

# Why Belarus?

Belarus is the best place for your investment while it offers:

## 1. Strategically advantageous location

Placing a business in the territory of Belarus enables companies to efficiently serve the most high-capacity and quick-growing target markets: EU countries (500 million consumers), Russia, Ukraine, Kazakhstan, and other CIS countries (280 million consumers).

The advantageous economic and geographical location of Belarus, developed transportation and logistics and manufacturing system of the country is accompanied by its membership in a number of integration associations. In the first place, the Customs Union and Common Economic Space of Belarus, Russia, and Kazakhstan (CES).

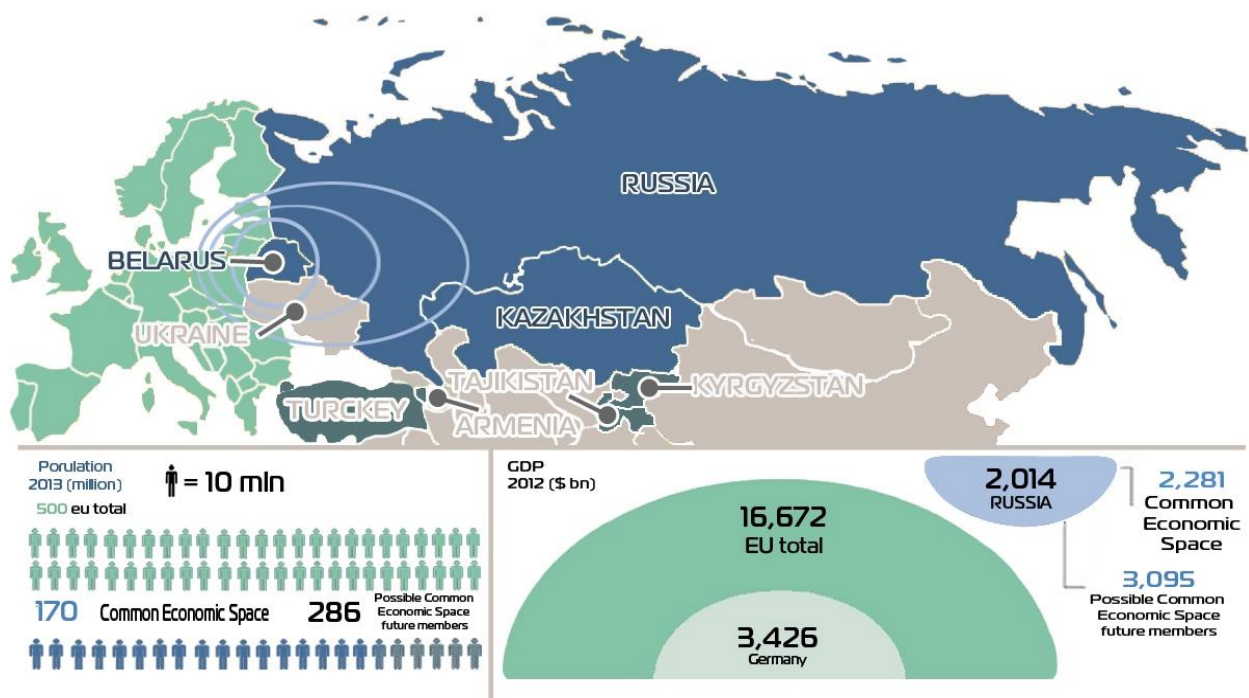
All of these factors provide unique opportunities for companies interested in establishing and dynamically developing business in the Eurasian region.

## 2. Direct access to the market of the three CES countries (Belarus, Russia, Kazakhstan)

Today companies investing in Belarus automatically enter the 170-million market of the three CES countries.

The CES is

- A common customs territory of Belarus, Russia, Kazakhstan with a single customs tariff;
- Equal business conditions (including the costs of the principal energy resources);
- Single rules of technical regulation, single sanitary, veterinary, and phytosanitary norms;
- Free movement of goods, services, capital, workforce.
- Exemption of process equipment, raw materials imported to implement investment projects from import customs duties.



