

Belarus Business Newsletter for Belgium & Luxembourg

WORLD BANK PREDICTS 1.8% GDP GROWTH FOR BELARUS FOR 2015

IN THIS ISSUE

Belarus prepares list of 57 companies for privatization	2
Two hotels in Grodno will be put at the auction in 2015	2
New Government and top officials in Belarus	3
Investment projects from Belarus	4
Search for importers / distributors	5
Upcoming business events	6
Treaty on Eurasian Economic Union Effective from 01.01.2015	7
Recent statistics	8

2014 INDICATORS:

• GDP	+1.6%
• Industry	+1.9%
• Agriculture	+3.1%
• Wholesale trade	+9.1%
• Retail trade	+6.6%
• Consumer prices	+16.2%
• Real salaries	+0.7%
• Labor productivity	+3.1%
• Unemployment	0.5%

In its recent report "Global Economic Prospects" the World Bank predicts that in 2015 the GDP in Belarus will grow by 1.8 percent.

The European Bank for Reconstruction and Development estimates that in 2015 the GDP of Belarus will contract by 1.5%.

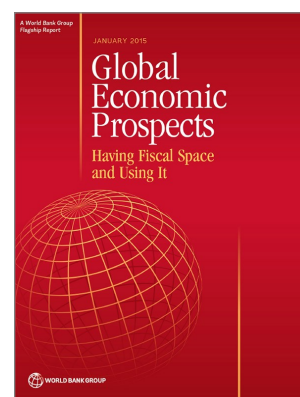
Meanwhile in the last month of the year 2014 Belarusian economy has experienced consequences of the sharp depreciation of the Russian ruble. Even the extraordinary measures, implemented by the National Bank and the Government could not keep the Belarusian currency from devaluation.

Among other decisions, the National Bank has updated the structure of currency

basket for the Belarusian ruble by increasing the share of the Russian ruble to 40%, leaving euro and U.S. dollar with 30% each.

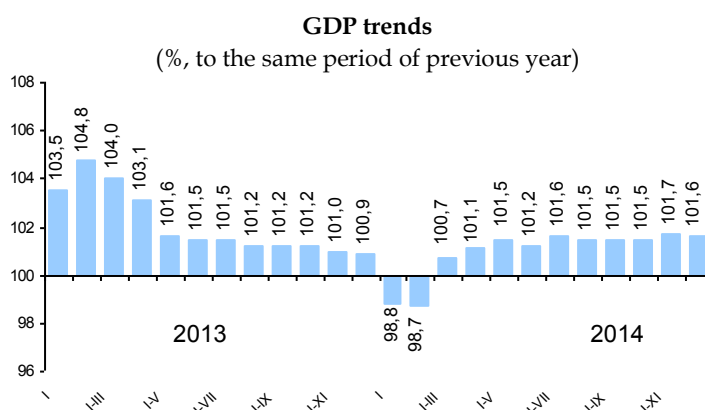
According to the estimations of the National Bank of Belarus the increase of the exchange rate of Belarusian ruble to the currency basket during the year should not exceed 3-7%.

The main goal for the National Bank of Belarus for the next years will be to bring down inflation to single digit figures. The official forecast for 2015 still remains at 12%, but the National Bank has already announced the possibility to review it upwards with the view of the situation in major external markets of Belarus, as well as on the internal financial and foreign



exchange market.

During 2015 the National Bank is going to use the interest rate policy to support anti-inflation strategy and plans to keep the return on ruble deposits on higher level than currency deposits. In this regard the refinancing rate of the National Bank will be constantly adjusted to reflect the situation in the economy and in the monetary sphere.



Foreign Trade in Jan-Nov

Belarus-World

	US\$ bln	% to '13
Exports	33.9	99.5
Imports	36.9	94.7

Belarus-EU

	US\$ bln	% to '13
Exports	9.9	103.7
Imports	8.5	89.1

AMBASSADOR YEUDACHENKA SPEAKS AT CCBLR NEW YEAR RECEPTION



On January 19 Ambassador of Belarus to Belgium and Luxembourg H.E. Andrei Yeudachenka took part in the New Year reception of the

Belgium-Luxembourg Chamber of Commerce for Russia and Belarus (CCBLR).

