

Belarus Business Newsletter for Belgium & Luxembourg

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Belarus' expects 0.2-0.7% GDP growth in 2015

On 1 December the President of Belarus Alexander Lukashenko has approved the Main directions of monetary policy and parameters of the country's social and economic development for 2015.

According to the official forecast, the GDP is expected to grow in 2015 by 0.2-0.7%. This result will be achieved mainly with the support of the manufacturing sector (0.4 -0.8%), agriculture and forestry (1.2-1.4%), and services sector (1.6-2%).

Further technological and economic modernization of production will help raise labor productivity by 1.5-2% of GDP.

Taking into account the anticipated decrease in the aggregate demand in Russia and the dynamics of world prices, the export of goods and services decrease by 3.6-4% against the 2014 level. The balance of trade in goods and services is expected to be negative, at the level of -3.5 - -3.3% of the Gross domestic product.

The energy efficiency of the gross domestic product is projected to increase by at least 0.5% in comparison with the previous year. The return on sales in the manufacturing sector is projected to be at 7-7.5%. The increase of consumer prices will not



exceed 12%.

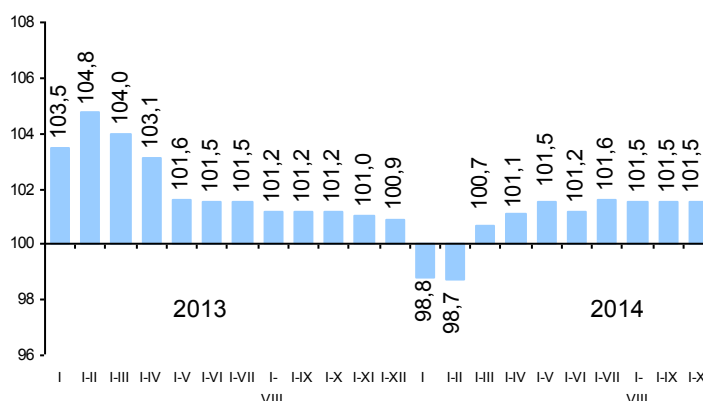
According to the adopted monetary policy guidelines for 2015, the average annual refinancing rate is expected to remain within the limits of 15-16%. Lending of banks and the Development Bank of Belarus to the economy will rise by 12-14%, the international reserve assets in IMF terms will remain at the level of 1 January 2015.

JANUARY-OCTOBER INDEXES:

- GDP **+1.5%**
- Industry **+1.7%**
- Agriculture **+2.1%**
- Wholesale trade **+10.4%**
- Retail trade **+8.2%**
- Consumer prices **+14.8%**
- Real salaries **+1.5%**
- Labor productivity **+3.0%**
- Unemployment **0.5%**

GDP trends

(%, to the same period of previous year)



Foreign Trade in Jan-Oct

Belarus-World

	US\$ bln	% to '13
Exports	31.1	99.6
Imports	33.6	94.7

Belarus-EU

	US\$ bln	% to '13
Exports	9.3	103.1
Imports	7.9	91.1

BELGIAN BUSINESS MISSION VISITED MINSK ON OCT. 23-24



Delegation of Belgian companies visited Belarus on October 23-24. The visit was organized by the Flemish Chamber of the Customs Union of Belarus, Russia and Kazakhstan.

Belarusian businessmen were welcomed in Minsk by the local department of the Belarusian Chamber of Commerce and Industry. Presentations of busi-

ness opportunities, matchmaking session and a number of individual meetings were organized for the representatives of the Belgian delegation.

During the visit the Minsk City Department of the Belarusian Chamber of Commerce and Industry has signed Agreement of cooperation with the Flemish Chamber of the Customs Union

of Belarus, Russia and Kazakhstan.

Ambassador of Belgium to Russia H.E. Mr. Alex Van Meeuwen arrived in Minsk together with the delegation. The Ambassador also used this opportunity to present the copies of his credentials to the Ministry of Foreign Affairs of the Republic of Belarus.

