

## Contours of multi-vectorality

The modern Belarusian foreign policy is characterized by an extremely clear and transparent position, the essence of which boils down to the fact that today it is very important to have a normal equal and mutually respectful dialogue with all foreign partners, regardless of where and in what part of the world they are located. And if we take into account the fact that preservation of political independence is impossible without economic sovereignty, we can understand the desire of the Belarusian side to develop the most effective international economic cooperation, the role of which in the conditions of aggravation of contradictions of the world and regional centres of power in the struggle for redistribution of spheres of influence and the desire to defend their geopolitical interests by various means is growing exponentially. After all, a mutually beneficial partnership is unthinkable without creating an environment of trust in international affairs. As the recent experience shows, the role of stable and dialogue-seeking small and medium-sized states, which includes the Republic of Belarus, in sustainable development of the world and ensuring security in their regions is growing manifold. How it copes with this role is the subject of the study.



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## Contours of multi-vectorality

*Chronicle of International Co-operation*

**Boris Zalessky**

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## CHAPTER 1

### Multi-vectorality as a basic principle of foreign policy and media

The system of conducting state foreign policy, called "multi-vectorism", began to emerge in the post-Soviet space in the first half of the 1990s. The choice of this system for the majority of former Soviet republics was dictated by the need to survive in the difficult conditions caused by the collapse of the Soviet Union. In fact, multi-vectorism became the tool that allowed to correct the natural disadvantages and utilise the existing advantages of the newly independent states, which began to pursue their own foreign policy course. It is a fact that the scientific description of the term "is still no", which has already widely entered the diplomatic and political science lexicon. But there are a number of definitions, which, in our opinion, can quite exhaustively convey the meaning of this concept. multi-vectorism

Firstly, "multi-vector foreign policy is an a independent independent foreign policy, the distinctive feature of which is balanced and even attitude simultaneously with different important centres of power and major international and regional players" . Secondly, for the newly independent states of the post-Soviet space<sup>1</sup>, meant "a certain diplomatic style, an advantageous method of conducting foreign policy, following which the national interests formulated by the ruling elite are most fully realised multi-vectorism " . Thirdly, the interpretation of the principle of draws attention<sup>2</sup> multi-vector foreign policy voiced by the President of Kazakhstan N. Nazarbayev : "In fact, all states can be called multi-vector. This means that in conditions of independence, autonomy each state can communicate, trade, conclude political agreements with everyone with whom it is favourable to do it" . Fourthly, even in the foreign policy of the Russian Federation, <sup>3</sup> multi-vectorism is one of the key characteristics, which is emphasised by the head of the Russian diplomatic ministry S. Lavrov: "Following this principle means only one thing: each vector is self-valuable for us, and any mutually exclusive or "compensatory" schemes are unacceptable" . In other words, the principle of <sup>4</sup> multi-vector nature of Russian foreign policy is "aspiration to develop equal mutually

<sup>1</sup> Delovarova, L.F. Some theoretical aspects of multivectorality / L.F. Delovarova // [Electronic resource]. - 2009. - URL: <http://articlekz.com/article/7012>

<sup>2</sup> Karavaev, A. "Adversarial" and "discrete" multi-vectorality of the South Caucasus states / A. Karavaev // [Electronic resource]. - 2011. - URL: <http://ia-centr.ru/expert/10473/>

<sup>3</sup> Meeting with representatives of leading domestic TV channels [Electronic resource]. - 2014. - URL: [http://www.akorda.kz/ru/events/akorda\\_news/press\\_conferences/page\\_218761\\_vstrecha-s-predstaviteli-vedushchikh-otchestvennykh-telekanalov](http://www.akorda.kz/ru/events/akorda_news/press_conferences/page_218761_vstrecha-s-predstaviteli-vedushchikh-otchestvennykh-telekanalov)

<sup>4</sup> Lavrov, S. The rise of Asia and the eastern vector of Russia's foreign policy / S. Lavrov // [Electronic resource]. - 2006. - URL: [http://www.globalaffairs.ru/number/n\\_6566](http://www.globalaffairs.ru/number/n_6566)

beneficial relations with all countries without exception that are ready for this" .<sup>5</sup>

Indeed, at the first stage of the formation of the Commonwealth of Independent States, the need for a multi-vector foreign policy by the members of this association arose as a necessity to expand the circle of allies and to obtain an effective mechanism for their search. Thus, Turkmenistan almost immediately followed the path of declaring neutrality and non-alignment with any alliances and unions. Uzbekistan announced its choice of the path of independence. Tajikistan proclaimed an "open door" policy, which implied the formation of equal relations with all countries. Kazakhstan focused on developing friendly and predictable relations with all states that play a significant role in world affairs and are of practical interest.

The Belarusian state was no exception in this respect. Declarations about the need to pursue a multi-vector foreign policy of the Republic of Belarus began to be heard in documents and speeches of officials practically from the first months of our country's independence. In 1997, multi-vector policy was declared as a basic principle of Belarusian foreign policy, the implementation of which required "the Belarusian diplomacy to be extremely precise, well-considered statements and actions, leaving no room for error" .<sup>6</sup>

The growth of globalisation processes has also become a foreign policy of post-Soviet states. After all, "the problem of distance in the era of globalisation is becoming less and less an obstacle to establishing a serious impetus for a multi-vector " . Therefore, in the process of development of international cooperation between the states located in<sup>7</sup> different regions of the planet, it became possible to understand the diversity of the world, the specifics of different countries and peoples much more deeply. It was globalisation that led to the emergence of real opportunities for the countries of the former Soviet Union and the development of the ability to combine different geopolitical vectors and actively use them to integrate different directions of foreign policy into one course. Actually, with the intensification of globalisation, it became possible to out carry , when one vector can carry qualitative assessments of the political regime, the second - to seriously influence and support the local elite without an ideological context, the third - to be distinguished by specific pragmatic profitable projects. multi-level multi-vectorism

<sup>5</sup> Interview of the Minister of Foreign Affairs S.V. Lavrov to the VGTRK TV company in connection with the anniversary of E.M. Primakov [Electronic resource]. - 2014. - URL: <http://p.120-bal.ru/doc/9801/index.html?page=4>

<sup>6</sup> Shadursky, V.G. The principle of multi-vectorism in the foreign policy of Belarus / V.G. Shadursky // Problems of foreign policy and security : Belarus - Poland : history and prospects of cooperation / edited by A.V. Rusakovich (editor-in-chief). A.V. Rusakovich (editor-in-chief) [and others]. - Minsk : Theseus, 2009. p. 43.

<sup>7</sup> Shadursky V.G. Realisation of the principle multi-vector in the Belarusian foreign policy / V.G. Shadursky // Proceedings of the Faculty of International Relations 2010 : a scientific collection. Vyp. 1.-BGU, 2010. P.48.



But we should not forget that "for small states, with a limited number of political and economic resources, multi-vectorism carries certain dangers". It is no secret that major powers or centres of attraction constantly send signals to small states, making it clear that it is necessary to determine the main partner or vector. "In this situation, the policy of <sup>8</sup>multi-vectorism risks remaining only in theory, while in practice states, guided by the interest in preserving sovereignty, will slip into an emphasis on closer relations with one of the big partners". Among the negative attributes of <sup>9</sup>a multi-vector foreign policy are also such as disguising its real foreign policy, inconsistency in interstate relations, momentary aspirations to redress the balance in one or another favour, fickleness and tossing between geopolitical centres, isolationism, staggering from one reference point to another, dependence on the political conjuncture, "indiscriminateness, omnivorousness".<sup>10</sup>

Nevertheless, pursuing multi-vectorism is one of the effective ways of redistributing foreign policy risks into different "baskets". It is important that when developing a wide range of foreign policy ties in various directions, be it East, West, North or South, a state pursuing a policy should multi-vector retain the initiative to make independent decisions and not become an object of foreign game. It is clear that mutual understanding between the mentioned geopolitical phenomena should be based on a deep knowledge of the peculiarities of each of them, because it contains huge opportunities that should be turned to the benefit of interacting countries and peoples. In other words, "the development of friendly relations with the states correlated with such geopolitical phenomena as East, West, North and South determines the content of a multi-vector foreign policy".<sup>11</sup>

Of course, success in implementing a balanced, pragmatic foreign policy course with mutual benefit and firm defence of national interests, with a differentiated and multilevel approach to cooperation with various foreign countries and international organisations in the context of achieved information ambiguous processes and trends in the modern system of international relations, expressed in all sorts of contradictions and conflicts between their participants, can only be if the state uses the full range available to it. Moreover, "the need to create public opinion that supports co-operation with a given state is one of the complex tasks of multi-vector policy", which

<sup>8</sup> Karavaev, A. "Adversarial" and "discrete" multi-vectorality of the South Caucasus states / A. Karavaev // [Electronic resource]. - 2011. - URL: <http://ia-centr.ru/expert/10473/>

<sup>9</sup> Multivectorality of foreign policy: the phenomenon of Central Asia [Electronic resource]. - 2015. - URL: <http://politobzor.net/show-67519-mnogovektornost-vneshney-politiki-fenomen-centralnoy-azii.html>

<sup>10</sup> Some theoretical aspects of multi-vectorality in the foreign policy of Central Asian states [Electronic resource]. - 2009. - URL: <http://www.easttime.ru/reganalitic/1/206p.html>

<sup>11</sup> Medeubaeva, J.M. Multidirectionality - conceptual foundation of the foreign policy doctrine of the Republic of Kazakhstan / J.M. Medeubaeva // [Electronic resource] - 2014. - URL: <http://e-history.kz/media/upload/1466/2014/06/26/7457d86661d4c9e1cd89610d267637eb.pdf>

should be addressed by definition by the international segment of the national journalism of each country adhering to the principle of <sup>12</sup>multi-vectorism in its foreign policy. Real practice shows that not all post-Soviet countries successfully fulfil this task by international journalists. This is due to a number of circumstances. Let us dwell on some of them.

It is known that the quality of coverage of international issues in the media of a particular state depends, first of all, on the activity of the country's international position itself, as well as on such a factor as the interest of readers, viewers and listeners in international issues. The experience of the formation of international journalism in the post-Soviet space over the past more than two decades has demonstrated such a correlation: with the sharp deterioration of the socio-economic situation in the countries, the audience's interest in the outside world also seriously declined. This was evidenced by the ousting of international political and economic issues from the media sphere and their replacement by discussion of purely domestic problems. This trend entailed the departure of qualified international journalists and the degradation of coverage of international issues in the press, on radio, television, and on the Internet, and also led to the sad conclusion that if "society is not interested in international events, while the foreign policy of a state has neither global interests nor regional ones, then one should not expect journalists <...> to be able and capable of covering certain events in international life" .<sup>13</sup>

It seems that such a rigid statement of the for the Republic of Belarus issue in this thematic plane is not typical, which is explained by the corresponding foreign policy of the Belarusian state at all stages of its sovereign development. Thus, since the second half of the 1990s this policy "has been actively and normally developing in two directions: east and south, while in the west and north (the latter adjoins the west) it is experiencing a serious imbalance, especially in the political sphere, being limited mainly to the foreign economic sphere" At the end of the 1990s, Belarus at the state level<sup>14</sup> proclaimed a multi-vector foreign policy .

At the legislative level, the basic principles, goals and objectives of the foreign policy of the Belarusian state were enshrined in 2005 in the Law "On Approval of the Main Directions of Domestic and Foreign Policy of the Republic of Belarus". Among the basic principles of the Belarusian foreign policy are the development of on the basis

<sup>12</sup> Karavaev, A. "Adversarial" and "discrete" multi-vectorality of the South Caucasus states / A. Karavaev // [Electronic resource]. - 2011. - URL: <http://ia-centr.ru/expert/10473/>

<sup>13</sup> Usubaliev, E. Foreign policy of the Kyrgyz Republic and the media: Problems of international coverage / E. Usubaliev // [Electronic resource]. - 2015. - URL: <http://www.media.kg/blogs/usubaliev-e-vneshnaya-politika-kyrgyzstana-i-smi-problemy-osveshcheniya-mezhdunarodnoi-zhizni/>

<sup>14</sup> Snapkovskiy, V.E. Foreign policy of the Republic of Belarus: conceptual foundations and priority directions / V.E. Snapkovskiy // [Electronic resource]. - 2014. - URL: <http://www.mirperemen.net/content/vneshnyaya-politika-respubliki-belarus-konceptualnye-osnovy-i-prioritetnye-napravleniya>

of universally recognised comprehensive cooperation with foreign states and international organisations principles and norms of international law, mutual consideration and observance of the interests of all members of the international community. The main direction in the sphere of foreign policy activities is "improvement of the state foreign economic policy on the basis of policy multi-vector , the existing international division of labour and markets for goods and services" .<sup>15</sup>

The Belarus had to in a situation when the world entered the stage of cardinal geopolitical, economic and Republic of course shape its international multi-vector social transformations, characterised by high intensity and dynamism, when "the formation of new centres of power is accompanied by the aggravation of rivalry between states and competition of models of future development" . The growth of international tensions over the past few years has markedly reduced trust in partners at the interstate level. The emergence of so-called hybrid threats and the strengthening of sanctions confrontation have further <sup>16</sup>complicated the approaches of the international community to the coordinated solution of world problems. In addition, "information wars, the activation of so-called fifth columns and the formation of negative public opinion through the media and the Internet" are of great importance .<sup>17</sup>

Even more alarming in our turbulent times is the loss of mutual trust between global players, their lack of willingness to compromise, and the return to elements of bloc confrontation, bringing the world to the brink of a new war. In these conditions, the only way out is to find optimal ways of sustainable development for the entire world community, not for individual countries. That is why the Belarusian side sees a new formula for universal mutually beneficial co-operation in the fact that, as it stated in the general discussion at the 70th General Assembly of the United Nations, "its main theme is the idea of integration of integrations as the most urgent trend of the modern world" .<sup>18</sup>

Especially since today it is already becoming relevant to discuss at different levels the prospects for cooperation between the European and Eurasian Economic Unions, the implementation of the large-scale Silk Road project, the creation of the Trans-Pacific Partnership and the Transatlantic Free Trade Area, and a number of other integration projects. That is why multi-vector foreign policy in modern conditions

<sup>15</sup> On Approval of the Main Directions of Domestic and Foreign Policy of the Republic of Belarus [Electronic resource]. - 2005. - URL: [http://www.economy.gov.by/dadvfiles/001296\\_334566\\_2.pdf](http://www.economy.gov.by/dadvfiles/001296_334566_2.pdf)

<sup>16</sup> Foreign policy of the Republic of Belarus [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/foreign-policy/>

<sup>17</sup>3 Session of the Security Council of Belarus [Electronic resource]. - 2014. - URL: [http://president.gov.by/ru/news\\_ru/view/zasedanie-soveta-bezopasnosti-belarusi-10444/](http://president.gov.by/ru/news_ru/view/zasedanie-soveta-bezopasnosti-belarusi-10444/).

<sup>18</sup> Statement in the General Debate of the 70th Session of the UN General Assembly [Electronic resource]. - 2015. - URL: [http://president.gov.by/ru/news\\_ru/view/vystuplenie-v-obschej-diskussii-70-j-sessii-generalnoj-assamblei-on-12219/](http://president.gov.by/ru/news_ru/view/vystuplenie-v-obschej-diskussii-70-j-sessii-generalnoj-assamblei-on-12219/).

becomes the creative tool that allows not only to avoid dangerous and unnecessary confrontation of integration models, but also to achieve their compatibility and compatibility mutual .

Multidirectional foreign policy of the Belarusian state is a fundamental principle that implies the development of balanced constructive relations with those partners in different regions of the world with whom the Belarusian side "is guided by the principles of pragmatism and consistency, mutual respect, equality, non-interference in internal affairs, non-pressure and coercion" in building dialogue and mutually beneficial cooperation. This conditioned <sup>19</sup>multi-vector course of Belarus is by a number of circumstances, including the geographical location of the country, whose territory is crossed by the most important transport routes from Europe and Asia, as well as the history of of the Belarusian state, which has experienced the destructive consequences of quite a number of European wars and conflicts. Today, the Republic of Belarus is already recognised by the entire international community as a sovereign European state that pursues its independent, peace-loving, multi-vector foreign policy, actively developing cooperation with foreign partners in different parts of the globe and making a significant contribution to strengthening international security and stability.

The multi-vector nature of Belarusian foreign policy is also evidenced by such figures. At the beginning of 2016, Belarus maintained diplomatic relations with 174 countries. Today, Belarusian diplomatic representatives operate in 56 states located on five continents. In 2014 alone, Belarusian embassies were opened in Australia, Qatar, Mongolia, Pakistan, Ecuador, and in Italy, the Consulate General of the Republic of Belarus was opened in Milan. In turn, in Minsk, foreign states are now represented by 45 embassies, 4 embassy branches, 2 trade missions, 35 consular offices, including honorary consuls. It is also important to note that 88 foreign missions are already accredited in Belarus.

The status of a geopolitical crossroads provides the Republic of Belarus with tempting chances to make the most of its favourable geographical position and existing transit and industrial potential, but at the same time it brings conflicts close to its borders, which have never before in its sovereign history flared up and developed so rapidly and unpredictably. Therefore, while adhering to unified approaches to the development of relations with all foreign countries, Belarus still concentrates its multi-vector foreign policy efforts on a number of the most important and promising areas, among which the can be following priorities highlighted .

I. **Russian Federation, the** strategic partnership with which is conditioned by

<sup>19</sup> Principles, goals and objectives of the Republic of Belarus in the international arena [Electronic resource]. - 2015. - URL: [http://mfa.gov.by/foreign\\_policy/aims/](http://mfa.gov.by/foreign_policy/aims/)

geographical, geopolitical, historical factors, mutual complementarity of the economies of the two countries and close co-operative ties between enterprises. The main foreign economic objectives in this area are: 1) to increase Belarusian exports; 2) to effectively use the potential of direct ties between the regions of the two countries; 3) to deepen cooperation; 4) to expand Belarusian commodity distribution networks; and 5) to attract investment.

The priority area of interaction between Belarus and Russia is regional co-operation aimed at: 1) increasing the volume of mutual supplies of goods; 2) expanding the commodity distribution network; 3) strengthening industrial cooperation; 4) creating assembly plants. The leaders in mutual trade with Belarus are the Central, Urals, Volga, and North-Western federal districts, and among Russian federal subjects - Moscow, St. Petersburg, Tyumen, Moscow, Smolensk, Orenburg, Bryansk, Nizhny Novgorod, Kaluga regions, and the Republic of Tatarstan, which account for more than "70 per cent of Belarusian-Russian trade turnover".<sup>20</sup>

II. The countries of the **Commonwealth of Independent States** and the **Eurasian Economic Union**, in co-operation with which the process of post-Soviet integration is becoming more and more concrete. In the **CIS**, the potential for integration interaction lies in trade and economic cooperation, as well as in: 1) implementation of the provisions of the Free Trade Zone Treaty; 2) creation of a free trade zone for services; 3) further formation of educational and investment space; 4) development of humanitarian, cross-border and transboundary cooperation; 5) strengthening of environmental security. Belarus' key trade partners in the CIS are Ukraine, Kazakhstan, Moldova, Turkmenistan and Azerbaijan, "which account for more than 95 per cent of Belarusian exports in the CIS region (excluding Russia)".<sup>21</sup>

The EAEU is now creating additional conditions for the sustainable development of the Belarusian economy by: 1) ensuring freedom of movement of goods, services, capital and labour resources; 2) implementation of coordinated policies in key sectors of the economy; 3) development of cooperation ties; 4) implementation of joint investment and innovation projects; 5) compliance with common competition rules, standards and requirements for goods and services; 6) access to services of natural monopolies and the public procurement market.