State Secretary for Foreign Trade Pieter De Crem, Ambassadors of Russia to Belgium and Luxembourg, H.E. Aleksander Romanov and H.E. Mark Entin also participated in this event.

In his speech Ambassador A.Yeudachenka presented information on social and economic develop-

ment of Belarus, its trade and economic relations with Belgium, Luxembourg and the European Union.

Special attention in the speech was made on the creation of the Eurasian Economic Union between Belarus, Russia, Kazakhstan and Armenia. The Treaty on creation of the Union entered in force on 1 January 2015 (see page 7).

CCBLR website:

www.ccblr.org

BELARUS TO OFFER 57 STATE COMPANIES FOR PRIVATIZATION

57 state owned companies worth US\$ 850 million prepared for privatization

The State Property Committee of Belarus has made a list of 57 state-owned entities worth \$850 million subject to privatization in 2015.

The committee is currently deciding on the terms of privatization of each particular company. The terms and conditions of privatization will be published in February

after approval by the Board of the State Property Committee.

In the sphere of privatization of state-owned companies Belarus follows cautious approach. The main policy is that any company may be privatized if the offer of the investor is acceptable for Belarus.

For more information on Belarusian companies to be privatized visit the web-site of the National Agency for Investment and Privatization – www.investinbelarus.by, and the web-site of the State Property Committee of Belarus – www.gki.gov.by (only in Russian).

GRODNO TO AUCTION OFF TWO HOTELS IN 2015



Hotel "Belarus", Grodno

The City of Grodno is making preparations to auction off two hotels in 2015.

"Grodno" hotel and restaurant were built in 1985. The hotel is a 16-storied building with 86 economy-class rooms. The majority of rooms are currently in long-term rent. The auction for this

hotel is scheduled for March of 2015.

Hotel Belarus was built in 1968, has 8 floors and 242 rooms. The auction is scheduled for the second half of 2015.

The city authorities are interested in attracting investors that already have suc-

cessful experience in hospitality business. The hotels will be offered each in a lot which includes the nearby restaurants and cafes, so that they may be managed as a single complex.

Both foreign and domestic investors are invited to bid in the auction.

NEW GOVERNMENT & TOP OFFICIALS IN BELARUS



Prime Minister
Andrei KOPYAKOV
Before: Head of Presidential Administration



First Deputy Prime Minister
Vasily MATYUSHEVSKI
Before: Chairman of BPS-Sberbank



Natalia KOCHANOVA
Deputy Prime Minister
Before: Chairman of Novopolotsk Executive Committee



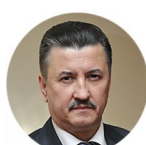
Minister of Education
Mikhail ZHURAVKOV
Before: First Vice-Rector of Belarusian State University



Minister of Taxes and Duties
Sergei NALIVAIKO
Before: First Deputy Minister of Taxes and Duties



Minister of Industry
Vitaly VOVK
Before: Director General of the "Minsk Wheel Tractor Plant" (MZKT-Volat)



Minister of Economy
Vladimir ZINOVSKI
Before: Chairman of National Statistics Committee



Chairman of Committee on state property
Andrei GAYEV
Before: Director of National Center of Legal Information of Belarus



Head of Presidential Administration
Alexander KOSINETTS
Before: Chairman of Vitebsk Oblast Executive Committee



Nikolay SNOPKOV
Deputy Head of Presidential Administration
Before: Minister of Economy



Igor BUSOVSKI
Deputy Head of Presidential Administration
Before: First Secretary of Belarusian Republican Youth Union



Chairman of the Board of the National Bank
Pavel KALLAUR
Before: Chairman of BelVEB Bank



Chairman of Brest Executive Committee
Anatoly LIS
Before: Deputy Head of Presidential Administration



Chairman of Vitebsk Executive Committee
Nikolay SHERSTNEV
Before: Assistant to the President



Chairman of Mogilev Executive Committee
Vladimir DOMANEVSKY
Before: Assistant to the President



Chairman of National Statistics Committee
Inna MEDVEDEVA
Before: Head of Main Economic Department at Presidential Administration

On December 27 the President of Belarus Alexander Lukashenko made changes in the Belarusian government and appointed a number of top-level officials, including new Prime Minister and new Head of the Presidential Administration.

