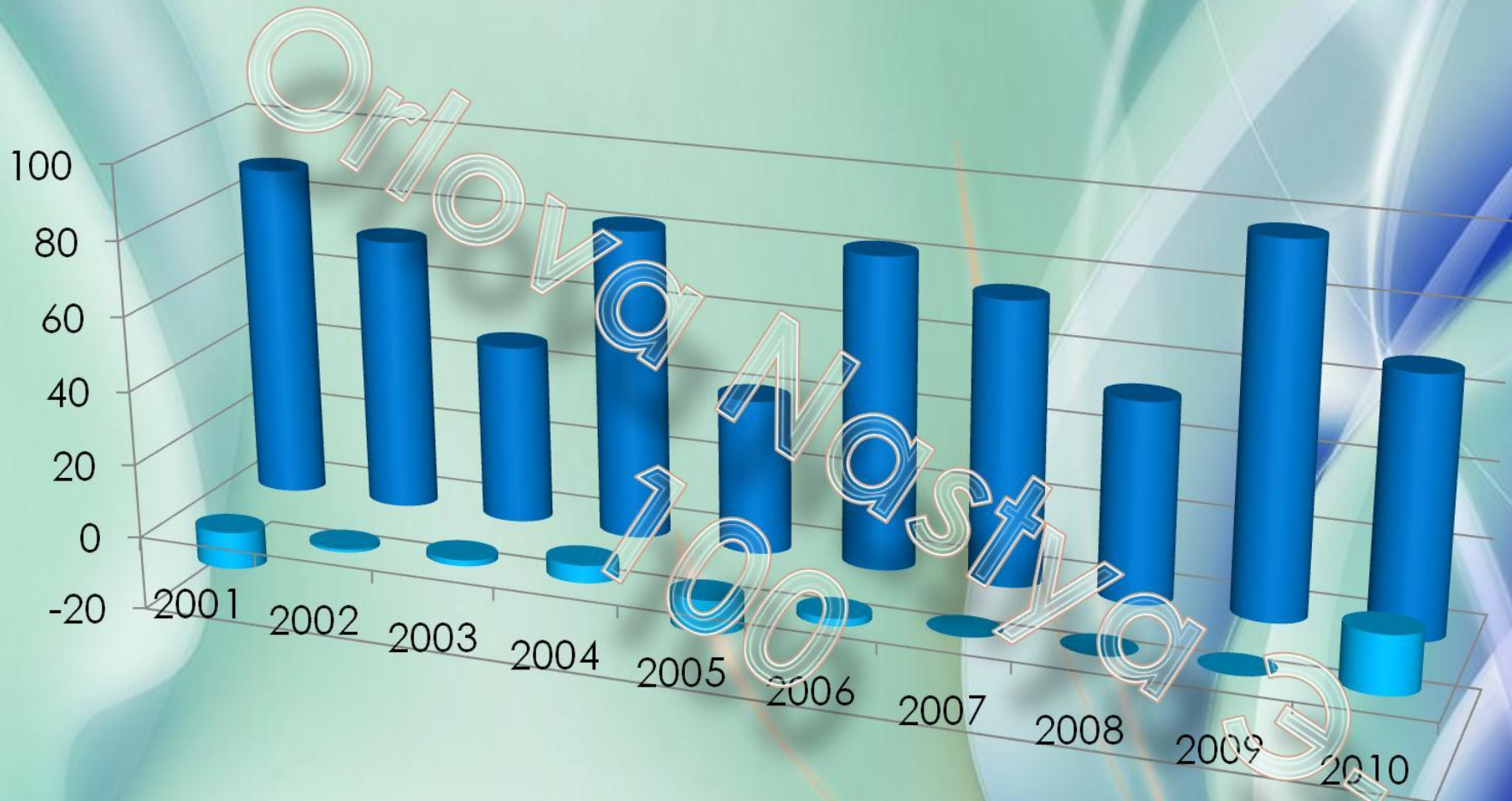
The total inflow of foreign investment, mln. USD.