III. countries **European Union**, intensification of relations with which is taking place in such areas of mutual interest as trade and investment, transport and transit, cross-border and regional cooperation, visa facilitation and environmental protection. The main trade and economic partners of Belarus among European countries are

<sup>20</sup> Co-operation of Belarus with Russian regions [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/bilateral/russia/regions/>

<sup>21</sup> Belarus and the CIS countries and Georgia [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/bilateral/cis/>

Germany, the Netherlands, Poland, Italy, Lithuania, the United Kingdom, and Latvia, while the leading investors in the Belarusian economy include the United Kingdom, Cyprus, the Netherlands, Austria, Poland, Lithuania, Latvia, and Germany.

Belarus aims to intensify co-operation with European partners and develop specific projects aimed at: 1) developing a network of energy and transport communications; 2) strengthening regional energy security; 3) countering environmental threats; 4) improving the efficiency of border protection and customs support for trade. It is on the European vector that Belarus consistently promotes the idea of integration of integrations, which "in the long term can serve as a basis for harmonisation of integration processes within the European Union and Eurasian Economic Union, as well as the creation of a common economic and humanitarian space from Vladivostok to Lisbon".<sup>22</sup>

**IV. The People's Republic of China**, whose relations have reached the level of comprehensive strategic partnership over the past few years and are based on "the principles of mutual respect, support and multifaceted co-operation".<sup>23</sup> In the structure of which the following main directions can be distinguished: 1) deep and mutual integration of industries and enterprises; 2) information technologies; 3) formation of joint research and scientific-practical centres; 4) joint development of sectoral science; 5) direct and systematic interregional cooperation.

For their successful implementation, mechanisms are already being formed to stimulate the attraction of direct Chinese investments in the energy sector, production of construction materials, transport infrastructure, and production and processing of agricultural products. regions of the The twin two countries have developed a roadmap for deepening trade and economic cooperation, which sets out priority joint projects and promising areas of interaction between all Belarusian regions and Minsk and the Chinese provinces of Heilongjiang, Jiangsu, Zhejiang, Sichuan, Gansu, Guangdong, Hubei, and the capital Beijing.

**V. Countries of the global South**, where in the **Asian, Latin American, Middle Eastern and African** regions the Belarusian side aims to gradually diversify trade and deepen economic cooperation in order to create additional growth prerequisites for its export-oriented economy. Here, the main directions of the development of relations are structured as follows: 1) intensification of political and economic interaction with traditional partners - Argentina, Brazil, , Egypt, Venezuela, Vietnam, EgyptCubaIndia, Iran, Cuba, , India, Iran, Japan, Syria, United Arab

<sup>22</sup> European Union [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/multilateral/organisation/list/c723f8823e56d467.html>

<sup>23</sup> State visit of President of the People's Republic of China Xi Jinping to Belarus [Electronic resource]. - 2015. - URL: [http://president.gov.by/ru/news\\_ru/view/gosudarstvennyj-vizit-predsedatelja-knr-si-tszipina-v-belarus-11366/](http://president.gov.by/ru/news_ru/view/gosudarstvennyj-vizit-predsedatelja-knr-si-tszipina-v-belarus-11366/).

Emirates, Syria, South Africa; 2) establishment of dialogue and active entry with a foothold in the markets of states with significant potential for mutually beneficial cooperation - Angola, Australia, Bolivia, Indonesia, Cambodia, Qatar, Colombia, Colombia, Laos, Malaysia, Mozambique, Mongolia, Nigeria, Nicaragua, Pakistan, Peru, Qatar, Saudi Arabia. Ecuador, Ethiopia.

At the same time, countries the key area of trade and economic cooperation with is expanding Belarusian exports of products and services and developing new markets. The most promising area of cooperation with the **African Middle Eastern countries** is investment cooperation, where joint projects are being implemented to create new production facilities, construction, agriculture, hospitality, and trade. countries **Asian** , **which** have the highest gross domestic product growth rates on the planet, are both a promising and rapidly expanding market for Belarusian goods and services and a promising investor in the Belarusian economy. countries **Latin American** are a vector of Belarusian foreign policy aimed at consolidating long-term relations, expanding political dialogue, strengthening the legal framework, and promoting the interests of Belarusian enterprises, including by setting up joint ventures and opening trade houses and representative offices.

VI. the spread of narcotic and psychotropic substances Finally, the **United States of America**, in its relations with which the Belarusian side sees the goal of developing a constructive and equal dialogue based on mutual consideration of interests, as well as expanding full-scale bilateral cooperation on such pressing global issues as combating human trafficking, countering , cybercrime and child pornography on the Internet, protecting nuclear facilities and non-proliferation of weapons of mass destruction.

All these directions of Belarusian foreign policy presented above very eloquently underline the idea that in the current conditions of overcoming the global crisis it is necessary to increase international cooperation in all spheres. This will be absolutely in line with the logic of the principle of multi-vector foreign policy. At the same time, international co-operation should be based not only on knowledge, innovations, advanced technologies introduced into mass production, but also on the active formation of a common information and media space of co-operation and partnership, on the introduction of the principles of equality and mutual respect into the mass consciousness of millions of people. After all, mass media play an extremely important role in the processes of further rapprochement of countries and peoples: "Active promotion of the idea <...> of integration presupposes no less active creative position of mass media, their historical responsibility to society" .<sup>24</sup>

<sup>24</sup> Welcoming speech of the Minister of Information of the Republic of Belarus L.S. Ananich // Interethnic harmony and tolerance - the value basis of Eurasian integration : mat. of the international scientific-practical

It must be assumed that the growing responsibility to their readers, listeners and viewers points the way for modern media to follow not only certain value criteria, but also to display the highest professional skills based on competent knowledge of the social, ethnic, linguistic, religious, cultural and civilisational characteristics of their audience. Only such a way can counteract the information wars observed today in the media sphere - wars without rules, the witnesses and victims of which are becoming more and more people on our planet.

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## CHAPTER 2

### **Topical issues of Belarusian export development in the context of advertising and media support**

Ensuring conditions for the growth of exports of goods and services is not only one of the most important areas of foreign economic activity for the Republic of Belarus, but also the main priority for the development of the Belarusian economy, as exports account for more than half of the gross domestic product in its structure. And this fact makes it one of the key sources of sustainable economic growth in the country.

The issues of developing Belarusian export potential and balancing foreign trade have become particularly important in the current environment, "since external demand for domestic producers' products is the most important factor in utilising production capacities, maintaining a high level of employment and ensuring dynamic economic growth. At the same time, a positive balance of foreign trade transactions in goods and services ensures financial stability at the macro level, determining such basic parameters of the country's economic security as official gold and foreign exchange reserves, gross and public external debt, the exchange rate of the national currency, and state budget revenues".<sup>25</sup>

The most important global challenges and trends that have had a significant impact on the conditions of export activities of Belarusian business entities in recent years are: 1) growing global competition in the markets of goods and services, capital and technology; 2) tougher conditions of access to raw materials, energy, water and food resources, as well as transport corridors; 3) the increasing role of innovative economic growth and export growth against the background of the declining importance of traditional factors of national development; and 3) the growing importance of exports in the country's economic development. economicIn these conditions, according to the Belarusian head of state, "diversification of exports, search for new markets is a matter of paramount importance, a matter of survival of our country".<sup>26</sup>

That is why, having completed the formation of the system of export stimulation and support based on international practice at the state level, the Republic of Belarus has set a course for the development, improvement and creation of conditions for the introduction of new effective mechanisms of this system. It is understandable: in the situation of post-crisis development of the world trade, the vector of development aimed at "increasing knowledge-intensive and high-tech products in the structure of

<sup>25</sup> National Export Development Programme of the Republic of Belarus [Electronic resource]. - 2011. - URL: <http://pravo.levonevsky.org/bazaby11/republic01/text820.htm>

<sup>26</sup> Meeting with the Minister of Foreign Affairs Vladimir Makei [Electronic resource]. - 2014. - URL: [http://president.gov.by/ru/news\\_ru/view/vstrecha-s-ministrom-inostrannyx-del-vladimirom-makeem-10420/](http://president.gov.by/ru/news_ru/view/vstrecha-s-ministrom-inostrannyx-del-vladimirom-makeem-10420/).

exports, diversification of is objectively actualised for such countries as Belarus .supplies to new markets" <sup>27</sup>

An effective tool for achieving the goals outlined in this area is the implementation by Belarus of its multi-vector foreign economic policy, under which it maintains foreign trade contacts with most foreign countries and actively participates in international integration processes. The following facts speak volumes in this regard: "Today the Republic of Belarus has diplomatic missions in 56 countries around the world. Taking into account the accreditation of part-time ambassadors, Belarus is represented in 112 out of 174 states with which our country has established diplomatic relations" . At the beginning of 2016 there were 46 embassies, 4 embassy branches, 2 trade missions, 35 consular offices of foreign states, 16 representative offices of international organisations, and 86 foreign embassies <sup>28</sup>accredited in Minsk part-time from Moscow, Vilnius, Warsaw and Kiev.

These facts show that Belarus has considerable potential both in terms of strengthening mutually beneficial ties with traditional economic partners and developing new markets, and in diversifying its exports as one of the conditions for stable economic development and improving the living standards of its citizens. It is known that Belarusian export products include more than a thousand items, and the main goods supplied to foreign markets include oil products, potash and nitrogen fertilisers, rolled metal products and metal cord, tactors, trucks, buses, refrigerators and freezers, chemical fibres and threads, caprolactam, tyres, wood and wood products, furniture, clothing, footwear, dairy and meat products, and sugar. This list is supplemented by a wide range of complex technical products with "stable demand in foreign markets: agricultural machinery, trolleybuses and trams, road-building machinery, technological and electronic equipment, gas cookers, washing machines, products of microelectronics and optical devices" . <sup>29</sup>

Nevertheless, the results of 2015 showed that Belarus needs to further concentrate its efforts to increase exports and find new markets: "The situation confirms the need for a more dynamic shift in the centre of gravity of export policy from traditional markets to other areas of geographical and product diversification of export flows. Qualitatively new innovative goods and services are needed" . In this regard, the Belarusian government has set a task to "make the most effective use of existing agreements and developments with all <sup>30</sup>countries, paying special attention to

<sup>27</sup> Export [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/export/export/>

<sup>28</sup> Review of the results of the foreign policy of the Republic of Belarus and the activities of the Ministry of Foreign Affairs in 2015 [Electronic resource]. - 2016. - URL: <http://mfa.gov.by/publication/reports/ad9a745931227143.html>

<sup>29</sup> Export potential [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/export/export/potential/>

<sup>30</sup> Andrei Kobyakov held a meeting of the Presidium of the Council of Ministers [Electronic resource]. - 2015. - URL: <http://www.government.by/ru/content/5967>

those with which a programme of joint actions has been worked out at the highest and highest levels" .<sup>31</sup>

Back in 2014, almost fifty countries were identified as new promising markets for Belarusian exporters: 1. Australia. 2. Algeria. 3. Angola. 4. Bahrain. 5. Bolivia. 6. Gabon. 7. Gambia. 8. Ghana. 9. Greece. 10. Zimbabwe. 11. Jordan. 12. Ireland. 13. Spain. 14. Cambodia. 15. Cameroon. 16. Colombia. 17. Côte d'Ivoire. 18. Kuwait. 19. Laos. 20. Lebanon. 21. Malaysia. 22. Mali. 23. Malta. 24. Morocco. 25. Mozambique. 26. Mongolia. 27. Myanmar. 28. Namibia. 29. Nigeria. 30. Nicaragua. 31. Oman. 32. Pakistan. 33. Peru. 34. Portugal. 35. Saudi Arabia. 36. Senegal. 37. Singapore. 38. Slovenia. 39. Sudan. 40. Thailand. 41. Togo. 42. Tunisia. 43. Philippines. 44. Croatia. 45. Sri Lanka. 46. Ecuador<sup>32</sup>. To fulfil this promising task, in the same year "embassies of our country were opened in Australia, Qatar, Mongolia, Pakistan, Ecuador" .<sup>33</sup>

But in the same year, 2014, Belarus faced serious external challenges, which were associated with a decline in world prices for oil and exported oil products, devaluation of the Russian ruble, and escalation of the situation in Ukraine. As a result, exports of goods to Russia decreased by almost one and a half billion dollars. Although partial compensation for these losses was an increase in Belarusian supplies to Europe, Asia, America, Africa by almost one billion dollars, the total volume of exports of goods from Belarus to new promising markets amounted to only 84 per cent of the 2013 level.

<sup>34</sup>This situation was the subject of serious consideration at a meeting of the Presidium of the Council of Ministers in February 2015, during which the government focused on the main problems of export diversification and expansion - the lack of an effective pricing strategy of Belarusian manufacturers and issues with the quality and service of machinery, and formulated specific measures to boost operations in non-CIS markets using new markets such tools as "aggressive marketing, participation in tenders, and the creation of with

To take additional measures to develop new foreign markets, specific countries and regions were assigned to high-level Belarusian officials, and the Ministry of Foreign Affairs was designated as the coordinating body for diversifying and increasing exports and was instructed to "interact directly with assigned to countries

<sup>31</sup> Andrei Kobyakov met with the heads of diplomatic missions and consular offices of the Republic of Belarus [Electronic resource]. - 2015. - URL: <http://www.government.by/ru/content/5956>

<sup>32</sup> The Ministry of Industry of Belarus is to increase exports of goods to new markets to \$168.7 million in 2014 [Electronic resource]. - 2014. - URL: <http://www.belta.by/economics/view/ minpromu- belarusi- predstoit-v-2014-godu-narastit-eksport- tovarov-na-novye-rynki-do-1687-mln-42698-2014>

<sup>33</sup> Review of the results of the foreign policy of the Republic of Belarus and the activities of the Ministry of Foreign Affairs in 2014 [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/publication/ reports/ a2973e28e4b86261.html>

<sup>34</sup> Andrei Kobyakov held a meeting of the Presidium of the Council of Ministers [Electronic resource]. - 2015. - URL: <http://www.government.by/en/content/5840>

and regions" . The following countries have already been named as new promising markets for Belarusian exports in 2015: 1. Algeria. 2. Bangladesh. 3. Bahrain. 4. Bosnia and Herzegovina. 5. Greece. 6. Denmark. 7. Zimbabwe. 8. Jordan. 9. Spain. 10. Cambodia. 11. Kenya. 12. Cyprus. 13. Kuwait. 14. Laos. 15. Macedonia. 16. Malaysia. 17. Morocco. 18. Nepal. 19. Norway. 20. Nicaragua. 21. Oman. 22. Panama. 23. Peru. 24. Portugal. 25. Saudi Arabia. 26. Senegal. 27. <sup>35</sup>Singapore. 28. Togo. 29. Tunisia. 30. Uruguay. 31. Philippines. 32. Croatia. 33. Montenegro. 34. Chile. 35. Sri Lanka.

Nevertheless, in the first quarter of 2015, the macroeconomic situation in Belarus continued to be shaped by the contraction of the main export markets. The volume of Belarusian exports in goods and services decreased by almost a quarter in the first two months. "The greatest challenges and difficulties were faced by industrial enterprises, primarily in the sphere of machine building" .

Therefore, as early as April 2015, a proposal was made at the government level that the centre of gravity in export policy should be shifted more dynamically from the Russian market to other areas. At the same time, attention was drawn to the expediency of accelerating both geographical and commodity diversification of export flows, which was supported by serious arguments. In particular, despite the general decline in exports in January and February 2015, Belarusian exports to Asian countries grew by \$106.7 million. And for a number of countries such as India, Australia, Indonesia, Vietnam, the United <sup>36</sup>States of America, and Bulgaria, the target was exceeded two to three times.

In January 2016, the Belarusian government and the National Bank adopted a set of measures to address the tasks of socio-economic development of the Republic of Belarus in 2016 and to ensure macroeconomic balance, including 93 measures in the field of foreign economic, integration, investment, innovation, industrial, price, antimonopoly, social, regional, monetary and credit policies, following measures as well as the

The first item in this document is "approval of the National Programme of Support and Development of Exports of the Republic of Belarus for 2016-2020" . It goes on to say that it is necessary to develop a plan to support Belarusian exporters and implement the decisions of the Eurasian Intergovernmental Council on the joint development of exports of goods and services to third-country markets. At that,

<sup>35</sup> Grigorovich, T. To increase exports Belarusian officials were assigned specific countries and regions / T. Grigorovich // [Electronic resource]. - 2014. - URL: <http://www.belta.by/economics/view/dlja-naraschivanija-eksporta-za-belorusskimi-chinovnikami-zakrepili-konkretnye-strany-i-regiony-62465-2014>

<sup>36</sup> Matveev, V. The Government of Belarus implements a set of measures to support export / V. Matveev // [Electronic resource]. - 2015. - URL: <http://www.belarus.by/ru/government/events/pravitelstvo-belarusi-realizuet-kompleks-mer-po-podderzhke-eksporta-i-0000019944.html>

"special attention will be paid to diversification of exports<sup>37</sup>" in the following ratio: the market of the Eurasian Economic Union - 37.3 per cent; the market of the European Union - 35.2 per cent; markets of other countries - 27.5 per cent.<sup>38</sup>

In the longer term - by 2020, as it follows from of the Directive No. 3 "On Priorities for Strengthening the Economic Security of the State" updated at the end of January 2016, it is envisaged to ensure systematic diversification of Belarusian exports in order to achieve an equal distribution of supplies from Belarus between the markets already mentioned above in the ratio: one-third - one-third - one-third. "This will make it possible to balance Belarus' foreign trade, develop new markets and gain a foothold in them, and reduce the risk of dependence of Belarus' economic growth on the growth of individual trading partner countries". In this regard, all stakeholders in the country are tasked to search for and introduce new forms and methods of promoting Belarusian goods, works and services to traditional and new markets, as well as to expand international cooperation by creating long-term alliances of <sup>39</sup>various types - in the form of joint ventures outside Belarus, franchising, licensing and leasing agreements - to master advanced technologies, produce new goods and accompany their sale with accompanying services. The priorities also include the organisation of cooperation between leading Belarusian producers and relevant transnational corporations in order to attract foreign direct investment, providing the opportunity to use modern technologies, equipment, patents for the production of the latest products and access to the distribution network of transnational corporations.