CONFERENCE ON EURASIAN ECONOMIC UNION HELD IN UNIVERSITY OF GHENT ON OCT. 31



The University of Ghent on 31 October 2014 hosted a Conference "The Eurasian Economic Union: A New Player on the International Arena".

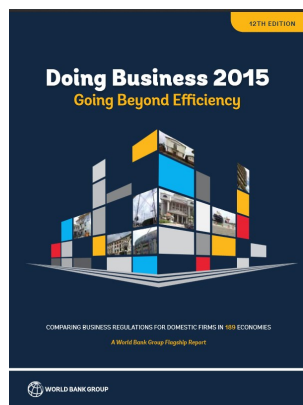
A number of distinguished speakers from official, business and academic circles of Belarus, Belgium, Russia, Kazakhstan, Armenia and the UK presented their views on

various aspects of creation and functioning of the Eurasian Economic Union, opportunities and challenges for the European and Belgian businesses.

Mr. Roman Sobolev, Deputy Head of the Department for the Foreign Economic Activities of the Ministry of Foreign Affairs of the Republic of

Belarus outlined the history of integration between Belarus, Russia and Kazakhstan, explained main principles and goals of the Union. The conference was organized by the University of Ghent together with Flemish Chamber of the Customs Union of Belarus, Russia and Kazakhstan.

WORLD BANK "DOING BUSINESS REPORT 2015": BELARUS REMAINS AT 57TH PLACE



The findings of the annual World Bank Group Doing Business report "Doing Business 2015: Going Beyond Efficiency" acknowledge that in the past few years Belarus significantly improved tax administration. In "Paying Taxes" the country climbed from position 107 in 2014 to position 60 in 2015. This is the major

change compared to last year rankings. All other indicators either remained unchanged, or moved up or down insignificantly.

"This year's report ranks Belarus 57th among 189 economies [same as last year]. Belarus ranked among top performers in registering property, enforcing contracts

and starting a business. The pace of regulatory reform in Belarus, however, remains insufficient to improve the country overall Doing Business ranking significantly. More needs to be done in several areas, namely, getting electricity, trading across borders and getting credit." - says the World Bank press-release.

FOREIGN COMPANIES HUNTING BELARUSIAN IT STARS FOR ACQUISITION

Foreign investors are hunting successful Belarusian IT companies for acquisition.

In November the Belarusian IT market learned about a new acquisition of a successful Belarusian IT firm. *Mindspark Interactive Network*, an operating business of IAC (NASDAQ: IACI), announced the acquisition of the Belarusian company *Apalon* for an estimated amount of US\$100 million.

APALON

Apalon is a Top 10 developer of iOS applications worldwide as measured by monthly downloads in September 2014, according to the *App Annie Index*. As a leading provider of mobile applications to the Apple App Store, Google Play and the Amazon Appstore, *Apalon* reaches 20 million monthly active users. Its applications, many of which rank in the Top 5 at the Apple App store in categories such as lifestyle and weather, have been downloaded more than 100 million

times in the last year.

Already in 2012 successful Belarusian mobile apps developer *Viaden Media* was bought by an Israeli billionaire Teddy Sagi (major shareholder of *Playtech*) for undisclosed amount.

VIADEN MEDIA

Also in 2012 largest outsourcing company with the origins and major offices in Belarus, *Epam*, went for the IPO on the New York stock exchange NASDAQ. Since then the market capitalization of the company increased 4-fold and it is itself performing multiple acquisitions worldwide.

2014 started with an acquisition

<epam>

of *Viber Media* (Israeli registered, but with main production offices in Belarus) by the Japanese company *Rakuten* for US\$ 900 million. (*Rakuten* owns the US online retailer *Buy.com*, British *Play.com*, Canadian e-book

reader producer *Kobo*, etc).



In November the head of *Rakuten*, Hiroshi Mikitani, visited Belarus to inspect the production facilities of *Viber Media*, and to meet with a number of other promising IT start-ups.

However, today Belarusian companies are undervalued and often sold "with a discount". With 400 million users, *Whatsapp* was sold to *Facebook* for US\$ 19 billion while *Viber Media* with the same 400 million users, was bought for only US\$900 million.