While commenting this decision the President Alexander Lukashenko noted that most of these appointments were

made to strengthen the economic block in the state structures.

Presenting the new Prime Minister, Andrei Kobyakov, the President underlined his extensive experience in economic, diplomatic and managerial spheres.

Among the major tasks for the new Prime Minister the Head of the Belarusian State

listed diversification of exports, optimization of the state institutions, improving their efficiency. He expects from the Government new breakthrough ideas on improving the performance of the economy.

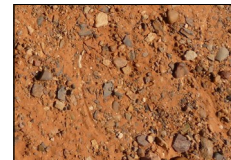
Among the main tasks of the government in foreign affairs, the President singled out the strengthening of the Eurasian integration.

Diversification of exports, sustainable economic development and optimization of the state institutions among the main tasks of the new Government in Belarus

INVESTMENT PROJECTS FROM BELARUS

Mining and Processing of Bentonite Clays

Production of molding materials for foundry, drilling fluids and waterproofing materials. Ostrozhanskoe deposit of clays is located 35 km northeast of urban settlement Lelchitsy, 2.3 km southwest of the village Ostrozhanka. Reserves are estimated at 12.3 million tons.



Estimated Investments: US\$ 1.3 mln | **Belarusian partner:** Lelchitsy Executive Committee | **Location:** Lelchitsy Region

Mining and Processing of Decorative Stone

"Nadezhda Mines" deposit of building stone with the area of 17.2 ha is in the reserve fund of Lelchitsy Executive Committee. The stone may be used for manufacturing decorative blocks and facing slabs, facing stone. Production facilities may be placed close to the mines.



Estimated Investments: US\$ 0.6 mln | **Belarusian partner:** Lelchitsy Executive Committee | **Location:** Lelchitsy Region

Processing Plant Construction of Glass and Molding Sands

Enriched molding and glass sands may be used in the production glass industry and in construction. The district has deposits of molding sands Uborskaya Rudnya (25 km northeast of Lelchitsy). Preliminary estimated reserves are 34.4 million tons. Further exploration is needed.



Estimated Investments: US\$ 30 mln | **Belarusian partner:** Lelchitsy Executive Committee | **Location:** Lelchitsy Region

Industrial Development of Chalk Deposit "Dobrushskoe"

Large deposits of chalk are available for development and production of construction materials such as cement, burnt lime, chemically purified chalk and other chalk-based materials. Further exploration of chalk deposit, creation of infrastructure and production facilities are needed.



Estimated Investments: not defined | **Belarusian partner:** Dobrush Executive Committee | **Location:** Dobrush Region

Manufacturing of 5-layer Metal-polymer Tubes

The purpose of this project is to create a new high-tech factory producing 5-layer metal-polymer tubes. There are available production premises (1 550 sq.m) with all necessary infrastructure and communications.



Estimated Investments: US\$ 2 mln | **Belarusian partner:** FEZ "Gomel-Raton" | FEZ "Gomel-Raton"

Polymer Wood Production

Creation of new high-tech production of construction products, wood-polymer composite. There are vacant production premises (600 square meters) with necessary infrastructure provided to implement the project.



Estimated Investments: US\$ 1.7 mln | **Belarusian partner:** FEZ "Gomel-Raton" | FEZ "Gomel-Raton"

For additional information on these and other available investment projects
please contact the commercial section of
the Embassy of Belarus in Belgium and Luxembourg
e-mail: be.trade@mfa.gov.by, Tel. +32 2 340 02 76, -88

SEARCH FOR BUYERS / IMPORTERS / DISTRIBUTORS IN BELGIUM

LABELS AND PACKAGING FROM "UNIFLEX"

Belarusian producer "Uniflex" offers innovative solutions in packaging and labeling for food, chemistry, cosmetic and other industries. The company produces modern state of the art labels and packaging, using 8-colour printing on any flexible roll materials, Full HD Flexo printing, selective glaz-

ing and holograms, and other creative solutions. The range includes self-adhesive labeling on any materials with different types of decoration, pouching, flexible roll packaging, PET labelling, etc.