The appearance of these policy documents in early 2016 was largely dictated by the fact that in 2015, Belarus's foreign trade turnover of goods fell by almost a quarter to almost \$57 billion. Exports of Belarusian goods decreased by an even larger amount - 26 per cent, amounting to \$26.7 billion. At the same time, with the countries of the Commonwealth of Independent States "exports decreased by 33.3% to \$14.1 billion", with non-CIS countries - by 15.8% - to \$12.6 billion, including with the countries of the European Union - by 19.4% - almost to \$8.6 billion.<sup>40</sup>

Belarus sees a way out of this situation in the implementation of an effective investment and innovation policy based on the implementation of a number of significant specific projects. Firstly, it is about implementation of joint investment

<sup>37</sup> Complex of measures to address the challenges of socio-economic development of the Republic of Belarus in 2016 and to ensure macroeconomic balance [Electronic resource]. - 2016. - URL: <http://www.government.by/upload/docs/file579cc4076ac5948a.PDF>

<sup>38</sup> Approved a set of measures to address the challenges of socio-economic development of Belarus in 2016 [Electronic resource]. - 2016. - URL: <http://www.government.by/ru/content/6206>

<sup>39</sup> Belarus plans to significantly reduce dependence on traditional markets by 2020 [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/belarus-k-2020-godu-planiruet-znachitelno-snizit-zavisimost-ot-traditsionnyh-rynkov-sbyta-179235-2016/>

<sup>40</sup> Belarus reduced imports of goods by 25.2% in 2015 [Electronic resource]. - 2016.- URL: <http://www.belta.by/economics/view/belarus-v-2015-godu-umenshila-import-tovarov-na-252-179684-2016/>

projects within the framework of interregional Chinese-Belarusian cooperation, where the flagship project is the development of the Chinese-Belarusian Industrial Park "Great Stone". Secondly, implementation of investment projects under the State Investment Programme for 2016, where special attention will be paid to the construction of engineering infrastructure facilities at the Belarusian Nuclear Power Plant. Thirdly, improving the efficiency of economic development of Belarusian regions by deepening their specialisation and developing industries using local raw materials and resources, establishing industrial sites equipped with engineering and transport infrastructure for the implementation of industrial projects with the creation of new enterprises. Fourth, attraction of foreign investments for implementation of projects within the framework of cross-border and interregional cooperation, joint creation of regional infrastructure facilities, development of cross-border trade and tourism.

As we can see, the role of regions in implementing an effective export policy is noticeably increasing in modern conditions. This is explained by the serious problems they have faced recently. For example, Vitebsk region in January-November 2015 was able to ensure the export of goods only at the level of 54.6 per cent compared to the level of 2014. The region sees the solution to the problem in expanding the geography of export supplies. And certain steps in this direction have already been made. In particular, in the first 11 months of 2015, the products of Vitebsk region were shipped to the markets of eight countries - India, Cameroon, Republic of Korea, Kuwait, Luxembourg, Nigeria, Saudi Arabia, Montenegro. In another eight countries - Kyrgyzstan, Azerbaijan, Georgia, Uzbekistan, Lithuania, Poland, United Arab Emirates, Mongolia - Vitebsk exports last year regained their positions in the form of new deliveries of milk powder, whey, additives to lubricating oils, door panels, veterinary drugs. In addition, interregional contacts with Pskov, Chelyabinsk, Rostov, Sverdlovsk, Kaluga, Lipetsk, Smolensk, Moscow regions of Russia, Slovakia, Czech Republic, Latvia" . In total, the geography of the region's export supplies has expanded to 77 countries.<sup>41</sup>

As for Grodno Region, it is still extremely dependent on the Russian market. In particular, almost 97 per cent of the region's meat and dairy products were supplied there in 2015. But the contours of geographical and commodity diversification of exports are already outlined here: "In 2015, for the first time, Grodno Region exported to Afghanistan, Syria, Palestine, Iraq and Croatia. Exports to the countries of the far arc almost doubled, to the USA - by 10%" .<sup>42</sup>

<sup>41</sup> Tikhonova, A. Vitebsk region expanded the geography of exports to 77 countries / A. Tikhonova // [Electronic resource]. - 2016. - URL: <http://www.belta.by/regions/view/vitebskaja-oblast-rasshirila-geografiu-eksporta-do-77-stran-178915-2016/>.

<sup>42</sup> Stasiukevich, E. Grodno region will increase exports to new countries while maintaining premium markets

Export supplies of economic entities of Brest region decreased by almost 29 per cent in the first ten months of 2015. The region plans to drastically change this negative trend "through geographical and commodity diversification of exports, by increasing exports of knowledge-intensive and innovative goods, deepening interregional cooperation, improving export infrastructure". In particular, the work with the People's Republic of China will be significantly strengthened, where the region's enterprises have already significantly - 1.7 times - increased the volume of exports in 2015. At the same time, "the city of <sup>43</sup>Xiaogan can become a springboard on the basis of which the Chinese market as a whole can be developed" <sup>44</sup>.

Minsk region plans to increase exports of goods by more than five per cent in 2016 "due to the implementation of investment projects on technical re-equipment and reconstruction of production facilities in order to improve the quality and competitiveness of products, activation of marketing activities". In particular, the increase in exports should be provided by: LLC "<sup>45</sup>Gromin", completing the construction of a plant for the production of plastic packaging; LLC "Onega Plus", completing the construction of a plant for the production of raw crisps; SOOO "Evipak Industries", launching a new technological line for the production of packaging equipment; CJSC "Adani Technologies", planning to commission a plant for the production of high-tech and radiographic equipment for industrial and special applications. by expanding the range of supplied by Agrocombinat Dzerzhinsky OJSC plans to develop new markets in Armenia, Azerbaijan, Georgia, Kazakhstan, Moldova, Turkmenistan, Uzbekistan and Ukraine products. Increasing the export of services in the form of increasing the volume of transportations between the countries of the European Union, Central Asia, Azerbaijan and Mongolia is included in the specific plans of such transport enterprises of Minsk region as LLC, Big-TrailBelspetsagrottrans LLC, Proliv JLLC, LLCIntertransavto.

The task of finding and implementing new forms and methods of promoting Belarusian goods, works and services in traditional and new markets is no less urgent for Belarusian industries of the real sector, where the demand for innovation and effective innovation policy aimed at creating an innovation-oriented economy is

/ E. Stasiukevich // [Electronic resource]. - 2016. - URL: <http://www.belta.by/regions/view/grodnenskaia-oblast-budet-naraschivat-eksport-v-novye-stranv-pri-sohraneni-premialnyh-rynkov-179447-2016/>

<sup>43</sup> Vechorko, S. Expansion of exports is identified as the main factor of economic growth in Brest region in 2016 / S. Vechorko // [Electronic resource]. - 2015. - URL: <http://www.belta.by/regions/view/rasshirenie-eksporta-opredeljeno-glavnym-faktorom-rosta-ekonomiki-brestsko-j-oblasti-v-2016-godu-175763-2015/>

<sup>44</sup> Chernovolova, A. Chinese companies are interested in cooperation with the processing enterprises of Brest / A. Chernovolova // [Electronic resource]. - 2015. - URL: <http://www.belta.by/regions/view/kitajskie-kompanii-zainteresovany-v-sotrudnichestvo-s-pererabatyvajuschimi-predpriyatijami-bresta-167088-2015/>

<sup>45</sup> Minsk region plans to increase exports of goods by 5.2% in 2016 [Electronic resource]. - 2016. - URL: <http://www.belta.by/regions/view/minskaja-oblast-planiruet-v-2016-godu-uvelichit-eksport-tovarov-na-52-176378-2016/>



significantly increasing. In a number of industries, this task is already under way. In particular, the Ministry of Industry of the Republic of Belarus, which unites in its structure several hundred enterprises, including: 135 - machine-building and metalworking, more than 60 - radio engineering, 16 - electrical engineering, 10 - optical and mechanical, 8 - metallurgical, 5 - instrument-making, 4 - electronic industry.

It is clear that in a highly competitive environment, where there is a fierce struggle for markets and consumers on virtually every continent on the planet, building a strategy to conquer new markets is a troublesome and difficult task. It is clear that even before entering a particular market, it must be thoroughly studied and all options of possible actions in it must be considered. It is clear that in this case it is important to establish communication between marketing services of enterprises and potential markets and consumers, understanding the determining role of marketing specialists in the formation of orders to engineering services, which, in turn, based on consumer demands and analysis of the competitive environment, should create new samples of equipment.

The Belarusian Ministry of Industry considers several priority areas of export diversification: "The main direction is South-East Asia, India, Pakistan and China. <...> The second priority direction is the countries of Latin America. And, finally, the third direction is the countries of Africa". The facts show what is being done to address these challenges. In particular, for 10 months of 2015, the products of the enterprises of the Ministry of Industry appeared on the markets of 12 countries, where previously not<sup>46</sup> exported: Ireland, Montenegro, Korea, Republic of , Nepal, Zimbabwe, Mauritania, Tanzania, Sierra Leone, Equatorial Guinea, Colombia, Chile, New Zealand. Exports to another 27 countries increased compared to 2014. Among them are Armenia, Belgium, Germany, Spain, the Netherlands, the UK, Vietnam, Thailand, Israel, China, Tunisia, Canada, Cuba, Australia. In total Democratic People's Republic of Korea's companies of the Ministry of Industry exported their products to 102 in 2015 countries".<sup>47</sup>

Of course, each company chooses its own strategy to diversify its export supplies. Thus, the geography of foreign trade partners of the Belarusian Automobile Plant totalled 42 countries in 2015, and the top ten were: Russia, the UK, Kyrgyzstan, Mongolia, Bulgaria, Serbia, Vietnam, Iran, Italy, and Kazakhstan. In addition, "in 2015, the range of new countries-consumers of BELAZ products on the African continent also expanded. A large batch of machinery was put into operation in

<sup>46</sup> Vovk, V. Export diversification is one of the priority tasks in 2015 / V. Vovk // [Electronic resource]. - 2015. - URL: <http://www.belta.by/comments/view/diversifikatsiia-eksporta-odna-iz-pervoocherednyh-zadach-v-2015-godu-3697/>.

<sup>47</sup> Enterprises of the Ministry of Industry in January-October 2015 began supplying equipment to 12 new countries [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/predpriyatija-minpromav-janvare-oktjabre-2015-goda-nachali-postavki-tehniki-v-12-novyh-stran-176237-2016/>.



Zimbabwe <...>, wheeled bulldozers BELAZ-78231 are now in operation in Morocco" . And Minsk Automobile Plant came out on top in terms of sales in 2015 in Ukraine of new trucks with GVW over 3.5 tonnes. The statistics here are as follows. In total, more than 900 new trucks were registered in Ukraine, including 294 - MAZ brand, which is 43.4 per cent higher than the sales level of 2014. As for competitors, "the number two brand in Ukraine is <sup>48</sup>Scania: the Swedes managed to sell 137 trucks last year. In third place is MAN - 85 vehicles" .<sup>49</sup>

Gomselmash OJSC has its own geography of export diversification, where Russian regions occupy a significant place. In particular, in 2015, for the first time the farmers of Samara and Tula Regions, Krasnodar and Stavropol Territories were able to get acquainted with the advantages of KZS-1624.1 combine harvesters. The first ten units of "machines Palesse" were sent to the Leningrad region. The first KZS-1218-29 combine harvester was sold to the Kaliningrad region. With the help of "representative office Gomselmash" in the Czech Republic the first samples of machines were sent to Spain, Hungary, Turkey. The "machines appeared Palesse" in Pakistan and Thailand. And in 2016 "the expected presence of Gomselmash machinery in Egypt, Azerbaijan, South Africa, Tajikistan, Georgia, Serbia, Germany is " .<sup>50</sup>

The cooperation Belarusian holding company may turn out to be effective between the and an international Chinese property management investment corporation, Amkodor CITIC Construction CO., LTD, on the production of export-oriented products, . In January 2016, the parties signed a memorandum "on the construction of a plant for the production of special machines in the village of Kolodishchi, Minsk district Amkodor Mash " .<sup>51</sup>

The Belarusian Production and Trade Concern of Forestry, Woodworking and Pulp and Paper Industry, which unites 46 large enterprises of various forms of ownership, should also ensure the growth of export potential. At present, the enterprises of the concern supply their products to the markets of 52 countries, and the share of exports in the total volume of their production is already 56.4 per cent. Nevertheless, together with the Ministry of Foreign Affairs of the Republic of Belarus, the Concern has already developed and started to implement an action plan for the development of the Belarusian paper industry.

foreign trade, foreign economic and investment co-operation for 2016, the main goal

<sup>48</sup> Geography of foreign trade partnership of JSC BELAZ in 2015 [Electronic resource]. - 2016. - URL: [http://www.minprom.gov.by/novost7News\\_ID=1858](http://www.minprom.gov.by/novost7News_ID=1858)

<sup>49</sup> MAZ - brand number one in the market of new trucks in Ukraine [Electronic resource]. - 2016. - URL: [http://www.minprom.gov.by/novost7News\\_ID=1863](http://www.minprom.gov.by/novost7News_ID=1863)

<sup>50</sup> Kononov" with the word "for the first time" / E. Kononov , E. "Gomselmash// [Electronic resource]. - 2016. - URL: [http://www.minprom.gov.by/novost7News\\_ID=1857](http://www.minprom.gov.by/novost7News_ID=1857)

<sup>51</sup> "AMKODOR" signed a memorandum of co-operation with a large Chinese investment corporation [Electronic resource]. - 2016. - URL: [http://www.minprom.gov.by/novost7News\\_ID=1859](http://www.minprom.gov.by/novost7News_ID=1859)

of which is to increase exports of the Concern's products. The task of increasing exports "will be solved through the search and development of new foreign markets, including through the development of commodity distribution networks, commodity and geographical diversification of the export structure, reaching a strategic level of relations with dynamically developing countries" .<sup>52</sup>

non-traditional markets such <...> Such priority markets as Turkey, Iran, Pakistan, Spain, Italy, France, Spain, China and Egypt have been identified as reference points for expanding the geography of export of the Concern's products in 2016. At the same time, export diversification will be aimed at a flexible combination of several main vectors: the first - development of cooperation and specialisation in the Eurasian Economic Union on the basis of deepening economic relations, primarily with Russia; the second - ensuring partnership relations with the countries of the European Union, taking into account the possible accession of the Republic of Belarus to the World Trade Organisation, primarily with Slovakia, Poland, Bulgaria, Romania, Hungary; the third - expanding the presence of the Concern's products in as Turkey, Iran, Pakistan, Spain, Italy, France, China and Egypt. " .<sup>53</sup>

All these plans can become a reality only if the Concern's enterprises develop the production capacities of the already implemented investment projects of export-oriented production facilities and expand the range of their products, as well as create new export-oriented economic entities. The Concern, has already demonstrated an interesting experience in this respect. The Belarusian Wallpaper Holding, which Bellesbumprom

The holding unites four enterprises: UE "Gomeloboyi", UE "Minsk Wallpaper Factory", branch "Dobrush Paper Factory "Hero of Labour", branch ""Belkarton. In 2015, these enterprises increased exports of cardboard and paper products by 44 per cent, exceeding the figure of six million dollars. Exports of paper and cardboard grew even more - by 80 percent - to 8.6 thousand tonnes. Characteristically, in 2015, the main recipients of Belarusian Wallpaper's cardboard and paper products were consumers in Russia and Poland - five and a half million dollars, as well as Lithuania, Ukraine, Armenia, Kazakhstan, Moldova and Latvia.

The secret of the export success of the holding's enterprises lies in the timely development of export-oriented production facilities. In particular, the largest volume of export deliveries in 2015 came from the branch of Belarusian Wallpapers - Dobrush Paper Factory "Hero of Labour", where "in 2014 the paper-making machine was

<sup>52</sup> Kasko, M. "Bellesbumprom" has identified the key points of export growth for 2015 / M. Kasko // [Electronic resource]. - 2015. - URL: <http://www.belta.by/comments/view/bellesbumprom-opredelil-opornye-tochki-rosta-eksporta-na-2015-god-3699/>

<sup>53</sup> Attention to export [Electronic resource]. - 2016. - URL: <http://bellesbumprom.by/ru/press-tsentr-novost/924-vnimanie-eksportu>

modernised. This allowed to significantly expand the range of products and double the production volume". Now another investment project is being implemented at this factory - the construction of a plant for the production of multilayer coated and uncoated paperboard with a capacity of 200 thousand tonnes per year. The project is expected to be completed in 2017. By mastering the production of coated and uncoated paperboard, Belarusian producers will not only reduce imports of these products from the Commonwealth <sup>54</sup>of Independent States and the European Union, but will also ensure the growth of their exports.

As we can see, the Concern experience in developing export-oriented enterprises Bellesbumprom has. And it is ready to share it with other participants of this segment of the Belarusian economy. This, in particular, is evidenced by the fact that it was on the Concern's initiative that in January 2016 the Association of Furniture and Woodworking Industry Enterprises was established in the Republic of Belarus, one of the main objectives of which will be to "promote the formation of export-oriented, high-tech, resource-saving timber processing, woodworking and furniture industries" <sup>55</sup>.

The Belarusian construction complex is among those segments of the country's economy that have a particularly high export potential. Thus, in 2014, "exports of goods by organisations of the Ministry of Construction and Architecture increased by 3.7% <...>, exports of services - by 46%". And in 2015, the targets for the volume of exports of construction, engineering and architectural services were fulfilled to the amount of one billion dollars. Nevertheless, in 2016 the Belarusian builders are tasked to further increase the volume of exports of goods and services by prioritising the quality of work and deadlines in accordance with contractual obligations, as well as to "coordinate the work on optimising the costs of enterprises, reducing production costs and introducing new technologies. Enterprises need to ensure the application of the world's best practices <sup>56</sup>in construction" <sup>57</sup>.

The strategy for the development of the Belarusian construction industry envisages several ways of solving this task. Firstly, through new technologies. An example: Gomelsteklo, where modernisation in terms of industrial glass processing is

<sup>54</sup> Holding "Belarusian Wallpaper" in 2015 increased exports of paper and cardboard 1.8 times to 8.6 thousand tonnes [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/holding-belorusskie-oboiv-2015-godu-uvlechil-eksport-bumagi-ii-kartona-v-18-raza-do-86-mln-t-178139-2016/>.

<sup>55</sup> Furniture makers and woodworkers united in an association [Electronic resource]. - 2016. - URL: <http://bellesbumprom.by/ru/press-tsentr/novost/936-mebelshchiki-i-derevoobrabotchiki-ob-edinilis-v-assotsiatsiyu>

<sup>56</sup> Dylenok, Y. In Belarus the share of construction in the GDP structure exceeded 10% / Y. Dylenok // [Electronic resource]. - 2014. - URL: <http://www.belta.by/economics/view/v-belarusi-udelnyj-ves-stroitelstva-v-strukture-vvp-prevysil-10-59965-2014>

<sup>57</sup> Anatoly Kalinin took part in the meeting of the board of the Ministry of Building Architecture [Electronic resource]. - 2016. - URL: <http://www.government.by/ru/content/6246>

nearing completion. By the end of the half-year it should complete the adjustment and launch of the energy-efficient glass production line, which will make it possible to produce about 4 million square metres of such glass at the first stage with the possibility of increasing the volume to 8 million square metres. And there are already preliminary contracts for the supply of this glass for export. In addition, the high export potential of Belarusian glass is evidenced by the following facts.