Belarusian IT market is putting bets to determine who will be the next to attract deep-pocket foreign buyers. Some name *exp(capital)* among the probable next successful sales. The company was founded by Victor Prokopenya, founder of *Viaden Media*, and is active in

software for stock trading, including high-frequency trading. Taking into regard that big data is among the favorite trends, this is a good candidate for success.

One of the most renowned and successful Belarusian



WARGAMING.NET LET'S BATTLE

players in IT, *Wargaming.net*, however is following its independent path. Even though the company is quoted on the Cyprus stock exchange, 98% of shares are still held by the Belarusian founders of the company. Julien Codoriniou, the director of *Facebook* for Europe, named *Wargaming* "the most profitable gaming company of all time", stressing that "if you have one trip to make, go to Eastern Europe and Israel. This is where the next billion dollar companies will come from".

BELARUSIAN HI-TECH PARK GROWS ITS SCOPE OF ACTIVITIES AND ADDS A REGIONAL BRANCH

Fast development of the Belarusian IT sector prompts the expansion of the Belarusian High-Tech Park. The Park is growing not only geographically, but also in the scope of its activities.

In March of 2015 High-Tech Park will start setting-up of its branch in Grodno, its first regional office. The new premises will be based in the former buildings of the

Grodno Border Patrol, which are recognized as architectural monument and have a historic value. After the reconstruction of the 1800 sq. meters the buildings will host a business incubator, education center, co-working and conference facilities.

According to a Decree of the President of Belarus the scope of activities of the companies that may be registered

in Hi-Tech Park was broadened. Initially the activities that received preferential treatment were limited to software development. According to the Decree No. 4, dated 03.11.2014 the new activities also include micro-, nano- and optical electronics, mechatronics, data transmission, radiolocation and radio-navigation, telecommunications, data security and pro-



cessing. The new Decree also allows the residents of the Park to offer services in the area of IT consulting, audit, database development, installation of corporate IT systems.

LATEST INVESTMENT PROJECTS FROM BELARUS

Potato Processing Factory

Belarusian private company is looking for a partner to set-up complete processing of potato and production of packaged frozen ground potato and other semi-finished products for HoReCa and final users.



Investments sought: US\$ 20-30 mln | Belarusian partner: APC "Chumakov" | Location: Minsk Region

Biopharmaceuticals (antisera, probiotics) manufacturing

"Great Stone" Industrial park offers land and incentives for creation of biotechnology manufacturing facilities by foreign companies. Located near the capital city of Minsk, "Great Stone" park offers easy access to qualified workforce and transport infrastructure.



Estimated Investments: US\$ 30-100 mln | Belarusian partner: "Great Stone" | Location: Minsk Region

Manufacturing of Glass Fiber Composites

"Great Stone" Industrial park offers land and incentives for creation of manufacturing facilities by foreign companies.



Estimated Investments: US\$ 20-50 mln | Belarusian partner: "Great Stone" | Location: Minsk Region

Production of insulating materials from flax

Belarus is renowned for its production of flax (4th place in worldwide production), which guarantees a stable supply of raw material for production. Land and special conditions offered by the "Great Stone" Industrial Park.



Estimated Investments: US\$ 15-25 mln | Belarusian partner: "Great Stone" | Location: Minsk Region

Production high purity quartz (HPQ)

Belarus has a developed mining industry, skilled labor, research facilities and raw materials (the volume of identified quartz sand deposits is 175 million ton). The world market for HPQ is growing annually by 3-5%.



Estimated Investments: US\$ 30-70 mln | Belarusian partner: "Great Stone" | Location: Minsk Region

Production of ceramics and metal ceramics materials

The most promising market segments for this type of products is production of bearings, rings, wear-resistant industrial products, cutting tools, brake systems, etc.



Estimated Investments: US\$ 30-100 mln | Belarusian partner: "Great Stone" | Location: Minsk Region

Construction of poultry slaughterhouse

"Peskovskoye" OJSC currently produces 3200 tons of poultry annually. It is the only company in Belarus that specializes in duck meat production. The company seeks partners to create modern slaughterhouse facilities in order to expand production of quality poultry meat.