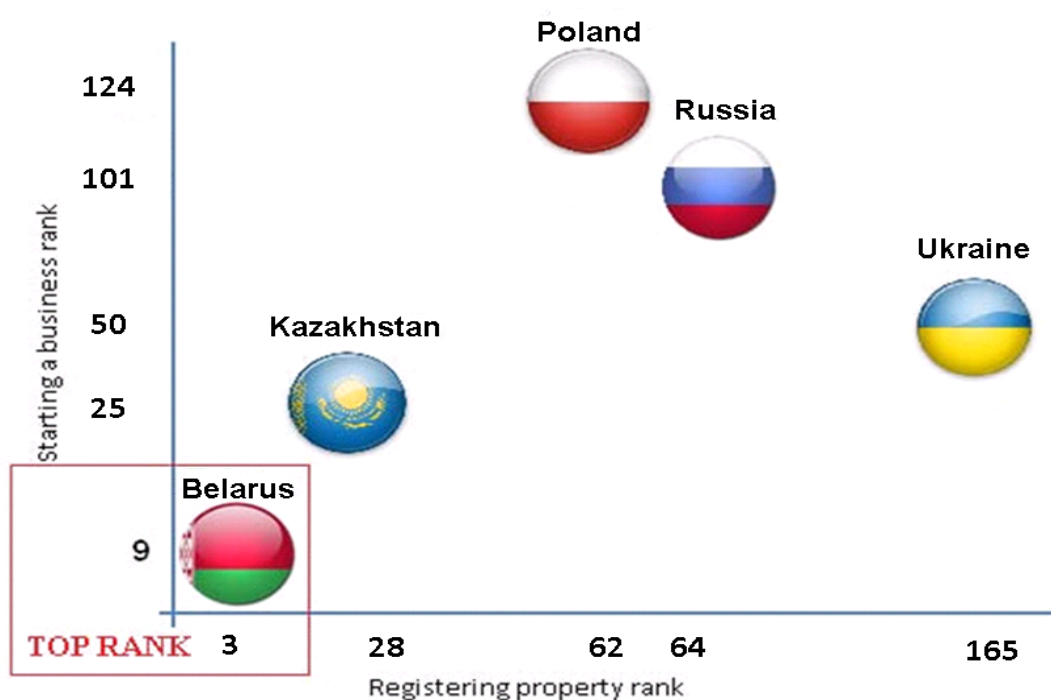
### 3. Competitive investment and taxation conditions

In Belarus there are a number of preferential regimes which could be of use for foreign companies, including from the point of view of their taxation planning and optimisation. They include special beneficial business conditions in the case of organising business within six free economic areas (0% profit tax for 5 years; 10% VAT), High-Tech Park (0% profit tax for 15 years; 0% VAT), and the Belarusian-Chinese Industrial Park (0% profit tax for 10 years). Foreign companies can also derive additional profit by the maximum decrease of investment expenses and taxation burden while placing their businesses in the territory of small and medium towns of Belarus (0% profit tax for 7 years, 0% VAT for 5 years).

Belarus strives to create open and favourable conditions for business in its territory. Today the country is the leader in legislation improvement which is confirmed by the World Bank's Doing Business 2013 research. In comparison to 2012 Belarus improved its DB rating by 11 positions. As a result, in the conditions for business Belarus occupied the 58th place out of 185 countries, having significantly overcome Russia and Ukraine.

Country	Easy of doing business rank
Kazakhstan	49
Poland	55
<b>Belarus</b>	<b>58</b>
Russia	112
Ukraine	137

Concerning such indices as “property registration” (3th place) and “starting a business” (9th place), Belarus is one of the most attractive countries not only of the region but also of the world in general.