Contracts for its supply to Germany and Poland in the amount of 8.5 million square metres, as well as to Ukraine - 13 million square metres - and small volumes to Turkey and Italy have already been practically signed.

Cement is the next export item for Belarusian builders. It is known that its consumption within the country is no more than four million tonnes per year, while its production by dry method alone amounts to 6.6 million tonnes. In 2016, supplies of Belarusian cement to European countries will increase by 500 thousand tonnes, while exports to Russia will amount to 1.2 million tonnes. The existing export potential of Belarusian crushed stone is also encouraging, as work is already underway with Poland and Lithuania. In particular, "in January 2016 alone, they loaded as much crushed stone as in the entire first quarter of last year" .<sup>58</sup>

The second direction is the diversification of foreign markets, where we are talking, first of all, about the expansion of Russian regional markets. A good example is the Kaluga region, where the Belarusian company MAPID OJSC is building the Malinovka residential complex on the north-eastern outskirts of Kaluga. These are 5 apartment blocks with a landscaped and beautified territory, roads, car parks, sets of small architectural forms, a beautiful park with a pond, walking paths and pavilions. A 9-storey 3-section building with 188 flats and a have already been built in the neighbourhood 19-storey 1-section building with 126 flats . The construction of two 1-section is being completed. 19-storey houses with 126 flats each and one 19-storey house with 106 flats The cooperation will continue with the construction of another residential complex - "Malinovka 2", consisting of five houses with 698 flats. Vesta LLC, a Belarusian developer, was granted a permit to build the Vesnushki residential quarter in the Right Bank neighbourhood of Kaluga. In August 2015, we laid the foundation stone of the first house. There will be seven of them in total, the total area of flats will be 42968 square metres and the number of flats will be 920. Also, VESTA LLC has started implementing another project - the residential complex "Annenki" . There is also an interesting experience of co-operation in the construction sector in the interaction between the builders of Belarus and Moscow. Back in 2014, the Russians

<sup>58 58</sup> Mikhovich, S. Belarus plans to increase cement supplies to Europe by 500 thousand tonnes in 2016 / S. Mikhovich // [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/belarus-planiruet-v-2016-godu-uvelichit-na-500-tys-t-postavki-tsementa-v-evropu-180248-2016/>

ensured the creation of the object<sup>59</sup> of improvement "Moscow Yard" on Independence Avenue of the Belarusian capital. "In 2015, the Minskians completed a reciprocal project: the object of improvement "Minsk Yard" in the Southern Administrative District of Moscow on Borisovskie Prudy Street" . It is quite possible that in 2016 Belarusian builders will appear in other regions of Russia. For example, they are already discussing the possibility of participation of Belarusian construction companies "in the complex of programme development of the transport system of the Chechen Republic. In particular, they were talking about the reconstruction and construction of transport infrastructure facilities: airports, railway stations, logistics centres<sup>60</sup>" .<sup>61</sup>

At the beginning of 2016, Belarus established a construction holding company Belstroycentre, which "includes 18 of our enterprises with a total number of employees of about 35,000 people" , which indicates a serious intensification of work in the industry to enter new markets.<sup>62</sup>

Against the backdrop of the powerful export diversification campaign launched in Belarus, it is important that the voiced in April 2015 not overshadowed demands at the meeting of the Belarusian Council of Ministers to take additional measures in the area of marketing promotion and advertising of Belarusian products are . In particular, at that time it was proposed to form expert groups of representatives of exporting organisations to work out the following issues  
visits to countries whose markets are promising for exports, to take additional measures to intensify the work in the area of foreign economic activity of bilateral intergovernmental commissions, committees and councils, as well as to consider the need to "stimulate the use of active marketing methods and the placement of publications of relevant materials in printed specialised publications, materials on export opportunities on Internet resources and social networks" .<sup>63</sup>

The setting of this task was very timely, as it is a fact that in 2015 the presence

<sup>59</sup> Artamonov, A. Life shows our complete mutual understanding and readiness to support each other / A. Artamonov // Interaction of Regions: the Union State - the locomotive of Eurasian integration : information-integration project / co-authored, interviewed by B. Zalesky, M. . - Valkovsky, A. GreshnikovMinsk : Biznesofset, 2016. - C. 159.

<sup>60</sup> Cheremin, S. Belarusian products are in well-deserved demand among Muscovites / S. Cheremin // Interaction of regions: the Union State - the locomotive of Eurasian integration : information-integration project / compiled and interviewed by B. Zalesky, M. . - Valkovsky, A. GreshnikovMinsk : Biznesofset, 2016. - C. 192.

<sup>61</sup> Stroycomplex of Belarus and the Republic of : prospects of cooperation [Electronic resource]. - 2016. - URL: [http://www.mas.by/ru/news\\_ru/view/strojkompleks-belarusi-i-chechenskaja-respublika-perspektivy-sotrudnichestva-634/](http://www.mas.by/ru/news_ru/view/strojkompleks-belarusi-i-chechenskaja-respublika-perspektivy-sotrudnichestva-634/)

<sup>62</sup> Mikhovich, S. A construction holding is registered in Belarus / S. Mikhovich // [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/v-belarusi-zaregistrovan-stroitelnyj-holding-180247-2016/>.

<sup>63</sup> Andrei Kobyakov held a meeting of the Council of Ministers [Electronic resource]. - 2015. - URL: <http://www.government.by/ru/content/5897>

of Belarusian content in the global information space expanded considerably. This is evidenced, in particular, by the activity of the Belarusian diplomatic corps in the foreign media. **January:** interview of the head of the Belarusian diplomatic mission in Armenia S. Sukhorenko to the "Armenian News" agency. **February:** press conference of the Minister of Foreign Affairs of the Republic of Belarus V. Makiej - on the results of his visit to Syria, interview of the Deputy Minister of Foreign Affairs V. Rybakov - to the South Korean newspaper "Jungang Jungang Ilbollo", article of the Belarusian Ambassador to Finland A. Ostrovski in the edition of "Ostrovsky" - in the publication "Baltic Rim Economies", Nizhny Novgorod - in the magazine "Mangli El". **March** - interviews: Deputy Foreign Minister A. Guryanov - to the Lithuanian newspaper "Mangli El", Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Poland A. Averyanov the magazine "A. Averyanov" - to the magazine "Svyat Elit", in Mongolia - S. to the news agency Chepur - to the newspapers "Soembo" and "Zuuny Made", in Ukraine - V. Velichko - to the news agency Ukrainska Novini; in Russia - I. Petrishenko - to the newspaper Soyuz, in Egypt and Algeria (part-time) - S. Belarus-Russia Rachkova - to the Algerian newspaper "Al-Shaab". **April** - interviews: First Deputy Minister of Foreign Affairs of the Republic of Belarus A. Mikhnevich - Lithuanian "Lietuvos Lietuvos žines žines", Deputy Minister of Foreign Affairs E. Kupčina - Hungarian newspaper "Magyar", Estonian newspaper "Hirlep", A. Guryanov - to the Estonian newspaper Delovye Vedomosti, I. Petrishenko to the programme "From the First Person" of the Public Television of Russia and the newspaper Soyuznoye Veche, A. newspaper Par Nizhny Novgorod to the news agency Kazinform, and V. Markovich, head of the Belarusian diplomatic mission in the Czech Republic, to the Para. Markovich - to "Parlamentni Listy". **May** - article by V. Makiej in the British magazine "Forced Migration Review"; interview: V. Makiej to the American newspaper "The Washington Post". E. Kupčina - to the Slovenian newspaper The Slovenia Times, Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Lithuania A. Korol - to the Lithuanian edition of Express-week, in Israel - V. Skvortsov - to the portal "Express-week". Skvortsov to the portal "Israel in Faces". **July** - interviews: V. Makei - to the TV channel "Rossiya-24", V. Rybakov - to the Russian news agency "TASS" and the Russian service of UN Radio, I. Petrishenko - to "Rossiyskaya Gazeta"; a joint article by Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Austria V. Voronetsky and Ambassadors of Armenia, Voronetsky and the Ambassadors of Armenia, Kazakhstan, Kyrgyzstan and Russia to Austria - in Die Presse. **August:** interview of V. Skvortsov - to the portal "Israel in Faces" **September:** interview of M. Dolgoplova, Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Latvia - to the Latvian newspaper "Business Vesti". A. Averyanov - to the magazine "TTG Central Europe",

A. Ostrovsky - to the magazine "Ensto Today". **October** - interviews: V. Makei - newspaper Kommersant, A. Mikhnevich - information and analytical portal of the Union State, S. Rachkov - Middle East News Agency. **December** - interviews: Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Armenia I. Nazaruk "news agency ArmInfo", S. Rachkov - Egyptian magazine "Diplomacy".<sup>64</sup>

It seems that this interesting .media experience of media Belarusian diplomats should be further developed in 2016 in the publications of representatives of Belarusian regional and sectoral

The programme is organised with the most active participation and support of representatives of the international segment of Belarusian national journalism.

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<sup>64</sup> Interviews and publications [Electronic resource]. - 2016. - URL: <http://mfa.gov.by/press/smi/1>



## CHAPTER 3

### Belarus-Russia: Union State Programmes and Regional Cooperation

Today, there are over two hundred regional integration associations in the world, the activities of which, based on the common interests of the participants in pursuing a coordinated policy, are aimed at mutually beneficial economic, social and cultural cooperation. The obvious leader of Eurasian integration in the post-Soviet space is the Union State of Belarus and Russia, the format of which pursues the main goal of "improving people's lives by combining the joint development potentials of industrial and agricultural production, advanced scientific achievements of the countries interested in accelerating development and really improving the quality of life of society".<sup>65</sup>

The most important tool for promoting this integration construction is the implementation of Union programmes, of which "about 50 have already been implemented on the platform of the Union State". In 2014-2015, the implementation of six programmes in the field of electronic instrumentation, medicine, agriculture, and space technology was completed. In February 2016, the Parliamentary Assembly of the Union of Belarus and Russia adopted the budget of the Union State for this year in the amount of 6.6 billion Russian rubles, a significant part of which will be used to finance the seven existing programmes.<sup>66</sup>

It is also planned to launch four new programmes in 2016: 1) "Development of integrated technologies for the creation of materials, safety In addition, the Union Budget envisages the possibility of funding two more additional programmes: 1) "Development of spinal systems devices and key elements of space vehicles and promising products of other industries"; 2) "Development of critical standard technologies for the design and manufacture of nanostructured micro- and optoelectronics products, devices and systems based on them, and equipment for their production and testing"; 3) "Development and improvement of a unified system of technical cover for the region's railways"; 4) "Development of a new generation of electronic components for control and systems"; and 4) "Development of a new generation of electronic components for the development of a new generation of control and systems".using prototyping technology in surgical treatment of children

<sup>65</sup> Surikov, A. In the current situation, our countries will further consolidate their political, economic and business efforts to overcome the crisis / A. Surikov // Interaction of Regions: the Union State - the locomotive of Eurasian integration : information-integration project / compiled by, interviewed by B. Zalessky, M. - Valkovsky, A. GreshnikovMinsk : Biznesofset, 2016. - C. 5.

<sup>66</sup> Pivovar, E. More than half of the Union State budget funds are spent on innovative projects - Light / E. Pivovar // [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/bolee-poloviny-sredstv-bjudzheta-sojuznogo-gosudarstva-tratitsja-na-innovatsionnye-proekty-legkij-171482-2015/>



with severe congenital deformities and spinal cord injuries"; 2) "Development of innovative genogeographic and genomic technologies for identification of personality and individual characteristics of a person on the basis of the study of gene pools of the regions of the Union State".

The main feature of the programmes already being implemented and those still under development is their application orientation and focus on concrete results. For example, the Council of Ministers of the Union State recently approved the Avtodizel programme, under which it is planned to develop more than 40 technological solutions for the automotive industry. example is the implementation of several space-related programmes, which are aimed at "creating targeted scientific on-board equipment for remote sensing of the earth, microelectronic and electronic components, software and hardware complexes for digital processing of space information" . In the same row is the programme <sup>67</sup>Avtoelektronika aimed at creating experimental samples of on-board electronic systems and units for intelligent control and diagnostics of the car, monitoring of its technical condition, control of electrical equipment and microclimate in the cabin, as well as monitoring the type and speed of obstacles in poor visibility conditions. The Skif-Nedra programme, which started in April 2015 and will run for four years, is designed to reduce exploration costs and optimise well placement by creating application software for processing geological and geophysical material, because "currently, one linear kilometre of well drilling costs about \$1 million" .<sup>68</sup>

Great expectations of the developers are connected with the implementation of the programme BelRosLact , which provides for the creation of industrial production of medicines using human lactoferrin - a unique development of Belarusian and Russian scientists, which currently has no analogues in the world. The main objective of this programme is to create "a series of medicines based on human lactoferrin for different needs. For example, to improve intestinal function, the work of the organism as a whole, as well as for children's nutrition and immunity enhancement" . This programme will be a continuation of the already implemented projects. It should be reminded that joint Belarusian-Russian research to produce medicines based on <sup>69</sup>lactoferrin started back in 2003, when the first alliance programme was launched BelRosTransgen . In 2009, scientists launched the next programme, BelRosTransgen-2. "As a result, it was possible to breed a herd of modified goats

<sup>67</sup> Andrei Kobayakov met with Igor Komarov [Electronic resource]. - 2015. - URL: <http://www.government.by/en/content/5941>

<sup>68</sup> The roadmap of the alliance programme "Skif-Nedra" has been formed [Electronic resource]. - 2016. - URL: <http://www.belta.by/society/view/sformirovana-dorozhnaja-karta-sojuznoj-programmemy-skif-nedra-178374-2016/>

<sup>69</sup> Rapota, G. The programme of the Union State "BelRosPharm" will be implemented / G. Rapota // [Electronic resource]. - 2014. - URL: <http://www.soyuz.by/news/smi/6053.html7/>

whose milk contains lactoferin" .<sup>70</sup>

Speaking at the II Forum of Regions of Belarus and Russia, which took place in September 2015 in Sochi, Russian President V. Putin noted that only "close industrial cooperation will make it possible to increase the competitiveness of the two countries, attract investment and generally have a favourable impact on the welfare of the peoples" . In other words, the main priorities of the Union State's development lie today in the successful implementation of industrial programmes of the two countries aimed at combining them into a single import substitution programme. Assessing the results of Russian-Belarusian cooperation in 2015 within the framework of the Union State, the heads of government of the two countries recently came to an unambiguous conclusion: "Belarus and Russia need to look for new joint points for economic growth"<sup>71</sup> . And the facts show that such a search is already underway.<sup>72</sup>

In particular, the concepts of 18 programmes have already been prepared for 2017-2020, which will affect various areas, including nanomaterials and radio electronics. Auto components, which takes into account the machine-building profile of Belarus and Russia, which produce quite a few cars and engines, but import a certain part of their components, is a particularly important area of union building. "The new auto components programme will make it possible to reduce imports as much as possible" .<sup>73</sup> There are also plans to develop such interesting areas of joint activity within the Union State as stem cell treatment and the use of supercomputers for forecasting mining.

The parties see the future of the Union programme building in the sharply increasing role of regional partnership in the Russian-Belarusian integration processes and the development of policy on this basis. import substitution This is evidenced by the fact that the focus of attention of the permanent seminar on the construction of the Union State held in Veliky Novgorod in March 2016 included such topics as: the formation of food clusters within the framework of interregional cooperation between Belarus and Russia; interregional cooperation as a factor in accelerating economic integration in the Union State; Union State programmes as a way to implement the structural industrial policy of Belarus and Russia; improvement of the mechanism of

<sup>70</sup> NAS of Belarus prepares the concepts of four new union programmes [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/nan-belarusi-gotovit-kontseptsii- chetyreh-novyh-sojuznyh-programmes-159403-2015/>.

<sup>71</sup> Pivovarov, E. Russia is ready for the closest industrial cooperation with Belarus - Putin / E. Pivovarov // [Electronic resource]. - 2015. - URL: <http://www.belta.by/politics/view/rossija-gotova-k-samomu-tesnomu-promyshlennomu-sotrudnichestvu-s-belarusiju-putin-163211-2015/>.

<sup>72</sup> Andrei Kobyakov met with Russian Prime Minister Dmitry Medvedev [Electronic resource]. - 2016. - URL: <http://www.government.by/ru/content/6284>

<sup>73</sup> Concepts of 18 new union programmes will be implemented in 2017-2020 [Electronic resource]. - 2016. - URL: <http://www.belta.by/society/view/kontseptsii-18-novyh-sojuznyh- programmes-realizujut-v-2017-2020-godah-184618-2016/>

mutual cooperation between Belarus and Russia; and the development of a regional partnership between the two countries.

When determining priorities in cooperation with Russian federal districts and individual regions, Belarus takes into account their geographical location, resource potential, level of development of knowledge-intensive industries, and the need for co-operative ties. At the same time, the government recommends using such interaction schemes as: export leasing; export crediting and insurance; compensation of a part of interest rates to non-resident banks on loans allocated for the purchase of Belarusian goods; tied lending at the state level through the conclusion of bilateral intergovernmental agreements. "The task has been set to work more effectively on opening representative offices of Belarusian producers in the Russian Federation, to move to organising joint ventures and production facilities in addition to direct sales of Belarusian products. We have also been instructed to organise regional fairs more actively, to trade more in finished industrial, construction and food products".<sup>74</sup>

As for the Russian side, for example, according to S. Orlova, Governor of the Vladimir Region, "scientific, technological and innovation programmes are a unique tool of integration, created and worked out in within the framework of the Union State. They make it possible to effectively solve significant tasks in various sectors. And here, of course, it is important to take into account regional interest" . In the Union programmes this Russian region is more interested in agricultural topics,<sup>75</sup> machine and machine tool building, development of technologies and organization of pilot production of highly effective and biologically safe medicines of new generation, increasing the efficiency of food production due to processing of products on the basis of progressive technologies and techniques, creation of component base and technology of production of lightweight composite materials of new generation on the basis of fabric. But the new Union programme "Innovative Development of Potato and Topinambur Production" aimed at providing the population of the Union State with high quality potatoes deserves special attention. Besides, one of the most important problems of agriculture is to increase the production of fodder for livestock at the lowest cost. In this regard, topinambur appears to be an extremely favourable crop having high food and fodder qualities and versatility of use. Therefore, through the implementation of this programme, agricultural producers in Belarus and Russia will be able to reduce costs and increase their competitiveness not only on the domestic but also on the global agricultural market.

<sup>74</sup> Mikhail Myasnikovich instructed the heads of state agencies to more actively develop cooperation with Russian regions [Electronic resource]. - 2013. - URL: <http://www.government.by/en/content/5026>

<sup>75</sup> Orlova, S. Interregional cooperation - an effective mechanism for solving a wide range of problems in trade, economic and cultural spheres / S. Orlova // Interaction of Regions: the Union State - the locomotive of Eurasian integration : information-integration project / compiled by, interviewed by B. Zalesky, M. . - Valkovsky, A. GreshnikovMinsk : Biznesofset, 2016. - C. 123.