Estimated Investments: US\$ 2.5 mln | Belarusian partner: "Peskovskoye" OJSC | Location: Brest Oblast

For additional information on these 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

POTASSIUM FERTILIZERS

Belarus well-known as one of the largest suppliers of potassium in the world. "Belaruskali" and its trading company "Belarusian Potash Company" (BPC) are interested in finding new end users in Belgium. In 2013 Belarus already accounted for 35 percent of potassium imports into Belgium, leaving behind all other countries.

Potassium, supplied by Belarus, may be used directly as a fertilizer, in production of complex fertilizers, and for other technical purposes.

Following interests of end-users recently "Belaruskali" started production of granulated potassium.

The company is adapting to the requests of its clients, be it supplies of smaller quantities,

or adapting the specifications of the products (like production of yellow-colored granules especially for the Chinese customers).

Web-sites:

Belaruskali;
www.kali.by

Belarusian Potash Company:
www.belpc.by



PLYWOOD

Belarus has several major producers of plywood from birch and alder. This type of material is widely used in manufacturing of furniture, floor panels, wooden house construction, etc.

Belarusian companies offer various grades and thicknesses of FK and FSF plywood, either veneered or not. Majority of Belarusian producers

is certified by Forest Stewardship Council (FSC).

Export sales of plywood in Belarus are made through the Belarusian Universal Commodity Exchange through the special broker – "BelLesBumPromExport" (www.bellesprom.com).

Main Belarusian manufacturers of plywood are listed on the right:

- Pinskdev
www.pinskdev.by
- Mostovdev
www.mostovdev.by
- FanDOK
www.fandok.com
- Rechitsadrev
rechdev.com
- Gomeldrev
www.gomeldrev.by



"LAKOKRASKA" LOOKING FOR DISTRIBUTORS OF PAINTS, VARNISHES, COATINGS

JSC "Lakokraska" is a producer of paint and varnish materials used for various surfaces and uses. The production range includes paints for wood, metal and other surfaces, coatings, wood-impregnating compositions, polyvinyl-acetate dispersion, phthalic anhydride, plasticizers, alkyd resins.

The products of the company are used to protect the metal from corrosion and weather conditions in different climatic zones, for painting of ships, planes, cars, bridges, concrete structures and building materials, concrete, wood, overall coverage for facilities that operate in hostile environments longer than 20 years, marking paint for

roads. Coating materials have good performance, high wear resistance, weather resistance, protection from sunlight, ease of use and time-tested quality.

The company is certified with ISO 9001 and ISO 14001.

Web-site:

lidalkm.by



Exhibitions in Belarus in 2015

20.01.2015 - 23.01.2015

Bellegmash-2015

20.01.2015 - 23.01.2015

Footwear. Garment. Textile-2015

20.01.2015 - 23.01.2015

Everything for Sewing Industry-2015

20.01.2015 - 23.01.2015

Work Wear-2015

20.01.2015 - 23.01.2015

Laundry and Dry-cleaning-2015

20.01.2015 - 23.01.2015

Cleaning and Hygiene-2015

03.02.2015 - 06.02.2015

Automation. Electronics-2015

03.02.2015 - 06.02.2015

Electrotech. Light-2015

18.02.2015 - 21.02.2015

World of Childhood

11th International Specialized Exhibition

26.02.2015 - 28.02.2015

Education & Career

12th International Specialized Exhibition - Institutions of professional and higher education. Educational services. Retraining centers.

2015.03.03 - 2015.03.08

Best Present

10th International Specialized Fair - Souvenirs and presents

17.03.2015 - 20.03.2015

Expobuilding

18th International specialized exhibition – Building materials, equipment and technologies

25.03.2015 - 28.03.2015

HoReCa. RetailTech

23rd International specialized exhibition for professionals in the hospitality industry and foodstuffs

24.03.2015 - 26.03.2015

Beltexlegprom. Spring.

36th International Specialized Exhibition – Footwear, textiles, clothing, accessories, leather goods, home textiles. Equipment and machinery for textile, leather and footwear industry.