The company offers all-inclusive service – from design of a logo to replication

of any difficult packing and its delivery to the client just-in-time

"Uniflex" is interested both in finding final customers for its products, and in partners to find new clients in Belgium, Luxembourg and the rest of Europe.

Web-site: www.uniflex.by

UNIFLEX



LINEN AND FLAX FROM "ORSHA LINEN MILL"

Belarus as well as Belgium is one of the main producers of flax and linen in Europe and in the world.

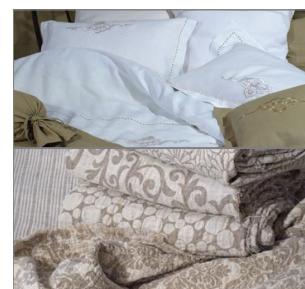
Belarusian company "Orsha Linen Mill" is looking for partners in Belgium to import and distribute various products from flax: fabrics, home textile, such as table

and bedroom linen, and products for industrial and technical purpose: sack fabric and fabric for packing, strand for packing, yarn for carpet weaving, textile technical material, etc.

The industrial capacity of the enterprise allows to process 9000 tones of long flax fiber

and 20000 tones of short flax fiber per year with three-shift regime of work.

Web-site: www.linenmill.by



GLASS AND CRYSTAL FROM "NEMAN" GLASS WORKS

Belarusian Glass Works "Neman" is looking for partners in Belgium and Luxembourg to import and distribute crystal and glass products.

Neman manufactures a wide

range of hand-made and mechanized glass and crystal tableware, decorative and memorabilia items, as well as custom lamp shades and diffusers from glass.

The company takes orders

for custom made exclusive products from clear and color glass and crystal, such as gift, original things for interior design, prizes and cups, corporate memorabilia, etc.

Web-site: www.neman.by



POWDERED MILK FROM "MEAT AND DAIRY COMPANY"

JSC "Meat and Dairy Company" is a Belarusian exporter of meat and dairy products. The company is looking for importers of dried milk in Belgium and Luxembourg. JSC "Meat and Dairy Compa-

ny" offers full cream milk powder (25% fat) and skimmed milk powder (1.5% fat). The prices are negotiable. More than 1000 tons of milk powder is ready for sale.

Web-site:

www.beldairy.by

Export Department:

k.zhorova@beldairy.by



UPCOMING BUSINESS EVENTS

Events in Belgium and EU*January 27***The Food Industry in Belarus – Discover the opportunities!**

Half-day workshop at the Agoria Food Technology Club to discuss the opportunities for Belgian companies in the food sector of Belarus.

Organizers: Agoria Food Technology Club

Venue: Diamant Building,
Bd A. Reyers Ln 80
1030 Brussels

Registration:

*January 27-30***Visit of Belarusian Delegation**

Belarusian Business delegation arrives in Belgium to find new partners, establish contacts, and study the Belgian market. “Gomel Radio Plant” (manufacturer of various equipment and consumer goods), “Rechitsa textile”, and Administration of Free Economic Zone “Gomel-Raton” are among the members of the delegation.

Organizers: Gomel Branch of the Belarusian Chamber of Commerce, [Flemish Chamber of Commerce for Belarus, Russia and Kazakhstan](#) (info@vlkvk.org),

Venue: Brussels, Antwerp

*January 28*

**New Year Reception
of the Flemish Chamber of Commerce
for Belarus, Russia and Kazakhstan**

Special guest – Delegation of the
Gomel Oblast of Belarus

Organizers: [Flemish Chamber of Commerce for Belarus, Russia and Kazakhstan](#)