In the Kaluga Region, the Tsyba Medical Radiological Research Centre, a branch of the National Medical Research Radiological Centre of the Ministry of Health of the Russian Federation, is implementing a programme of joint activities to overcome the consequences of the Chernobyl disaster within the framework of the Union State for the period until 2016. "The work of specialists is aimed at improving the level of medical care, including specialised and high-tech medical care, for citizens of Belarus and Russia living in the contiguous territories and belonging to groups of 76 radiation risk".<sup>76</sup>

Back in 2007, the supercomputer was put into operation in Tomsk Region as part of the SKIF-GRID supercomputer programme of the Union State SKIF-Siberia, designed for calculations in geology, meteorology, engineering, astronomy, as well as for modelling explosions and nuclear tests.

Today, the Research Institute of Medical Genetics of the TSC SB RAMS is among the developers and co-implementers of the DNA Identification project, which is expected to be launched in 2016. The aim of the programme is to create new techniques and software products to be used by criminalists in crime investigations to identify the perpetrator or victim. This Russian region hopes that "the portfolio of joint programmes will be further expanded based on the priority areas of scientific and technical development of the two countries, and the financing of those already being implemented will be carried out on a stable basis".<sup>77</sup>

In the Ulyanovsk region the programme "Development of innovative technologies and techniques for the production of competitive composite materials, matrices and reinforcing elements" is of serious interest. The matter is that in 2015 in this region the first in Russia factory of composite materials based on the latest technologies was opened, already producing competitive products for the new aeroplanes generation.

And its capabilities can be successfully used within the framework of the Union State. Or such a programme as "Improvement of the system of protection of common information resources of Belarus and Russia on the basis of high technologies". The potential of the Ulyanovsk region's participation in this programme has not been used yet, but this region is "one of the Russian centres of information technology development, our companies carry out orders of major foreign partners and work all

<sup>76</sup> Artamonov, A. Life shows our complete mutual understanding and readiness to support each other / A. Artamonov // Interaction of Regions: the Union State - the locomotive of Eurasian integration : information-integration project / compiled by, interviewed by B. Zalesky, M. . - Valkovsky, A. Greshnikov Minsk : Biznesofset, 2016. - C. 159.

<sup>77</sup> Zhvachkin, S. We plan to sign a cooperation agreement this year / S. Zhvachkin // Interaction of Regions: the Union State - the locomotive of Eurasian integration : information-integration project / compiled by, interviewed by B. Zalesky, M. . - Valkovsky, A. Greshnikov Minsk : Biznesofset, 2016. - C. 250.

over the world, including in the famous American Silicon Valley" .<sup>78</sup>

In the Republic of Sakha (Yakutia), a project of the United Institute of Mechanical Engineering of the National Academy of Sciences of Belarus is supposed to be implemented to create new equipment and technologies for the development of areas of the Far North. The fact is that this Belarusian institute has developed a unique model of a multi-link dump truck that could be used in the quarries of Yakutia. "Such a road train is capable of taking ore out of the open pit on a very narrow road and then transporting it up to a distance of 400 kilometres. This contributes to cost reduction in quarry development" .<sup>79</sup>

In short, even these few examples testify to the fact that the Union State programmes arouse the keenest interest at the regional level as well, since their implementation is aimed at carrying out coordinated actions on joint scientific and most scientific-technical support for the solution of the important socio-economic issues of mutual interest. And, to all appearances, the parties have come to a number of new approaches in the implementation of priority areas of scientific and technical co-operation.

In particular, within the framework of the programme "Development of space and ground-based means of providing Russian and Belarusian consumers with Earth remote sensing information" for 2013-2017, it is envisaged to create experimental sites for integrated monitoring aimed at solving applied thematic tasks in the interests of Russian and Belarusian consumers of information using information from space-based means in combination with air and ground-based means. In the near future, "it is important to solve problems within the framework of allied programmes related to the creation of fundamentally new materials, target equipment and the completion of the formation of standards for the space industry in order to integrate more deeply into the global economic space for the provision of services to third countries" .<sup>80</sup>

The establishment of a single engineering company - an integrator for the development of - should also contribute to machine-tool competences of economic entities of the two countries . The agreement on this was reached back in November 2015. On the Russian side, the company's participants are the Industry Development

<sup>78</sup> Morozov, S. The only way out is to develop the real sector of the economy, including through innovation, production cooperation and joint projects / S. Morozov // Interaction of Regions: the Union State - the locomotive of Eurasian integration : information-integration project / compiled and interviewed by B. Zalessky, M. . - Valkovsky, A. GreshnikovMinsk : Biznesofset, 2016. - C. 266.

<sup>79</sup> Belarusian scientists will take part in the creation of equipment for the development of the Far North [Electronic resource]. - 2014. - URL: <http://www.belta.by/economics/view/beloruskie-uchenye-primut-uchastie-v-sozdanii-tehniki-dlja-osvoenija-rajonov-krajnego-severa-55323-2014>

<sup>80</sup> Vityaz, P. There are a number of legal and economic issues that need to be discussed and resolved / P. Vityaz // Interaction of Regions: the Union State - the locomotive of Eurasian integration : information-integration project / compiled, interviewed by B. Zalessky, M. . - Valkovsky, A. GreshnikovMinsk : Biznesofset, 2016. - C. 278.

Fund, Stan Group LLC, and MSTU Stankin; on the Belarusian side, the holding the deepening of Russian-Belarusian integration and co-operation BELSTANKO instrument and V.I. Kozlov Minsk Electrotechnical Plant. At the same time, decided that it is necessary to develop a strategy for the development of the machine tool industry of the two countries, which will give an additional impetus to the development of a common scientific, technical and production base. "An example of such co-operation could be the joint development of new types of machine tool products with the involvement of state support measures provided by the Russian and Belarusian sides" .<sup>81</sup>

By the end of 2016, the first joint innovation projects should be financed by the Belarusian-Russian Venture Investment Fund, which is currently being set up with the participation of the Russian Venture Company LLC. In addition, the work on the creation of a Belarusian-Russian technopark is currently underway, within the framework of which it is planned to work out technologies for transferring scientific developments of young scientists into commercial use. Now the parties are working out "the list of universities that will be included in it. Belarus has expressed interest, first of all, in BSU. From Russia, the universities of St. Petersburg and Novosibirsk are being considered" . In time, this project will probably become a good basis for the development of more than one more programme of the Union State.<sup>82</sup>

Summing up these considerations, we note that the Union State programmes, being a basic element of union building, contribute to the achievement of the set development goals in the main priority areas of Belarusian-Russian integration. These include the introduction of common principles of agricultural and industrial policy with the implementation of major integration projects and ensuring conditions for increasing exports to third-country markets; the development of bilateral relations in the transport and logistics sector with the involvement of national transport systems in transnational transport corridors; cooperation in the energy sector, including the construction of the Belarusian NPP; the expansion of the scope of implementation of Union programmes and projects with the practical application of technologies and technologies; the development of bilateral relations in the transport and logistics sector with the involvement of national transport systems in transnational transport corridors; the development of cooperation in the energy sector, including the construction of the Belarusian nuclear power plant; and the development of bilateral cooperation in the

<sup>81</sup> Pivovarov, E. Belarus and Russia intend to jointly develop machine-tool construction / E. Pivovarov // [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/belarus-i-rossija-namereny-sovmestno-razvivat-stankostroenie-169549-2015/>.

<sup>82</sup> Belarusian-Russian Venture Capital Fund should finance the first projects by the end of the year [Electronic resource]. - 2016. - URL: <http://www.belta.by/society/view/belorusko-rossijskij-fond-venchurnyh-investitsij-dolzen-profinansirovat-pervye-proekty-do-kontsa-goda-184617-2016/>.

energy sector.<sup>83</sup> new

And now the issue of significantly intensifying the joint Belarusian-Russian media policy in terms of bringing information about joint events, interregional ties, and Union programmes to the general public not only in Belarus and Russia, but also in other post-Soviet countries comes to the fore. So far, obviously, not all the opportunities to convey information about the Union State programmes, about the results and prospects of its creation, about social and cultural policy have been used. And it is difficult to disagree with the conclusion that "until we achieve that our information will be disseminated regardless of whether it is commercial or not, but simply because it is necessary for our peoples, for our future and today's state, there will be problems" .<sup>84</sup>

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<sup>83</sup> Interview of Igor , Ambassador and Plenipotentiary of the Republic of Belarus to the Russian FederationPetrishenkoExtraordinary , to the news agency "Regions of Russia", 23 September 2013. [Electronic resource]. - 2013. - URL: <http://mfa.gov.by/press/smi/c52d43fe109243c9.html>

<sup>84</sup> The possibilities of the media to present the Union State are not fully utilised - MP [Electronic resource]. - 2014. - URL: <http://www.belta.by/politics/view/vozmozhnosti-smi-po-prezentatsii-sojuznogo-gosudarstva-ispolzujutsia-ne-v-polnoj-mere-deputat-40898-2014>

## CHAPTER 4

### **Belarus - Urals: expanding industrial co-operation with a focus on cluster development**

The Republic of Belarus considers cooperation with the regions of the Russian Federation to be one of the priority areas of Belarusian-Russian interaction, which "serves as a foundation for trade and economic, scientific, technical, and socio-cultural relations". Along with the Central, Volga and North-Western regions, the leading positions in mutual trade with Belarusian partners are occupied by the Urals Federal District, which was established in May 2000. It is a major industrial hub, one of the main raw materials and processing centres of Russia, stretching from the border with Kazakhstan to the coast of the Arctic Ocean for almost two and a half thousand kilometres, the total area of which exceeds the territory of Germany, France, Great Britain and Spain combined. This region, which includes the Khanty-Mansiysk and Yamalo-Nenets autonomous districts, the Kurgan, Sverdlovsk, Tyumen and Chelyabinsk regions, "accounts for 63 per cent of Russia's total oil production and 87 per cent of natural gas production. <...> Up to 45 per cent of the gas demand of Western and Eastern European countries is supplied by the fields of the Urals Federal District"<sup>85</sup>. In addition, the list of <sup>86</sup>minerals here includes vanadium, graphite, asbestos, chrome ore, manganese, talc, bauxite, kaolin, cadmium, zinc, iron ore, extracted bentonite, quartzite, bismuth, sulphur, copper, zeolites, gold, cobalt, nickel, and uranium.

The main prospects for the development of the Urals economy are associated with two mega-clusters: the West Siberian part is the fuel and energy complex, provided with a world-class resource base and a unique pipeline transport system; the Industrial Urals is Russia's basic complex of manufacturing industry - machine building and metallurgy, provided with a system of research and educational centres. These key clusters will be consolidated by the interregional complex investment project "Industrial Urals - Polar Urals", which envisages the construction of transport and energy infrastructure and the introduction into economic turnover of the complex of solid minerals located on the eastern slopes of the Ural Mountains.

As for the priority areas of foreign economic activity of the regions of the Urals Federal District, the first place is given to expanding ties "with the countries of the Commonwealth of Independent States on the basis of establishing long-term co-operation", developing transport corridors with them, inbound tourism, and creating logistics complexes. At the same time, one of the leaders of interaction with the Urals

<sup>85</sup> Co-operation of Belarus with Russian regions [Electronic resource]. - 2015. - URL: [http://mfa.gov.by/bilateral/russia\\_regions/](http://mfa.gov.by/bilateral/russia_regions/)

<sup>86</sup> Strategy of Socio-Economic Development of the Urals Federal District for the period up to 2020. - M., 2010. - C. 7-8.



partners is Belarus, whose trade turnover with the regions of the Urals Federal District in 2012 came close to \$12 billion, making it the second in this indicator among all federal districts of Russia after the Central Federal District. "In the Urals region there are 10 direct facilities of the Belarusian commodity distribution network and 5 assembly plants of agricultural and cargo machinery<sup>87</sup>". The structure of Urals imports to the Belarusian market was traditionally dominated by oil, rolled metal products and ferroalloys, while Belarusian exports were based on trucks, liquid crystal devices, tyres, electrical transformers and food products.<sup>88</sup>

In 2013, the volume of mutual Belarusian-Ural trade fell to \$7.1 billion, highlighting a pressing problem for both sides: not only to restore the previously achieved volumes of bilateral interaction, but also to significantly surpass them. All the more so because there are real opportunities for this. The Urals is still interesting for Belarusian companies, first of all, because of its industrial potential. There are a lot of oil and gas producing companies, defence and machine-building plants, which are increasing their orders and implementing a large number of investment projects. And here "our dump trucks, lorries, buses, road-building and logging, municipal equipment, construction materials, foodstuffs and light industry goods are in demand". Obviously, the solution to this problem lies in the optimisation of interaction between the Belarusian side and each of the regional subjects that make up the Urals Federal District. In this respect, the prospects oflook particularly tempting<sup>89</sup> co-operation with the Sverdlovsk Oblast, which is among the top twenty regions of the Russian Federation in terms of the majority of key indicators of socio-economic development,

It should be reminded that "in its time, the Republic of Belarus was the first foreign country with which the Sverdlovsk Region worked out a mechanism of effective interaction between government authorities and other organisations interested in cooperation. This experience has become a good example of competent building of relations at the regional level". The republic and the region signed an agreement on trade, economic, scientific, technical and cultural co-operation back in 2001. This framework document allowed the parties to organise work on the real <sup>90</sup>filling of bilateral cooperation with economic and humanitarian projects and control over their

<sup>87</sup> Strategy of Socio-Economic Development of the Urals Federal District for the period up to 2020. - M., 2010. - C. 66-67.

<sup>88</sup> Interview of Igor , Ambassador and Plenipotentiary of the Republic of Belarus to the Russian FederationPetrishenkoExtraordinary , to the news agency "Regions of Russia", 23 September 2013. [Electronic resource]. - 2013. - URL: <http://mfa.gov.by/press/smi/c52d43fe109243c9.html>

<sup>89</sup> Polyaniin, V. Ural Ridge of Co-operation / V. Polyaniin // SB - Belarus Today. - 2014. - 31 July.

<sup>90</sup> Rossel, E. At the regional level we have created a sufficient base for the full development of business contacts / E. Rossel // Belarus - Russia: co-operation .L. Zaleskiy, E.A. Korovkin, M.E. Korovkinregional : information-integration project / compiled by B. B.L. Zalessky, E.A. Korovkin, M.E. Korovkina. Korovkina. - Minsk: BELTA, 2010. - C. 249.

implementation. Plans of activities for a two-three-year period started to be formed on the basis of the proposed projects. Since then, the Belarusian side has become one of the main foreign trade partners of this Russian region, consistently ranking third in terms of trade turnover after Kazakhstan and Ukraine. From the very beginning, the main goal set by the governments of the republic and the region was to "facilitate the establishment of direct contacts and the development of co-operation between specific enterprises. And there are many of them. Among them <...> are manufacturers of truck loaders, excavators, road-building, municipal and logging equipment, construction, road and municipal enterprises from both sides" .<sup>91</sup>

Thus, even in the pre-crisis period the parties noted good prospects for co-operation in a number of areas. In particular, in 2008, two were assembled on the basis of the Uralvagonzavod open joint-stock company. dump trucks of the Belarusian Automobile Plant At the same time it was planned to assemble up to forty such vehicles per year in Nizhny Tagil. In the same year of 2008 an agreement on cooperation was signed between Belenergo and joint stock companies "Ural Turbine Works" and "Service Service of Ural Turbine Works" , which allowed specialists of the Sverdlovsk region to take part in overhaul of turbine units of Minsk CHPP-3 and CHPP-4, as well as to analyse the condition of equipment and its service life at Belarusian CHPPs. At the same time the parties discussed specific prospects of organising the production of medical equipment developed by Ural enterprises in the free economic zone "Mogilev". And forestry enterprises of the Sverdlovsk Oblast prepared proposals on the use of machinery of Belarusian manufacturers - Amkodor and Minsk Tractor Plant - at logging operations. In a specific application in the Middle Urals, the possibilities of Belarusian participation in the technical re-equipment of woodworking and pulp and paper enterprises in the Sverdlovsk region were also considered. All these examples of the pre-crisis period undoubtedly testified that "the integration of the huge intellectual and production potential of the Republic of Belarus and the Sverdlovsk Oblast within the framework of industrial projects will bring our enterprises to a qualitatively new level and contribute to the socio-economic development of the parties" .<sup>92</sup>

When signing in October 2009 in Ekaterinburg the Action Plan for the development of cooperation for 2010-2012, the parties emphasised that "there is a real possibility to achieve a trade turnover of \$1.5-2 billion by 2012 (in 2008 it was over \$500 million)" . At the same time it was decided to set up a Business Co-operation

<sup>91</sup> Rossel, E. Our relations are developing progressively and dynamically / E. Rossel // Regions of Russia - in the Republic of Belarus: Information and Integration Project / compiled by B. Zaleskiy, A. Kiselev, E. Korovkin. B. Zaleskiy, A. Kiselev, E. Korovkin. - Minsk : Theseus, 2009. - C. 117.

<sup>92</sup> Grechin Korovkin, A. Joint projects reach a new level / A. .L. , E.A. , M.E. Grechin Korovkin// Belarus - Russia: co-operation regional : Zaleskiy information-integration project / compiled by B. B.L. Zaleskiy, E.A. Korovkin, M.E. Korovkina. Korovkina. - Minsk: BELTA, 2010. - C. 251.

Council between Belarus and the Sverdlovsk Oblast. However, due to the economic and financial crisis, events began to develop under a different scenario. In 2012 the trade turnover between the republic and the region totalled \$578.2 million, and in 2013 it was even less - \$502.4 million. The first meeting of the Business Cooperation Council took place only in autumn 2014.<sup>93</sup>

<sup>94</sup>Even in the crisis period, the Sverdlovsk Region, located on the border between Europe and Asia - at the crossroads of transcontinental flows of raw materials, goods, financial, labour and information resources - was considered by the Belarusian side as one of the most promising Russian regions in terms of developing interregional partnership ties, as "there is constant work to establish such herecooperation, promising areas and forms of being worked out aimed at developing integration projects are "xml-ph-0000@deepl. mostThe perspective direction here and in the crisis period was seen as the establishment and development of Russian-Belarusian co-operative relations in the production sphere, in the creation and development of modern science-intensive productions with the use of modern innovative technologies. After all, both the region and the republic possess a considerable set of innovative technologies, the exchange of which would help in solving the problems of modernisation of the production base.

In fact, this is precisely the time when the Sverdlovsk Region's representatives intensified their negotiations with Belarusian partners on expanding mutual trade in high value-added goods. Such as machine-building products and high-tech equipment with the organisation of full-fledged on-site service and transfer of existing technologies for the organisation of assembly plants in the future. In addition, the region started to focus on the development of integration processes with Belarus not only in the field of production cooperation, but also in the sphere of services, finance, transport and logistics.