24.03.2015 - 27.03.2015

Food Industry-2015

HoReCa, Refrigeration, Packaging

24.03.2015 - 27.03.2015

Belarus Medica 2015

31.03.2015 - 02.04.2015

AtomExpo Belarus 2015

07.04.2015 - 10.04.2015

Metalworking-2015

08.04.2015 - 11.04.2015

Leisure

18th International Fair for Tourism - Traveling (seasonal holidays, business trips, children's holidays, cruises), excursions, transport service; equipment for sports and games, insurance, hotel service.

07.04.2015 - 10.04.2015

Powder Metallurgy-2015

Corrosion protection. Coatings-2015

Welding and Cutting-2015

14.04.2015 - 17.04.2015

Belarusian Construction Week-2015

14.04.2015 - 17.04.2015

Belcommuntech-2015

Road and municipal equipment and services

14.04.2015 - 17.04.2015

Flowers. Seeds. Garden-2015

Flowers, trade equipment for flowers, garden equipment, landscape design, interior decoration.

22.04.2015 - 25.04.2015

BelarusTelecom / tibo 2015

22st International Forum on Telecommunications, Information and Banking Technologies

22.04.2015 - 25.04.2015

Robotics 2015

International Exhibition of Robotics and Advanced Technology

22.04.2015 - 25.04.2015

Gaming Technology 2015

International Exhibition of Robotics and Advanced Technology

23.04.2015 - 25.04.2015

Brest. Commonwealth

17th International Fair – Consumer goods in Brest Region

22.04.2015 - 25.04.2015

Water & Heating

16th International Specialized Exhibition – Technologies, equipment and materials for water production, preparation and drainage system cleaning. Pumping equipment. Heating systems and equipment. International salons: "Heating", "Pumps & Swimming-pools", "Air-conditioning & Ventilation", and "Pipes & Fittings".

05.05.2015 - 08.05.2015

Furniture Forum

20.05.2015 - 22.05.2015

Lesdrevtekh

16th International Specialized Exhibition – Technics and technologies for forestry, timber cutting and wood-processing; waste wood utilization, energy-saving equipment and technologies; wooden housing construction, production wood-processing.

20.05.2015 - 23.05.2015

Belarusian Industrial Forum

Industrial technologies and production of machine-building, instrument-making, metallurgy, electrical, optical-mechanical, and electronic industries, energy-efficient and resource-saving technologies in industry, energy, building, and municipal and housing-communal economy. Equipment and technologies, instruments and facilities for welding and cutting.

20.05.2015 - 23.05.2015

Chemistry. Oil & gas

15th International Specialized Exhibition – Technologies, equipment, raw-materials and production of chemical industry. Collection, preprocessing, transportation and storing of oil, oil products, and gas. Domestic chemical goods.

02.06.2015 - 07.06.2015

Belagro-2015 (including Specialized salon Biogas)

02.06.2015 - 07.06.2015

BelFarm-2015

08.09.2015 - 11.09.2015

Budpragres-2015

Construction equipment, technologies and services

08.09.2015 - 11.09.2015

Flowers. Seeds. Garden-2015

Flowers, trade equipment from flowers, equipment for garden and hotbed, landscape design, interior decoration.

09.09.2015 - 12.09.2015

Packaging And Storage

Unites 4 international projects: "World of Packaging", "Modern Label", "Polymers & Glass in Packaging", "Storage technologies", and business-forum "Packaging & Label. Storage-2015".