Venue: SD Worx,
Brouwersvliet 2,
2000 Antwerpen

Registration: info@vlkvk.org

Exhibitions in Belarus*February 3-6***Automation. Electronics-2015**

Venue: ul.Ya.Kupaly, 27 Minsk

Web-site: www.minskexpo.com.by

*February 3-6***Electrotech. Light-2015**

Venue: ul.Ya.Kupaly, 27 Minsk

Web-site: www.minskexpo.com.by

*February 11-15***Office Supplies**

Venue: ul.Ya.Kupaly, 27 Minsk

Web-site: www.belexpo.by

*February 18-21***World of Childhood**

Venue: ul.Ya.Kupaly, 27 Minsk

Web-site: www.belexpo.by

*February 26-28***Education & Career**

Venue: ul.Kozlova, 3, Minsk

Web-site: www.expoforum.by

THE TREATY ON THE EURASIAN ECONOMIC UNION IS EFFECTIVE FROM THE 1 JANUARY 2015

On January 1, the Treaty on the Eurasian Economic Union (EEU) has become effective. The Treaty confirms the creation of an economic union that provides for free movement of goods, services, capital and labor and pursues coordinated, harmonized and single policy in the sectors determined by the document and international agreements within the Union.

The Treaty on the EEU was signed by the Presidents of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation on May 29, 2014, in Astana. Apart from the three states, the Union members will also include the Republic of Armenia that signed Treaty on Accession to the Union on October 10, 2014 and the Kyrgyz Republic that signed similar Treaty on December 23, 2014.

The Eurasian Economic Union is an international organization for regional economic integration. It has international legal personality.

The Union is to create an environment for a stable development of the Member-States' economies in order to raise the living standards of their population, as well as to comprehensively upgrade and raise the competitiveness of and cooperation between the national economies in the conditions of the global economy.

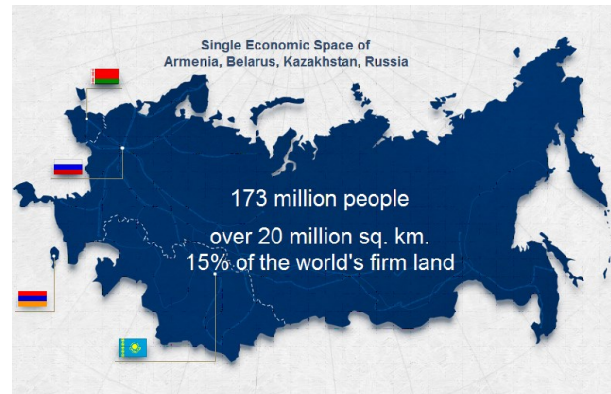
The EEU operates within the competence granted by the Member-States subject to the Treaty on the Union, based on the respect to the established principles of international law, including the principles of Member-States' sovereign equality and territorial integrity; based on the respect to the specifics of the Member-States' political order; based on the promotion of mutually beneficial cooperation, equal rights and the Parties' national interests; based on application of the principles of market economy and fair competition.

Governance of the Union is entrusted to the Supreme Eurasian Economic Council (SEEC) comprised of the Heads of the Member-States. The SEEC sessions are held at least once a year. The SEEC structure is formed by the Intergovernmental Council at the level of the Heads of the Governments, the Eurasian Economic Commission and the Court of the Union.

Union bodies:

The Supreme Council is the EEU's supreme authority composed by the Presidents of the Union's Member-States.

The Intergovernmental Council is a Union body in charge of strategically important issues of the development of the Eurasian economic integration remained with no consensus when discussed in the Commission



Council.

The Court of the EEU is the Union's court of justice that ensures that the Member-States and the Union's bodies uniformly implement the Treaty on the EEU and other international agreements within the Union.

The Eurasian Economic Commission is the Union's permanent supranational regulatory body formed by the Commission Council and Commission Board. The Commission's key tasks are to create environment for the Union's operation and development, as well as develop proposals for economic integration within the EEU.

The Commission Council includes the Prime-Ministers of the Union's Member-States.

The EEC Board is comprised of its Chairman and Ministers.