The visit to Minsk in October 2014 of a large delegation from the Sverdlovsk Region headed by the governor of this Russian region, Ye , was undoubtedly a landmark event in terms of intensifying cooperation between the partiesKuivashev. During the visit, the Belarusian side declared at the highest level the need to expand industrial cooperation with the enterprises of the Middle Urals, set the task to restore the previous volumes of mutual trade, and discussed joint plans in the field of energy, machine building, machine tools, and science. The Belarusian head of state emphasised Belarus' readiness "to widely cooperate with Sverdlovsk Oblast in all areas, in

<sup>93</sup> Belarus and the Sverdlovsk region signed the action plan for the development of co-operation for 2010-2012 [Electronic resource]. - 2009. - URL: <http://www.government.by/ru/content/419/print>

<sup>94</sup> Kharlov, A. Priority is given to projects in the production sector / A. Kharlov // Common Economic Space: integration of regions : information-integ. project / compiled, byinterviewed : B. Zalesky, M. . - Valkovsky, A. MostovoyMinsk : Biznesofset, 2013. - C. 213.

particular, to supply agricultural, automotive, road-building and municipal machinery"

<sup>95</sup>

It should be noted that in this Russian region the Republic of Belarus is viewed in a rather broad context of partnership relations. On the one hand, the Belarusian market is a consumer of Ural metals and metal products, various engineering and chemical products, railway and electrical equipment, cosmetics and plastics. On the other hand, Belarus is a supplier to the Sverdlovsk Oblast of machine-building products, foodstuffs, furniture, footwear, paper and cardboard, ceramic and glass products. In addition, a significant part of the Urals harvest is grown and harvested with the help of Belarusian agricultural machinery. Thus, in 2014 alone, agricultural producers in this Russian region purchased more than 170 units of Belarusian-made machinery - tractors, grain harvesters and forage harvesters. In addition, the region is interested in expanding supplies from Belarus of machinery for logging, road construction, buses, and developing joint production of machine tools, tyres, waterproofing materials, agricultural machinery and equipment.

Back in July 2014, Belarus and the Sverdlovsk Oblast declared their intention, expanding interregional cooperation, to "work out a roadmap of joint projects on import substitution programmes in the Union State". This is explained by the fact that all regions of the Urals Federal District are now actively working on import substitution. And in the Sverdlovsk Oblast alone it is planned to find <sup>96</sup>analogues for 6.5 thousand items of the commodity nomenclature. And it is not just about replacing one part with another. We are talking about fulfilling a more complex and serious task - to produce more advanced elements, to raise the level of production by several steps at once, to create such co-operation chains that would allow enterprises to develop long-term plans for several years ahead and to plan access to new markets, both in neighbouring post-Soviet republics and outside the Eurasian Economic Union. In the case of the Sverdlovsk Oblast, we should also take into account the fact that it is one of the four pilot regions where the first Russian machine-tool cluster will be formed. Belarusian partners could also take an active part in this cluster, for which it is all the more important "to bring the assembly of their machine tools as close as possible to the consumer, as they are 2 times cheaper than their Western European counterparts and 30-40% cheaper than their Eastern European counterparts". A site has already been

<sup>95</sup> Meeting with the Governor of the Sverdlovsk region Evgeny Kuivashev [Electronic resource]. - 2014. - URL: [http://president.gov.by/ru/news\\_ru/view/vstrecha-s-gubernatorom-sverдловskoj-oblasti-evgeniem-kujvashevym-9993/](http://president.gov.by/ru/news_ru/view/vstrecha-s-gubernatorom-sverдловskoj-oblasti-evgeniem-kujvashevym-9993/).

<sup>96</sup> Pivovarov, E. Belarus and the Sverdlovsk Oblast will work out a roadmap of joint projects on import substitution / E. Pivovarov // [Electronic resource]. - 2014. - URL: [http://www.belta.by/ru/all\\_news/economics/Belarus-i-Sverdlovskaja-oblast-prorabotajut-dorozhnyju-kartu-sovmestnyx-proektov-po-importozamescheniju\\_i\\_674609.html](http://www.belta.by/ru/all_news/economics/Belarus-i-Sverdlovskaja-oblast-prorabotajut-dorozhnyju-kartu-sovmestnyx-proektov-po-importozamescheniju_i_674609.html)

selected in the city of Berezovsky" .<sup>97</sup>

It has already been mentioned above that in 2012, in order to coordinate joint work and improve the efficiency of trade and economic co-operation, the parties established the Business Co-operation Council, which included members of the government of the republic and the region. Very soon the demand for this structure began to grow rapidly. After all, according to results of 2014, the trade turnover between the Republic of Belarus and the Sverdlovsk Oblast decreased by 22.4 per cent, amounting to \$387.7 million. "At the same time, analysing the results of foreign trade over the past few years, we can speak about the high degree of realisation of its potential and the need for a gradual transition to new forms of economic cooperation"

<sup>98</sup>

In spring 2015, this council initiated the development and adoption of a roadmap for bilateral partnership in the form of concrete steps for the implementation of joint projects in machine building, machine tools and microelectronics. In particular, the Sverdlovsk Region proposed to intensify dialogue on the implementation of projects to establish an assembly plant of the holding company on its territory BELSTANKO instrument and to set up a machine-building cluster for the production and sale of a range of machines for the mining industry, within the framework of which joint work is already underway to produce hydraulic excavators capable of competing on global markets with counterparts produced in the USA, Japan and European countries.

Focusing on the creation of joint Russian-Belarusian enterprises, the parties: worked out an action plan for co-operation between Uralmash and the Belarusian Automobile Plant in the production of machines for the mining industry; outlined prospects for the production of microcircuit element base by the Belarusian Integral Association for radio-electronic equipment, which is assembled in the Sverdlovsk region; ensured proper dynamics of the projects of Uraltransmash with the Belarusian companies Monitor-Service, Belfingroup and Stanexim; agreed to "create a single engineering centre and use the competences of each of the companies in order to apply cheaper, high-quality and reliable technologies of the Ural and Belarusian companies" . Another major project that is planned to be implemented is the construction of the waterproofing materials plant in Belarus<sup>99</sup> Penetron-Russia , where it is planned to

<sup>97</sup> Polyanin, V. Ural Ridge of Co-operation / V. Polyanin // SB - Belarus Today. - 2014. - 31 July.

<sup>98</sup> Kuivashev, E. Cooperation between regions can create a solid basis for solving numerous economic problems / E. Kuivashev // Interaction of regions: the Union State - the locomotive of Eurasian integration : information-integration project / compiled by, interviewed by B. Zalesky, M. . - Valkovsky, A. GreshnikovMinsk : Biznesofset, 2016. - C. 240.

<sup>99</sup> Specific steps on cooperation between the Sverdlovsk Oblast and the Republic of Belarus will be reflected in the "road maps" [Electronic resource]. - 2015. - URL: <http://www.>

produce the entire range of these products, thus fully meeting the needs of the Belarusian market. The Russian used to waterproofing materials have already been build and reconstruct in Belarus the facilities of Belaruskali, the metro and Minsk Aquapark, as well as numerous residential buildings and commercial complexes.

The second meeting of the Business Cooperation Council of the Republic of Belarus and the Sverdlovsk Region, which took place in July 2015, outlined measures to increase industrial cooperation and trade and economic interaction and highlighted priority joint projects. These include: the supply of Belarusian buses using gas motor fuel, which is especially important for Ekaterinburg in the period of preparation for the 2018 FIFA World Cup; the introduction of into the platform of Belarusian dump trucks.<sup>100</sup> D-185 diesel engines from the Ural Diesel Engine Plant and the Minsk Engine Plant; the placement in the Russian region of the production of antiseptics Belarusian company regionRegionBelAZ for the food industry by the; the renewal of the locomotive fleet of the Belarusian railway and industrial enterprises of the Belarussian; and the development of the railway and the Sverdlovsk BelAseptikaBelarussian

All these facts show that cooperation between the Republic of Belarus and the Sverdlovsk Region in terms of industrial cooperation has become active and aggressive, involving new areas of partnership in this interaction. In the energy sector, this is the participation of Ural Turbine Works in the modernisation projects of Minsk CHPP-3. In the field of forestry, the Ural State Forestry University and the Urals Union of Timber Producers NGO together with the Belarusian partner, Amkodor, are implementing a project to set up a facility in the joint production Sverdlovsk Region to assemble a unified based on the skidder-loaderforwarder Amkodor with attachments made in Sverdlovsk. Glubokoye and Nevyansk, Molodechno and Kachkanar are already co-operating in the area of inter-municipal cooperation on the basis of signed agreements. The Minsk City Executive Committee and the administration of Ekaterinburg are implementing the action plan for co-operation for 2015-2016. In addition, "we have common potential in such issues as the introduction of innovative developments of academic institutions, exchange of experience in higher and vocational education, development of joint educational projects".<sup>101</sup>

As we can see, this interregional cooperation in the format of the Union State

[embassybel.ru/departments/yeaterinburg/news/konkretnye-shagi-po-sotrudnichestvu-mezhdu-sverdlovskoj-oblastyu-i-respublikoj-belarus-budut-otrazheny-v-dorozhnyh-kartah.html](http://embassybel.ru/departments/yeaterinburg/news/konkretnye-shagi-po-sotrudnichestvu-mezhdu-sverdlovskoj-oblastyu-i-respublikoj-belarus-budut-otrazheny-v-dorozhnyh-kartah.html)

<sup>100</sup> Belarus and the Sverdlovsk region of Russia intensify the work on building up industrial cooperation [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/belarus-i-sverdlovskaja-oblast-rossii-aktivizirujut-rabotu-po-naraschivaniju-promkooperatsii-6165-2015>

<sup>101</sup> Kuivashev, E. Sverdlovsk Oblast is ready to offer Belarus a number of mutually beneficial industrial projects / E. Kuivashev // [Electronic resource]. - 2014. - URL: <http://www.belta.by/interview/view/sverdlovskaja-oblast-gotova-predlozhit-belarusi-tselyj-rjad-vzaimovyygodnyh-promvshlennyh-proektov-4160>

has a very high potential and serious prospects covering a wide range of thematic areas. I believe it will receive new impulses for development in the Plan for the Development of Cooperation between the Government of the Republic of Belarus and the Government of the Sverdlovsk Region for 2016-2018, which is currently being developed.

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## CHAPTER 5

### **Belarus - Volga region: modern vector of regional interaction**

Interregional cooperation is the main potential for the development of economic ties between Belarus and Russia, as it allows for the implementation of a large number of local projects that are important for a particular region or oblast. The current scale of interaction between the two countries at the regional level is evidenced at least by the fact that "more than 2.5 thousand companies with Russian capital operate in Belarus, and more than a thousand Belarusian firms operate in Russia". However, for the third year in a row, mutual trade turnover within the Union State of Belarus and Russia has been falling. In 2015 alone, it fell by more than a quarter. That is why at the meeting of the Supreme State Council of the Union State, held in February 2016 in Minsk, it was noted that interregional cooperation can and should bring "higher returns for the development of economic ties"<sup>102</sup>, because only under this condition it will be possible to reverse this negative trend by joint efforts.<sup>103</sup>

This statement of the issue concerns the majority of interacting regions of Belarus and Russia, including the six republics and seven regions located in the Volga Federal District. After all, this district is among the top three after the Central and Urals districts, which hold leading positions in mutual trade with the Republic of Belarus. among the top ten most fruitfully cooperating with Belarus in the Russian Federation, accounting for more than 70 The Orenburg and Nizhny Novgorod regions and the Republic of Tatarstan, located in the Volga region, . The fact that three cities of this federal district - Nizhny Novgorod, Ufa and Kazan - are home to the Belarusian Embassy in Russia, whose activities "facilitate prompt resolution of bilateral trade and economic areper cent of the Belarusian-Russian trade turnoverrelations with Russian regions".<sup>104</sup>

The Volga Federal District is somewhat similar to Belarus, as a feature of its geographical location "is the lack of access to the World Ocean and relative remoteness from seaports. However, this situation does not prevent trade on domestic and international markets". Indeed, the Volga region has a unique transit position, as it is located at the crossroads of the international transport corridors "North-South" and "East-West", connecting Siberia and the Far East, as well as the countries of East Asia with the European part of Russia and European countries. The presence of significant

<sup>102</sup> 1 Savko, S. Belarus and Russia will strengthen coordination in ensuring stable growth of the SG economy / S. Savko // [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/belarus-i-rossija-usiljat-koordinatsiju-v-obespechenii-stabilnogo-rosta-ekonomiki-sg-183181-2016/>

<sup>103</sup> Meeting of the Supreme State Council of the Union State [Electronic resource]. - 2016. - URL: [http://president.gov.by/ru/news\\_ru/view/vgs-minsk-13169/](http://president.gov.by/ru/news_ru/view/vgs-minsk-13169/)

<sup>104</sup> Co-operation of Belarus with Russian regions [Electronic resource]. - 2016. - URL: [http://mfa.gov.by/bilateral/russia\\_regions/](http://mfa.gov.by/bilateral/russia_regions/)



industrial potential in the Okrug is evidenced by such figures. A quarter of all industrial production in Russia, 85% of the Russian automotive industry, 65% of aircraft construction, 40% of petrochemicals, 30% of shipbuilding, 30% of defence industry production are concentrated here. It is also home to a third of Russia's innovation-active enterprises and is the source of about half of Russia's machinery exports. Five regions of this federal district - the Republic of Bashkortostan, the Republic of Tatarstan, the Perm Territory, the Nizhny Novgorod and Samara Regions - are in the leading group of Russian regions in terms of the development of their aggregate investment potential.<sup>105</sup>

Before the trends of decline in Belarusian-Russian trade and economic cooperation appeared a few years ago, the Volga entities Federal District were developing various forms of cooperation with the Republic of Belarus, focusing their attention on partnerships in the development of innovative technologies and products, participation in their joint production and implementation, formation of sustainable channels of scientific, technical and research exchange between enterprises and organisations, and development of innovative infrastructure. Such a multidisciplinary approach to co-operation with Belarusian partners has yielded due results. For example, according to the results of 2008, the total trade turnover of the Volga Federal District entities with the Republic of Belarus reached "a record result of almost \$4.5 billion" , and the <sup>106</sup>basis of cooperation was "cooperative interaction of machine-building and petrochemical complexes, the work of joint ventures for the production of agricultural machinery, technological modernisation of agro-industrial complexes"<sup>107</sup>

All these facts show that today, when "the Union State should become the core of the Eurasian Economic Union" , when the coordination of Belarusian-Russian interaction in terms of diversification of national economies, cooperation in the industrial sector, in the creation of new industries, and in the development of human capital should be raised to a qualitatively new level, it would be useful for the parties to once again turn to their own experience of interregional integration construction in order to take the from it<sup>108</sup>best It is precisely this approach to utilising the potential opportunities of the Union State of Belarus and Russia in 2016 that is already being

<sup>105</sup> Strategy of socio-economic development of the Volga Federal District for the period up to 2020. - M., 2011. - C. 3.

<sup>106</sup> Alexander Lukashenko met with the delegation of the Volga Federal District of the Russian Federation [Electronic resource]. - 2009. - URL: [http://president.gov.by/ru/news\\_ru/view/aleksandr-lukashenko-vstretilsja-s-delegatsiej-privolzhskogo-federalnogo-okruga-rossijskoj-federatsii-4826/](http://president.gov.by/ru/news_ru/view/aleksandr-lukashenko-vstretilsja-s-delegatsiej-privolzhskogo-federalnogo-okruga-rossijskoj-federatsii-4826/).

<sup>107</sup> Belarus and the Volga Federal District are working out projects for the creation of joint high-tech industries [Electronic resource]. - 2009. - URL: <http://export.by/?act=news&mode=view&id=15205>

<sup>108</sup> Working visit to the Russian Federation [Electronic resource]. - 2015. - URL: [http://president.gov.by/ru/news\\_ru/view/vstrecha-s-prezidentom-rossii-vladimirom-putinyim-12139/](http://president.gov.by/ru/news_ru/view/vstrecha-s-prezidentom-rossii-vladimirom-putinyim-12139/)

demonstrated by a number of subjects of the Volga Federal District.

For example, **the Republic of Bashkortostan**, with which Belarus signed the , Scientific, Technical, and Cultural Cooperation back in July 1999. In December 2012, the Programme of Cooperation between the Government of the Republic of Belarus and the Government of the Republic of Bashkortostan for 2013-2015 was adopted, which envisaged joint work in a number of priority areas in industry, construction, road construction, petrochemistry, agriculture, and healthcare. Bashkortostan sees the potential for co-operation with Belarus in those activities where it is possible to get the maximum practical effect from the union integration. This concerns, first of all, the petrochemical, machine-building and agro-industrial complexes, robotics and electronics. That is why they consider "the decision of the Council of Ministers of the Union State adopted in December 2012 to concentrate joint efforts on the development of five areas of the real sector of the economy: machine-building, agriculture, science, pharmacology and biotechnology, as well as on the creation of new materialstimely. Agreement on Trade, Economic" And this pragmatic approach was backed up by concrete actions. By the end of September 2012, 15 joint ventures established with the participation of Belarusian capital were already operating in Bashkortostan. And<sup>109</sup> "one of the successful examples is the Belarusian-Bashkir enterprise LLC JV Belarus-Inmash, established in October 2009 in Sterlitamak" . In the same row one can also recall the co-operation between the State Institution JV<sup>110</sup> "Bashselkhoztekhnika" and "Bobruiskagromash". The assembly facility established by them in 2011 produces several types of machinery.

Nevertheless, in 2015, the volume of Belarusian-Bashkir mutual trade totalled only about \$520 million. The fact is that back in 2011, the trade turnover between the parties reached USD 1.4 billion. Perhaps, and taking into account this fact, in early March 2016, at the meeting of , an ambition was outlined at the meeting of Deputy Prime of Deputy Prime Ministers of Ministers Belarus V. Semashko and Bashkortostan D. Sharonov Belarus V. Semashko and Bashkortostan D. Sharonov. Sharonov outlined an ambitious task - to maximise Belarusian-Bashkir trade turnover and "reach \$1.4 billion in three years" . In 2015, Belarusian exports to this Russian region were based on refrigerators and freezers, chipboard, glass fibre, as well as dried and condensed milk, complex synthetic yarns, trucks, ferrous metal pipes and profiles, washing machines, and footwear. The main positions of supplies from Bashkortostan to the Belarusian market were oil, carbonates, acoustic soda, and hydrocarbons. If we take

<sup>109</sup> Mavrin, E. We see at least five fundamental points of growth / E. Mavrin // Common Economic Space: integration of regions : information-integ. project / compiled, byinterviewed : B. Zalessky, M. . - Valkovsky, A. MostovoyMinsk : Biznesofset, 2013. - C. 40.