The foreign direct investment in the Republic of Belarus in 2006-2010

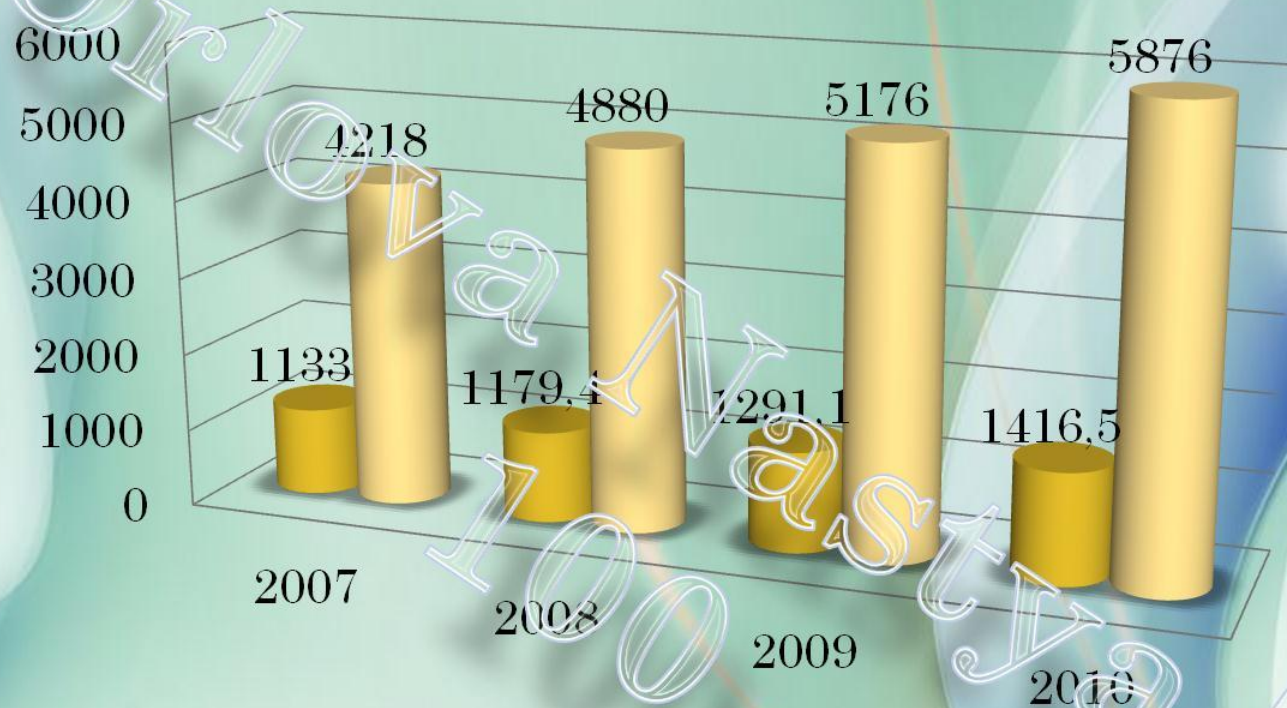


■ Portfolio investments ■ Other investment



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
■ Portfolio investments	-10	-0,8	1,6	4,7	-9	-2	0	0	0	15,4
■ Other investment	88,9	72,9	47,8	82,5	41,2	82,8	75,1	53,1	97,3	67,9

Performance of organizations with foreign investments in the Republic of Belarus in 2007-2010



- The contribution of foreign investors in the authorized capital by the end of year, mln. USD.
- The number of organizations at the end of the year

The strategy of attracting Foreign Direct Investment

up to 2015 approved in Belarus

The forms of foreign direct investment:



the creation of joint ventures and foreign companies for projects
green field (establishment of production from the ground up)



sale of shares in state-owned enterprises to foreign investors for projects
brown field (modernization of existing facilities)

Sectors of the economy for attracting direct foreign investment:



The pharmaceutical industry,
Industry bio- and nanotechnology,



High technology in the industry,



New materials,



Information and communication technologies

The creation of clusters:



Pharmaceutical
cluster



The cluster for
the production of flax

2015

FDI - \$ **7-7.5** billion.

FDI per worker in the economy - \$ **1600** (2010 year to \$ 1,200).

The share of foreign investments in fixed assets - **21%**
(2010: 4,4%)

the proportion of high-tech products in total exports
products - **14%** (2010, 7.4%).

*Joint Decision of the Council of Ministers and the
National Bank from 18.01.2012 №51 / 2*



Conclusion



For our country, which is on the path of integration into the world economy, and strive to create an open economic system, participation in the process of movement of capital and as an importer and as an exporter it is a matter of strategic importance. Today, Belarus' participation in these processes can hardly be called active, and in terms of attracting foreign investment it will have to compete with countries whose markets are currently more attractive to investors.

Therefore, to attract foreign investments in the Belarusian economy is one of the most important tasks to be solved in the coming years the economic leadership of Belarus.

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**THANKS FOR YOUR
ATTENTION!**