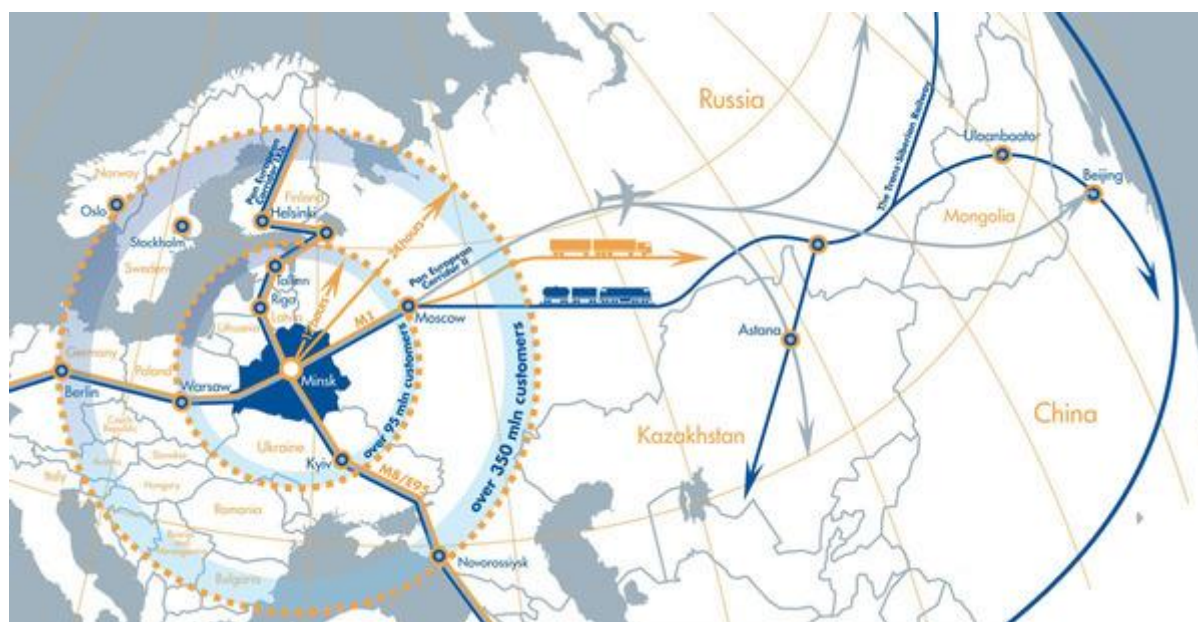
#### 4. Developed transportation and logistics infrastructure

Due to its geo-economic location, Belarus is a transportation and logistics hub of Eurasia.

The transportation infrastructure of Belarus is represented by a broad network of motorways, railways, airlines. The thoroughfares crossing the country are the most important component of the European transportation system. Thus, Belarus is crossed by 2 cross-European transportation corridors, according to the international classification No. II (West-East–Berlin-Warsaw-Minsk-Moscow) and No. IX (North-South – Russian-Finnish border-Vyborg-St. Petersburg-Vitebsk-Gomel-Ukraine-Moldova-Bulgaria-Greece) with branch IXB – Gomel-Minsk-Vilnius-Klaipeda-Kaliningrad.

Annually over 100 million tonnes of European cargo cross Belarus's territory, 90% of which cargo is between Russia and the EU. At the same time, the transit potential of Belarus has not been exhausted – the Belarusian transportation corridors are used for 25-40% maximum of their real traffic capacity.

Thus, Belarus is the optimal link between the CIS countries (Russia in the first place) and the EU countries, which could be advantageously used by foreign countries by locating their manufacturing, logistics, and sale units in the country's territory.



Belarus provides foreign companies with unique opportunities of speedy development of their business related to stepping up the privatisation process in the country.

Today around 70% of industrial production falls within the governmental sector in the country. Unlike Russia, other CIS and Eastern Europe countries, Belarus has preserved the largest national companies in state ownership, which has enabled to ensure their full-scale support and, as a result, to increase their manufacturing potential and international competitiveness significantly.

At present, to further increase the efficiency of the national economy, Belarus is interested in developing mutually beneficial co-operation with big strategic investors, having selected the tactics of step-by-step privatisation. The examples of successful privatisation deals of the recent years (sale of governmental shares in Beltransgaz OJSC, Mobile Digital Network JV etc.) have entered the list of the largest M&A deals in Europe.

Today the National Agency of Investment and Privatization, jointly with the World Bank, introduces modern approaches and instruments corresponding to the advanced international practice. They are aimed at establishing more open privatisation conditions understandable to foreign countries in Belarus.

## **6. Highly qualified workforce**

Belarus is the country of one of the most educated, highly qualified, and industrious peoples. Over 90% of the population have higher, secondary or basic education. A well-developed system of professional training as well as a high level of the industry and services development enable the Belarusian workforce work successfully in companies of any industries, be it sewing, agriculture, biotechnologies or software development.

## **7. Decent living standards**

In the rating of countries by living standards published in the UN Human Development Report 2013, Belarus occupied the well-deserved 50 th place (among 187) and became the renowned leader among all the CIS countries. The living, dwelling costs, the costs of education and various cultural events are lower than in the majority of Western and Eastern European countries. Besides a developed social infrastructure, Belarus has preserved a unique eco-environment suitable for full and diverse life of people. In 2013 the researchers of Yale and Columbia Universities awarded Belarus with the best environment rating among all the CIS countries.