<sup>110</sup> <sup>1</sup> Mirsayapov, R. We should be able to be flexible and respond to the challenge of time / R. Mirsayapov // Customs Union: interaction of regions. View from Russia : information and interactive project / compiled by, interviewed by: B. Zalessky, M. Valkovsky, A. Mostovoy. - Minsk : Theseus, 2012. - C. 10.

into account the fact that the key factor of the Union State's economic growth in the near future should be the development of industrial cooperation and the growth of joint production of more knowledge-intensive products, it becomes obvious that the existing untapped potential of Belarusian-Bashkir cooperation is quite large.<sup>111</sup>

Back in 2012, Bashkortostan's leader R. Khamitov noted: "With the help of the Belarusian side, the production of small tractors that are in demand has been set up, and there are plans to open assembly production of caterpillar tractors. Together with "Gomselmash" the assembly of trailed harvesters has been organised. <...> Bashkortostan is also interested in Belarusian forage harvesters and grain harvesters. There are also good hereprospects for the creation of joint productions ". At the same time, the parties agreed on a number of areas of possible prospective cooperation: in the chemical industry, since Bashkortostan has successfully<sup>112</sup> operating enterprises of this profile, creating modern technologies and products that are in demand in Belarus; in agriculture, where joint work was planned in seed production, as well as in the development and creation of machines for grain production; in the glass industry, where the parties were going to work out the issue of creating a joint holding company in order to unite the Belarusian and Belarusian industries. Finally, "an agreement was reached on joint approaches to the construction of a soda ash plant in Belarus with a capacity of 300,000 tonnes with the prospect of increasing it to 600,000 tonnes. This sphere is new for Belarus, and Bashkortostan is ready to provide engineering support at the first stage of the project implementation so that it does not stall. Belarus has investments for the construction of a new plant" . In other words, construction is another topical area of potential Belarusian-Bashkir cooperation. Moreover, in the construction complex of the Republic of Bashkortostan "there are plans to implement projects with the participation of foreign companies, including the construction of a cement plant in Uchalinsky district and the construction of a gypsum board plant in Ufa district"<sup>113</sup> . In addition, in 2012 the parties signed a "protocol of intentions, which provides for the possibility of construction of a house-building plant in by Belarusians"<sup>114</sup> Bashkortostan " , as well as the participation of Belarusian construction

<sup>111</sup> Vladimir Semashko met with the delegation of Bashkortostan [Electronic resource]. - 2016. - URL: <http://www.government.by/ru/content/6303>

<sup>112</sup> Alexander Lukashenko met with President of Bashkortostan Rustem Khamitov [Electronic resource]. - 2012. - URL: [http://president.gov.by/ru/news\\_ru/view/aleksandr-lukashenko-vstretilsya-s-prezidentom-bashkortostana-rustemom-khamitovym-3491/](http://president.gov.by/ru/news_ru/view/aleksandr-lukashenko-vstretilsya-s-prezidentom-bashkortostana-rustemom-khamitovym-3491/).

<sup>113</sup> Prime Minister of Belarus Mikhail Myasnikovich met with President of Bashkortostan Rustem Khamitov [Electronic resource]. - 2012. - URL: <http://www.government.by/ru/content/4440>

<sup>114</sup> Strategy of socio-economic development of the Volga Federal District for the period up to 2020. - M., 2011. - C. 10.

trusts in the construction of large-panel houses.<sup>115</sup>

There is every reason to believe that the meeting of the Working Group on Cooperation between Belarus and Bashkortostan held in Minsk in early March 2016 and the development of the plan of joint activities for 2016-2018 will open a new page in the development of Belarusian-Bashkir partnership ties, as the parties agreed on the main thing: "Cooperation between Belarus and Bashkortostan will continue in the future in the areas that have become traditional. These are machine building, agriculture, high technologies". And they have already made new concrete steps in this direction. In particular, back in February 2016, <sup>116</sup>Gomselmash signed an agreement on the production of Belarusian grain and forage harvesting machinery in Bashkortostan. It is expected that "the production volume will amount to about 200 combine harvesters per year. It is planned to assemble about 5 items of machinery at the enterprise". It should be noted that until now, <sup>117</sup>forage and grain harvesters produced in Homiel have been sold to Bashkortostan only fully assembled in Belarus.

Another region of the Volga Federal District that has indicated its serious intentions to intensify cooperation with the Republic of Belarus since the beginning of 2016 is the Orenburg Region, where Belarus traditionally occupies one of the most important places in the system of international relations with foreign countries. intergovernmental agreement on The parties, scientific, technical and cultural cooperation signed an back in May 1998. The contractual and legal basis of these bilateral relations is also formed by agreements on co-operation between this Russian region and the Gomel, Minsk and Brest Oblast Executive Committees, as well as with the Ministry of Industry of the Republic of Belarus. trade and economic

In the first decade of this century, the partnership ties between the Republic and the region developed quite dynamically and progressively. "In 2010, the volume of mutual trade between the Orenburg region and the Republic of Belarus increased by almost 6 per cent and reached about \$200 million. This growth was ensured by an increase in imports of Belarusian goods, the volume of which exceeded \$30 million". In 2013, trade turnover continued to grow and exceeded one billion dollars. The results of 2014 showed that the volume of bilateral trade fell by almost half - to \$543 million. In addition to unfavourable external factors, the fact that 98 per cent of Orenburg

<sup>115</sup> Markovich, E. Bashkortostan is interested in co-operation with Belarus in the field of construction / E. Markovich // [Electronic resource]. - 2012. - URL: <http://www.belta.by/economics/view/bashkortostan-zainteresovan-v-sotrudnichestve-s-belarusju-v-oblasti-stroitelstva-79448-2012>

<sup>116</sup> Ivanyuk, T. Bashkortostan expects to increase oil supplies to Belarus in 2016 / T. Ivanyuk // [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/bashkortostan-v-2016-godu-rasschityvaet-narastit-postavki-nefti-v-belarus-184238-2016/>.

<sup>117</sup> Ivanyuk, T. "Gomselmash" plans to open in the first half of the year in Bashkortostan assembly production of combines / T. Ivanyuk // [Electronic resource]. - 2016. - URL: <http://www.belta.by/newscompany/view/gomselmash-planiruet-v-i-polugodii-otkryt-v-bashkortostane-sborochnoe-proizvodstvo-kombajnov-184262-2016/>.

exports to Belarus were crude oil supplies also played a role in this decline.<sup>118</sup>

Already in the spring of 2015, the parties came to a very simple conclusion: "This situation requires prompt measures to restore the positive dynamics of bilateral relations" . It became obvious that a manoeuvre to expand the nomenclature and volume of commodity exchange was needed in the relations with Belarusian partners. In fact, a similar approach to development is dictated by the Strategy currently being implemented in the Orenburg Region<sup>119</sup> of quality and efficiency , which declares a course "to ensure food security, import substitution, expansion of cooperation with the countries of the Eurasian Union, cardinal increase in exports" .<sup>120</sup>

After a thorough joint elaboration of specific promising areas of cooperation, the Belarusian side declared its readiness to: 1) offer Orenburg partners the necessary equipment for Orenburg cattle-breeding complexes, assist in their construction and design; 2) expand supplies of Belarusian multifunctional agricultural machinery, consider both the range of equipment to be assembled and the volume of its assembly depending on the needs and orders of the region's agrarians; 3) participate in the renewal of the automotive and electrical industries in the region; and 3) provide assistance in the development of the region. Finally, it was also discussed about transition "to new forms of relations: creation of joint ventures, assembly plants" . By the way, as of mid-March 2015, there were only two assembly plants of Belarusian machinery in the Orenburg Oblast - reapers of Production Association<sup>121</sup> the and MTZ tractors. Gomselmash

In turn, the Orenburg side expressed its interest in expanding trade contacts with Belarusian partners to such large enterprises of the region as the machine-building concern ORMETO-YUUZM, the synthetic alcohol plant, the Orsk metal structures plant, and the drilling equipment plant. As a result, in order to coordinate all this joint work, the Orenburg side proposed to "consider the possibility of opening a trade mission of Belarus on the territory of the region" . This proposal was included in the action plan for the development of co-operation between the governments of Belarus and the Orenburg region for 2015-2017. And we should assume that in 2016 it will be

<sup>118</sup> Shorikov, V. The tendency to increase imports from Belarus persisted / V. Shorikov // Customs Union: interaction of regions. View from Russia : information-integ. project / compiled by, interviewed by: B. Zaleski, M. Valkovski, A. Mostovoy. - Minsk : Theseus, 2012. - C. 149.

<sup>119</sup> Meeting with the Governor of the Orenburg Region of the Russian Federation Yuri Berg [Electronic resource]. - 2015. - URL: [http://president.gov.by/ru/news\\_ru/view/vstrecha-s-gubernatorom-orenburgskoj-oblasti-rossijskoj-federatsii-iuriem-bergom-11063/](http://president.gov.by/ru/news_ru/view/vstrecha-s-gubernatorom-orenburgskoj-oblasti-rossijskoj-federatsii-iuriem-bergom-11063/).

<sup>120</sup> Speech at the plenary session of the V Eurasian Economic Forum "Orenburzhye-2015" on the topic "Russia and the EEC countries: from integration policy to development projects". [Electronic resource]. - 2015. - URL: <http://www.orenburg-gov.ru/power/governor/speeches/vystuplenie-na-plenarnom-zasedanii-v-evraziyskogo-ekonomicheskogo-foruma-orenburzhe-2015-po-teme-ros/>

<sup>121</sup> Belarus is ready to expand supplies of multifunctional agricultural machinery to the Orenburg region [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/belarus-gotova-rasshirit-postavki-mnogofunktionalnoi-selhoztekhniki-v-orenburgskuju-oblast-161490-2015/>.

put into practice, as the parties are determined to maximise their partnership, as evidenced by other<sup>122</sup> facts.

Thus, at the II Forum of Regions of Belarus and Russia held in Sochi in autumn 2015, the Orenburg and Gomel regions signed a cooperation agreement. And in early March 2016, a representative delegation from the Orenburg region came to Gomel. The fact is that in the fields of this Russian region "more than 400 units of "machineryworkingGomselmash" , which has proved itself with a positive side, are . Replacing old combines and increasing the fleet of agricultural machinery will allow the agrarians of the region to significantly reduce the time of harvesting operations. The Government of the Orenburg region has adopted a programme to compensate for the purchase of machinery from 300 thousand to 1.5 million Russian roubles" .<sup>123</sup>

Or such a fact. In November 2015, the Orenburg down shawl industrial park, which includes production workshops, a training centre, a shawl museum and a folk crafts studio, was opened in this Russian region. But six months before this event, the Belarusian Fashion Centre and Alesya signed a tripartite agreement on cooperation with the industrial park. The purpose of the document is to fix the directions of Belarusian-Russian cooperation in the light industry: "First of all, the parties intend to form a list of Belarusian enterprises - producers of light goods industry and goods for children with stable sales of their products in Russia to study the possibilities of placing their production facilities in the industrial park" . In addition, the following topics of cooperation became topical: organisation of yarn production at the Orenburg down shawl park for the needs of knitwear companies in Belarus and Russia; joint execution of orders for sewing uniforms for schoolchildren of the Orenburg region; creation by Belarusian fashion designers of a collection of women's clothing using elements of the Orenburg down shawl.<sup>124</sup>

These and a number of other examples show that the joint work started in spring 2015 after the meeting between the Governor of the Orenburg Region and the Head of the Belarusian State to expand the nomenclature and volumes of commodity exchange has already demonstrated very encouraging results in diversifying the structure of mutual tradediversify their trade structure . between the Orenburg Region and the Republic of Belarus in the light industry, machine building, mining and metallurgy and

<sup>122</sup> Berg proposed to open a trade mission of Belarus in the Orenburg region [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/berg-predlagaet-otkryt-torgovoe-predstavitelstvo-belarusi-v-orenburgskoj-oblasti-161493-2015/>.

<sup>123</sup> Sidorchik, V. Orenburg region is interested in purchasing Belarusian harvesters / V. Sidorchik // [Electronic resource]. - 2016. - URL: <http://www.belta.by/regions/view/orenburgskaja-oblast-zainteresovana-v-zakupkah-belorusskih-kombajnov-184056-2016/>.

<sup>124</sup> Pivovar, E. Representatives of the Belarusian light industry agreed to cooperate with the park "Orenburgskiy pukhovy shawl" / E. Pivovar // [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/predstaviteli-belorusskogo-legproma-dogovorilis-sotrudnichat-s-park-orenburgskij-puhovyj-platok-152520-2015/>.

agro-industrial sectors, once again proving and demonstrating the fact that the Orenburg Region and the Republic of Belarus have been able to in the light industry, machine building, mining and metallurgy and agro-industrial complexes

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## CHAPTER 6

### **Belarus-Poland: potential for regional co-operation**

As the requirements for increasing and diversifying exports of goods and services become more relevant, the Republic of Belarus sets a task to expand twinning and partnership ties with cities and districts of other countries, as strong and prosperous regions are the guarantee of confident and progressive development of the country's economy as a whole. One of the main priorities is the development of bilateral relations with neighbouring countries - Russia, Ukraine, Poland, Lithuania and Latvia. The facts show that in 2015 the twinning movement of Belarusian regions with foreign partners was actively developing and at the beginning of 2016 "a total of 32 members of the organisation "Twinning Cities" have 421 twin cities in 37 countries" .<sup>125</sup>

A notable place in the geography of international co-operation between the regions of Belarus is occupied by Poland, a country whose effective economic, cross-border and interregional co-operation is equally beneficial for both Minsk and Warsaw. Poland is among the top ten foreign policy partners of Belarus in terms of mutual trade. The main items of Belarusian exports to the Polish market are oil products, potash fertilisers, and timber. Poland supplies Belarus with food products, medicines, batteries, and polycarboxylic acids.

The intensity of contacts between Belarusians and Poles is eloquently evidenced by such facts. In the first 11 months of 2015, the consular section of the Polish Embassy in Minsk and the Consulates General in Brest and Hrodna issued about 370,000 visas to Belarusian citizens, which corresponds to the level of 2014. Of this total number of visas, a quarter are free of charge. In addition, were issued over the same period of time about 200 thousand long-term visas . To significantly optimize this visa flow, "the Polish side signed an agreement with November 2015 VFS.Global in which will open eight Polish visa centres in Belarus no later than July 2016, " . In addition to Minsk, the centres will appear in Brest, Hrodna, Homel, Mogilev, Baranovichi, Lida and Pinsk.<sup>126</sup>

As for interregional co-operation, back in 1992 Belarus and Poland agreed to promote "the establishment and development of direct contacts and co-operation between districts, cities and other administrative-territorial units" . Since then, only between the cities of the two countries "65 agreements on twinning and friendship have been signed. Interregional Belarusian-Polish initiatives are supported within the

<sup>125</sup> Grishkevich, A. Twinning ties are becoming a reliable basis for increasing exports - Batura / A. Grishkevich // [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/pobratimskie-svjazistanovjatsja-nadezhnoj-osnovo-dlja-naraschivanija-eksporta-batura-180375-2016/>

<sup>126</sup> Polish Embassy issued about 370 thousand visas to citizens of Belarus in 2015 [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/posolstvo-polshi-vydalo-v-2015-godu-grazhdanam-belarusi-okolo-370-tys-viz-175127-2015>



framework of EU projects. Many joint ventures operate effectively in the twin cities of Belarus and Poland<sup>127</sup>. To be absolutely precise, 26 Belarusian and 36 Polish twin cities, as well as 12 Polish and 11 Belarusian cities that have partnership relations connect the neighbouring countries. Both sides believe that driving force behind the further development of Belarusian-Polish<sup>128</sup> bilateral trade and co-operation in the investment sector should become the relations.

to focus on trade and investment co-operation, which really contributes to the creation of new jobs, the opening of production facilities, and thus to the growth of the well-being of our citizens".<sup>129</sup>

The first Belarusian-Polish partnership pair of cities appeared back in 1976, when Belarusian Mogilev and Polish Włocławek signed an agreement to establish long-term friendly relations. Fifteen years later two more pairs joined them: Grodno - Białystok, Brest - Biała Podlaska. In 2002, 12 pairs of cities became participants of the first meeting of twin cities of the two countries in Brest. Then the success and interest in such a format of co-operation resulted in the signing of 21 more twinning agreements at this meeting. In fact, since then, the twinning of Belarusian and Polish cities has played an important role in the interaction between the two neighbouring countries. Thus, Belarusian Homel and Polish Radom have been twinning for more than two decades. They have gained interesting experience of cooperation in the implementation of cultural and youth programmes. Warm and friendly relations unite Baranavichy and Gdynia, Niasvizh and , Horki Pulawy and L, Logoisk and Lask, omzha Kobrin and Międzyżec Podlaski.

Belarus uses various forms of strengthening interaction with regions and cities of other countries, based on the principle that "municipal ties should resist the processes of alienation and misunderstanding, motivate a sustainable interest in mutual contacts and cooperation, mutual respect and understanding". Belarusian-Polish interregional interaction is characterised by the use of such tools for strengthening partnerships as Sister Cities Forums. The first of them, as noted above, was held in 2002. The second one took place 12 years later in Białystok and gathered about 100 representatives of 19 Belarusian and 40 Polish cities. The main purpose of this forum was to restore twinning ties. And despite the significant break in holding such events,

<sup>127</sup> Treaty between the Republic of Belarus and the Republic of Poland on Good Neighbourliness and Friendly Cooperation [Electronic resource]. - 1992. - URL: <http://pravo.levonevsky.org/bazaby1/1/republic63/text197.htm>

<sup>128</sup> Guryanov, A. Guryanov, A. Forum of the twin cities of Belarus and Poland has become a bridge in the integration processes of the CU and the EU / A. Guryanov // [Electronic resource]. - 2014. - URL: <http://www.belta.by/opinions/view/forum-gorodov-pobratimov-belarusi-i-polshi-stal-mostom-v-integratsionnyh-protssessah-ts-i-es-2710/>.

<sup>129</sup> Interview of Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to the Republic of Poland Alexander Averyanov to the magazine "Svyat Elit" (December 2015) [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/press/smi/c03acd904b5ff43f.html>

this meeting <sup>130</sup>demonstrated the mutual desire of the parties to turn twinning of Belarusian and Polish cities into an important element of bilateral cooperation, which should contribute to a significant intensification of ties in the economy, culture, and humanitarian sphere. In particular, the Polish Foreign Ministry unequivocally stated from the podium of the forum in Bialystok that "the Polish side supports the strengthening of ties between the regions of Belarus and Poland" .<sup>131</sup>

The third meeting, held in December 2015 in the Belarusian city of Grodno, was characterised by a very diverse agenda of thematic areas under consideration: "The role and significance of twinning in increasing the efficiency of economic cooperation", "Development of the social sphere in Grodno, experience in implementing cross-border cooperation projects", "Development of youth initiatives in the implementation of cross-border cooperation, sports, tourism". The discussion of topical issues of the Belarusian-Polish twinning movement once again confirmed the conclusion that "the diplomacy of cities should be aimed at the maximum preservation of what is bound by ethnic, historical and cultural roots, because the very idea of twinning of cities offers not only pragmatic benefits for all its participants" . Yes, the international relations of <sup>132</sup>regions are also an important type of public diplomacy, as each city or district has its own special set of economic and human capabilities, which in co-operation with foreign partners should work only to improve the quality of life of its citizens.