15.09.2015 - 17.09.2015

World of Metal

7th International Specialized Exhibition – Raw materials, technologies and equipment for metallurgy. Foundry. Ferrous and non-ferrous metals, powder technology

29.09.2015 - 02.10.2015

Woodworking-2015 (including Specialized salon BIOENERGY)

<u>29.09.2015 - 02.10.2015</u> Furniture-Design-Components-2015	<u>09.10.2015 – 12.10.2015</u> Mom & Baby 2 nd Specialized Exhibition-forum for Mothers and Children	InterStyle 2015 14 th International Specialized Exhibition
<u>06.10.2015 - 08.10.2015</u> Transport & Logistics 2015 Logistics Engineering 2015 Transport Infrastructure 2015 9 th International Specialized Exhibition & 9 th Belarusian Transport and Logistics Congress	<u>21.10.2015 – 24.10.2015</u> Modern Office International Specialized Exhibition – Goods and services for office equipment. Design and decoration of office premises. IT- solutions for business. Security. Developers, construction and leasing of commercial real estate. Architectural bureau, planning of office space. Related Services.	<u>2015.11.10 – 2015.11.13</u> Prodexpo 21 th International Wholesale Fair – Foodstuffs, confectionery and baked goods, fruit and vegetables, dietary and infant food, alcoholic beverages, beer, soft drinks, seafood
<u>13.10.2015 – 16.10.2015</u> Energy Expo 2015 20 th International Specialized Exhibition & 20 th Belarusian Energy and Ecology Congress	<u>27.10.2015 - 30.10.2015</u> Autoservice. Mechanics. Autocomponents-2015	<u>12.11.2015 – 14.11.2015</u> Informative Environment & Educational Technologies
<u>13.10.2015 - 16.10.2015</u> ExpoLight 2015 11 th International Specialized Exhibition of Lighting Equipment	<u>27.10.2015 - 30.10.2015</u> Road construction-2015	<u>26.11.2015 – 28.11.2015</u> Man & Security 6 th International Specialized Exhibition – Technologies, equipment, accessories, control systems.
<u>13.10.2015 – 16.10.2015</u> Water&Air Technologies 2015 10 th International Specialized Exhibition	<u>30.10.2015 – 01.11.2015</u> Bank. Insurance. Leasing 9 th Specialized Exhibition – Banking services, credit, insurance services, leasing, investment, and consulting.	<u>09.12.2015 - 09.12.2015</u> Medicine and Health-2015
<u>13.10.2015 – 16.10.2015</u> Real Estate 7 th International Specialized Exhibition – Realtor services, lease and purchase of commercial and residential estates, mortgage lending, developer services, investments in real estate	<u>30.10.2015 – 01.11.2015</u> Residential & Commercial Real Estate 5 th Specialized Exhibition – Residential real estate (new building projects, upscale real estate), out-of-town real estate (cottages, land plots), commercial real estate (office and industrial premises, storage facilities), real estate services.	<u>18.12.2015 – 23.12.2015</u> 50 Plus 4 th social trade fair for older people
<u>21.10.2015 - 23.10.2015</u> International Stomatology Forum: Exhibition BelarusDent and Belarusian Stomatology Congress	<u>05.11.2015 - 08.11.2015</u>	

FOR MORE INFORMATION ON EXHIBITIONS...

If you are interested in obtaining additional information about the exhibitions in Belarus, preparing your visit to an exhibition or exhibiting your products and services, please do not hesitate to contact 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

You are also welcome to consult the web-sites of the major exhibition companies in Belarus for the list of upcoming fairs.

WEB-SITES OF MAIN EXHIBITION COMPANIES OF BELARUS



<http://www.belexpo.by/>



<http://www.tc.by/>



<http://www.minskexpo.com>



<http://www.expoforum.by>

RECENT PUBLICATIONS FOR BUSINESSES

Electronic versions of these publications are available at 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



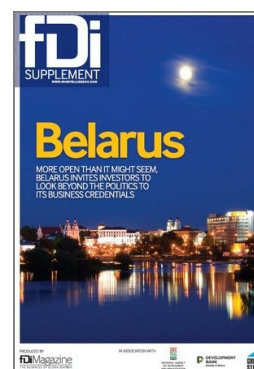
“Invest in Belarus”
Brief analysis
of prospective sectors
by National Agency of
Investment
and Privatization
(September 2014)



“Invest in Belarus”
Guidebook for Investors
by National Agency of
Investment
and Privatization
(November 2014)



Business New Europe
(bne)
Special Edition on Belarus
(October 2014)



FDI Magazine
Supplement on Belarus
(October/November 2014)

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