(Text from the web-site of the Eurasian Economic Commission:

www.eurasiancommission.org)

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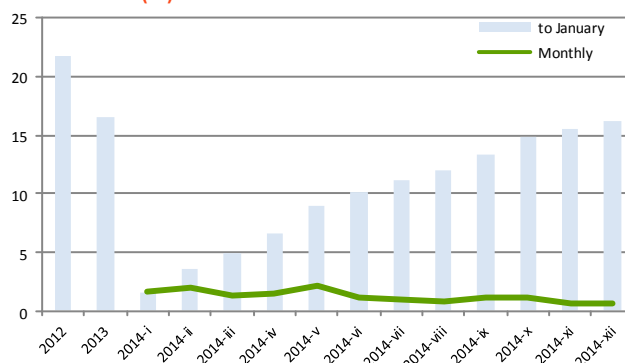
LATEST STATISTICS

Exchange rates (as of 26.01.2015)

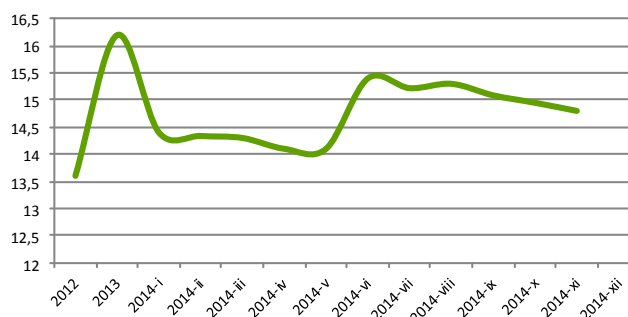
	Official Exchange Rate	Change from 31.12.2014, %
Currency basket	2,946.86	-16.77
US\$	14,910.00	-25.82
Euro	16,920.00	-17.66
Russian ruble	235.0	-9.79

Code	Currency	Rate
KZT	1 Tenge	80.98
GBP	1 Pound Sterling	22,350.84
CHF	1 Swiss Franc	17,131.04
UAH	1 Hryvnia	942.48
XDR	1 SDR	21,219.17
CNY	1 Yuan Renminbi	2,393.78
PLN	1 Zloty	3,964.21
JPY	10 Yen	1,261.26

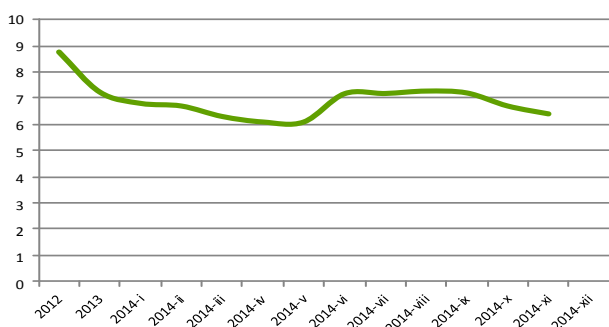
Inflation (%)



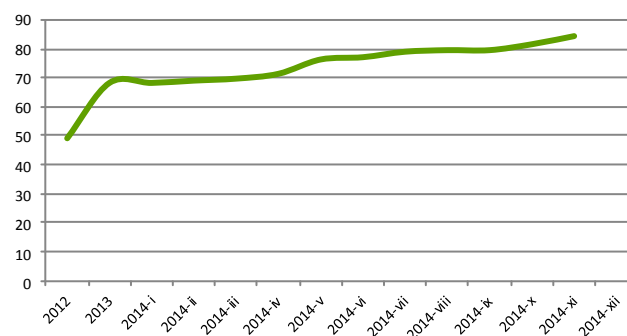
Foreign Public Debt (by IMF Standards, US\$ billions)



Gold and FX Reserves (IMF Standards, US\$ billions)



Internal Public Debt (by IMF Standards, BYR trillions)



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The publication is prepared by the Embassy of Belarus in the Kingdom of Belgium and the Grand Duchy of Luxembourg based on the information of the Ministry of Foreign Affairs of the Republic of Belarus, National Agency of Investment and Privatization, BelTA and Prime-Tass news agencies, Gomel Oblast Executive Committee, BelStat and the National Bank of the Republic of Belarus.