Another established form of strengthening Belarusian-Polish regional cooperation is the regular holding of the Belarusian-Pomeranian Economic Forum, an event organised to promote the economic interests of Belarus in the North-Western region of Poland. The main outcome of the first such forum, held in May 2007 in the Polish town of Wejherowo, was "the Polish side's decision to establish co-operation between Vitebsk region and Pomeranian voivodeship, to establish partnership ties between Gdansk, Wejherowo and towns of Vitebshchina" . At the second forum, held in November 2008, Belarusian business circles met with the leadership of the Polish city and the entire Pomeranian Voivodeship in Gdansk; <sup>133</sup>a was held , a partner of Belarusian supplierscontact and co-operation exchange in the regional chamber of

<sup>130</sup> Grishkevich, A. The twinning of Belarusian and Polish cities promotes the activation of ties in the economy - Batura / A. Grishkevich // [Electronic resource]. - 2014. - URL: <http://www.belta.by/economics/view/porodnenie-belorusskih-i-polskih-gorodov-sodejstvuet-aktivizatsii-svjazej-v-ekonomike-batura-44768-2014>

<sup>131</sup> Grishkevich, A. The Polish side supports the strengthening of interregional ties with Belarus - Katsperchik / A. Grishkevich // [Electronic resource]. - 2014. - URL: <http://www.belta.by/society/view/polskaja-storona-podderzhivaet-ukreplenie-mezhregionalnyh-svjazej-s-belarusiju-katsperchik-44973-2014>

<sup>132</sup> Batura, B. Interregional ties promote better understanding between Belarus and Poland / B. Batura // [Electronic resource]. - 2015. - URL: <http://www.belta.by/opinions/view/mezhregionalnye-svjazi-sodejstvujut-uluchsheniju-ponimaniya-mezhdu-belarusiju-i-polshej-4551/>

<sup>133</sup> Esin, R. Steps of rapprochement and trust / R. Esin // Belaruskaya dumka. - 2009. - №9. - C. 60-61.

commerce and industry in ; and in Wejherowa round table on economic issues was organised , a partner of the Mogilev region. At the third forum in October 2009, the leadership of the Pomeranian Voivodeship drew attention to the start of implementation of investment projects by Pomeranian companies territory of Belarusian free economic zones, and it was proposed to "use the office of Toruń in the Voivodeship in Brussels to prepare joint projects the Kujawsko-Pomorskie ". The fifth forum, held in 2013 in the Polish town of <sup>134</sup>Szymbarka, was attended by "representatives of more than 80 companies, as well as heads of voivodship and regional authorities, seven cities and administrative-territorial units of the Pomerania region, trade and industrial associations" . The serious desire of the parties to develop effective at the regional level is evidenced by the agreements signed during the forum between the <sup>135</sup>cooperation Grodno branch of the Belarusian Chamber of Commerce and Industry and the Starogard Business Club, the Regional Chamber of Commerce and Industry of Wejherowo, the Kashubian Union of Employers, as well as the Agreement on tourism development between the tourism department of the free economic zone "Grodnoinvest" and the Gdańsk branch of the Polish Chamber of Tourism.

It is appropriate to note here that in Belarus one of the most active participants of the process of development of twinning and interregional ties with Poland is Grodno region, on the territory of which "75 organisations with the participation of Polish capital operate. The districts of Grodno region develop co-operation with 20 communes and poviets of Poland" . Enterprises with Polish participation are engaged in <sup>136</sup>wood processing, food production, and construction materials production in Grodno . In 2013 Grodno exports to the Polish market totalled \$106.4 million. At that time 122 business entities of the region exported their products to the neighbouring country. Among them are Grodno Azot OJSC, Radiovolna , , region OJSC OJSC Kronospan Mostovdrev . The volume of Polish investments in the economy of Grodno region in the same year of 2013 amounted to \$70 million. All these facts made it possible to call this Belarusian region "a litmus test of the development of economic interaction between the countries" . <sup>137</sup>

Speaking about individual areas of interaction between Grodno Region and its

<sup>134</sup> On holding the Third Regional Belarusian-Pomeranian Economic Forum in Gdańsk [Electronic resource]. - 2009. - URL: <http://trc.info/topic.php?tid=2682>

<sup>135</sup> About the Regional Belarusian-Pomeranian Economic Forum [Electronic resource]. - 2013. - URL: [http://mfa.gov.by/press/news\\_mfa/bdb6dfbb1b3d8eef.html](http://mfa.gov.by/press/news_mfa/bdb6dfbb1b3d8eef.html)

<sup>136</sup> Grishkevich, A. Poland is the second most important foreign economic partner of Grodno region / A. Grishkevich // [Electronic resource]. - 2015. - URL: <http://www.belta.by/regions/view/polska-iavliaetsia-vtorym-po-znachimosti-vneshneekonomicheskim-partnerom-grodnenskoj-oblasti-174706-2015/>

<sup>137</sup> Stasiukevich, E. Polish entrepreneurs highly appreciate the opportunities for economic activity in Belarus / E. Stasiukevich // [Electronic resource]. - 2014. - URL: <http://www.belta.by/economics/view/polskie-predprinimateli-vysoko-otsenivajut-vozmozhnosti-hozajstvennoj-dejatelnosti-v-belarusi-41373-2014>

partners from Poland, the implementation of a joint project in the field of health care - "Development of cooperation between Polish and Belarusian medical institutions in - looks very promising improving the quality of cancer diagnostics and emergency medical care" , the participants of which are the Grodno Regional Clinical Hospital and the Provincial Public Hospital of Suwalki. This project, aimed at the development of cross-border co-operation between medical professionals and the infrastructure of health care systems of the two countries to reduce mortality from malignant neoplasms and emergency conditions in the border areas, provides for "the establishment of an independent reception and diagnostic department on the basis of the regional hospital in Grodno, where patients will be provided with the necessary diagnostic and first medical aid and prescribed therapy. <...> It is planned to introduce new technologies into practice, in particular, based on photodynamic diagnostics and X-ray examination"

<sup>138</sup>

In 2015, the Mogilev region also significantly intensified the Polish vector of cooperation, with the Polish-Belarusian regional economic forum "Trade, Processing, Investments" held in November in the administrative centre of Mogilev. It was in fact the first concrete step "towards the development of economic co-operation between the Kujawsko-Pomorskie Voivodeship of Poland and the Mogilev Region" . The forum showed what considerable opportunities for cooperation the parties have in the spheres of high innovative science-intensive technologies, co-operation of machine-building and industrial enterprises, education, tourism, as well as in the sectors provided with local raw materials: woodworking, production of building materials and processing of agricultural products. In total, <sup>139</sup> Mogilev residents at this forum demonstrated to potential Polish partners an investment portfolio of almost 400 different projects and proposals. "One of the proposals is the joint construction of a large pig farm in Klimovichi district" . Apparently, such activity only benefits the economy of the Belarusian region: in the first nine months of 2015, the foreign trade turnover of the Mogilev region with Poland amounted to \$85.1 million, and exports grew by 9 per cent.<sup>140</sup>

The participation of representatives of the Lodz Voivodeship in the international forum "Innovative Entrepreneurship of the Vitebsk Region "From Small to Great",

<sup>138</sup> Vishnevskaya, T. Hrodna and Suwalki realise a cross-border project to improve the quality of cancer diagnostics / T. Vishnevskaya // [Electronic resource]. - 2013. - URL: <http://www.belta.by/regions/view/grodno-i-suvalki-realizujut-transgranicznyj-proekt-po-povysheniju-kachestva-dagnostiki-onkozabolevanij-27382-2013>

<sup>139</sup> Kulyagin, S. Polish businessmen are interested in developing their business in Belarus - Vice-Marshal / S. Kulyagin // [Electronic resource]. - 2015. - URL: <http://www.belta.by/regions/view/polskie-biznesmeny-zainteresovany-razvivat-svoj-biznes-v-belarusi-vitse-marshalok-170070-2015/>.

<sup>140</sup> Kulyagin, S. Poland and Belarus are interested in intensifying cooperation in the agricultural sector - Habros / S. Kulyagin // [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/polsha-i-belarus-zainteresovany-v-intensifikatsii-sotrudnichestva-v-agrarnom-sektore-habros-168983-2015/>.

which took place in Vitebsk in November 2015, also gave concrete results. In particular, representatives of the Lodz Regional Development Agency - an organisation that distributes European funds to entrepreneurs in Poland - offered Belarusian partners "cooperation in food production, chemical industry". In addition, several co-operation agreements were signed at the forum in Vitebsk, one of which was between<sup>141</sup> educational institutions of Vitebsk region and the Complex of Secondary Specialised Educational Institutions of Lodz.

A Belarusian-Polish business forum was held in Gomel region in May 2015, attended by more than 20 representatives of Polish companies operating in the woodworking and furniture production sectors.

They considered "various options of capital application: investment agreement, joint venture, foreign enterprise, long-term lease of premises or construction of new facilities". The Polish business is specifically interested in the operating in this Belarusian region<sup>142</sup> Gomel-Raton free economic zone, of which Delcom40 is a resident. In 2016, the enterprise, together with a subsidiary of one of Poland's largest manufacturers of furniture and its various components, Sot40, will start work: "The production capacity of the enterprise being established is designed to produce more than 1.5 million units of upholstered furniture per year, 4 million pieces of mattresses, as well as a large number of components for furniture production. The FEZ resident intends to export approximately 99% of the production". This investment project will be realised within five years. And by the time it reaches its design capacity, more than 600 jobs will be created here, and the production itself will make maximum use of wood and wood-based materials, metal and plastic materials and products, packaging materials, furniture glue, fabrics and non-woven materials of the Gomel region's economic entities.<sup>143</sup>

The Polish company Tines, which specialises in the production of systems for communication construction and offers a wide range of products used in track structures, held "negotiations with the Belarusian Railway and Minsk Metro on the implementation of joint investment projects in Belarus, including the construction of a section of the third line of the Minsk Metro". The Silesian and esian intend to intensify

<sup>141</sup> Tikhonova, A. Poland is ready to intensify investment cooperation with Belarus / A. Tikhonova // [Electronic resource]. - 2015. - URL: <http://www.belta.by/regions/view/polsha-gotova-aktivizirovat-investitsionnoe-sotrudnichestvo-s-belarusiju-170124-2015/>

<sup>142</sup> Sidorchik, V. The topic of cooperation in the creation of furniture production became the main one at the Belarusian-Polish business forum in Gomel / V. Sidorchik // [Electronic resource]. - 2015. - URL: <http://gomel-region.by/special/ru/economics-ru/view/tema-kooperatsii-v-sozdanii-mebelnyx-proizvodstv-stala-glavnoj-na-belorusko-polskom-biznes-forume-v-gomele-27344/>

<sup>143</sup> Sidorchik, V. A large Polish company creates furniture production in Gomel / V. Sidorchik // [Electronic resource]. - 2016. - URL: <http://www.belta.by/newscompany/view/krupnaja-polskaja-kompanija-sozdaet-v-gomele-proizvodstvo-mebeli-179992-2016/>

co-operation with Belarusian regions<sup>144</sup> Lower Silvoivodships of Poland . Thus, in May 2015, Wrocław hosted the seminar "Trade with Belarus, Investments and Privatisation", during which the participants discussed ways to increase trade turnover of Belarusian companies with this Polish region. The business seminar "The State and Prospects of Economic Cooperation between Belarus and Poland" was also held in the Polish city of Wałbrzych, where "the issues of expanding cooperation between Belarusian enterprises and Polish companies in the region, including participation in government procurement and tenders" were discussed .<sup>145</sup>

The Lublin Voivodeship co-operates with Brest Oblast within the framework of the signed co-operation agreement. Together with Belarusian partners, the Polish side implements joint projects within the framework of the EU programme "Poland - Belarus - Ukraine" in accordance with the Strategy of cross-border cooperation of the Lublin Voivodeship, Volyn and Lviv regions of Ukraine and Brest region for 2014-2012. The parties pay attention, first of all, to economic co-operation, understood as support, assistance and creation of conditions for investment of companies in the border area. In this case, "it is important to support efforts aimed at the construction and expansion of border crossings, as well as at creating conditions for the development of logistics and <sup>146</sup> exhibition centres" .<sup>146</sup>

The Podlaskie Voivodeship considers cooperation at the level of the Euroregions "Niemen" and "Belovezhskaya Pushcha" to be a significant factor in the stable development of interregional cooperation with the neighbouring Belarusian - Brest and Grodno - regions, where there have already been considerable achievements in the implementation of joint projects financed by the European Union, which gave impetus to the development of cross-border contacts and public initiatives, the border area of Poland and Belarus. scientific and educational cooperation, cooperation in the field of culture and sport in In the future, the improvement of transport accessibility of the region will play an important role here, because "the solution of transport problems will improve the quality of transport connections of the voivodship, will increase the accessibility of the region for tourists coming from the eastern and north-eastern border, as well as for those travelling in transit, will ensure the smooth movement of people and goods across the eastern border of the European Union" . As a result, Białystok sees the most important area of common efforts with its Belarusian neighbours in developing the infrastructure and increasing the <sup>147</sup>capacity of border

<sup>144</sup> On the trip of A. Averyanov, Ambassador of Belarus to Poland, to Silesia. Averyanov to Silesia [Electronic resource]. - 2015. - URL: [http://mfa.gov.by/press/news\\_mfa/c2835473831098a2.html](http://mfa.gov.by/press/news_mfa/c2835473831098a2.html)

<sup>145</sup> About the trip of the Ambassador of Belarus to Poland A. Averyanov to Silesia. Averyanov to Silesia [Electronic resource]. - 2015. - URL: [http://mfa.gov.by/press/news\\_mfa/c2835473831098a2.html](http://mfa.gov.by/press/news_mfa/c2835473831098a2.html)

<sup>146</sup> Hetman, K. We are open for co-operation with everyone / K. Hetman // Respublika, - 2013. - 13 Aug.

<sup>147</sup> Dworżański, J.Z. There are hundreds of projects realised through Euroregions / J.Z. Dworżański // Respublika. - 2013. - 11 July.

crossings, improving customs clearance procedures and simplifying the visa regime.

All these examples show that Belarusian-Polish municipal ties can very effectively promote industrial cooperation, mutually beneficial investments, support for small businesses, and real participation of civil society in the implementation of the scheme "from cooperation of economic entities - to region-wide programmes and interstate projects".

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## CHAPTER 7

### **Belarus-Italy: new prospects for co-operation**

Italy is among the most active trade and economic partners of the Republic of Belarus among the member states of the European Union. "In 2014, Belarusian-Italian trade turnover reached a record high of almost \$2.2 billion. Exports to Italy totalled just over \$1 billion, exceeding the 2013 figure by 12%" . However, in 2015, the volume of mutual trade between Belarus and Italy significantly decreased to \$766.7 million, while Belarusian exports to this European country totalled only \$130.1 million. Nevertheless, back in September 2015, visiting the production site of the Italian company <sup>148</sup>Agusta Westland, the head of the Belarusian government A. Kobyakov said that "Belarus and Italy are reaching a new level of cooperation" . And today Minsk believes that "the longstanding fruitful co-operation between the two countries should continue to expand and strengthen in all areas"<sup>149</sup> .<sup>150</sup>

The fact that the first meeting of the Intergovernmental Belarusian-Italian Commission on Economic Cooperation was held in Minsk in February 2016, which was described by the parties as "a historic event in the bilateral Belarusian-Italian relations" . And this statement has very serious grounds.<sup>151</sup>

Firstly, the fact that Italy was the first country with which Belarus held a meeting of the intergovernmental commission for economic cooperation after the European Union's decision to lift most of the sanctions against official Minsk speaks volumes. Secondly, Belarus is well aware that Italy is the number one country in the world in terms of the number of Belarusian children sent there for recuperation after the Chernobyl accident. Thirdly, Italy proves in practice that it is one of the key partners of Belarus in production, co-operation and investment. Thus, in 2014, total Italian investments in the Belarusian economy totalled \$38.6 million. At the same time, direct investments on a net basis increased by more than 66 per cent to \$24.5 million compared to 2013. As of March 2014, there were 173 legal entities with Italian capital operating in Belarus, 102 of which were joint ventures. "In 2015, the Belarusian economy received Italian investments in the amount of \$28.8 million. There are 204

<sup>148</sup> Vladimir Semashko met with Benedetto Dela Vedova [Electronic resource]. - 2015. - URL: <http://www.government.by/ru/content/5849>

<sup>149</sup> Andrei Kobyakov visited the production site of Agusta Westland [Electronic resource]. - 2015. - URL: <http://www.government.by/ru/content/6036>

<sup>150</sup> Congratulations to the President of the Italian Republic Sergio Mattarella [Electronic resource]. - 2015. - URL: [http://president.gov.by/ru/news\\_ru/view/pozdravlenie-prezidentu-italijanskoj-respubliki-serdzhio-mattarelle-11460/](http://president.gov.by/ru/news_ru/view/pozdravlenie-prezidentu-italijanskoj-respubliki-serdzhio-mattarelle-11460/).

<sup>151</sup> Transcript of the approach to the press of the Deputy Minister of Foreign Affairs of the Republic of Belarus E. Kupchina following the first meeting of the Intergovernmental Belarusian-Italian Commission on Economic Cooperation (23 February 2016, Minsk) [Electronic resource]. - 2016. - URL: <http://mfa.gov.by/press/smi/a221901c1a8db6a3.html>



enterprises with Italian capital registered in the Republic of Belarus" .<sup>152</sup>

The meeting of the Intergovernmental Commission objectively highlighted the significant unrealised potential for cooperation in Belarusian-Italian relations. Analysing the existing barriers to mutual trade and discussing measures to remove them in order to facilitate further development of bilateral partnership, the parties focused their attention, first of all, on the prospects for implementing four priority areas of Belarusian-Italian interaction: first, the creation of an Italian industrial district in Brest Region; second, the development of interregional contacts; third, the use of European financial instruments to support use of the European financial instruments to support joint investment projects; and fourth, the joint investment projects.

The noticeably increased interest of Italian business people in interaction with Belarusian partners is also evidenced by the fact that more than 30 representatives of Italian companies working in construction, transport infrastructure, metalworking, leasing, energy, and agriculture came to the business forum, which was organised to search for new commodity positions and increase trade turnover between the two countries and was held in parallel with the first meeting of the intergovernmental commission for economic cooperation. In their opinion, "promising sectors for cooperation are those related to the very period Belarus is going through, i.e. the transition economy. First of all, we are talking about infrastructure projects. In addition, we can talk about energy, <...> such areas as renewable energy, energy efficiency" .<sup>153</sup>

The Belarusian side sees serious prospects for cooperation with its Italian partners in industrial cooperation, including taking into account the opportunities offered by the Eurasian Economic Union markets, in such sectors as automotive and machine building, as well as in the science and sector technology, where Minsk and Rome have already advocated the creation of a joint intergovernmental commission in this area. In addition, the economic growth currently observed in Italy "opens up additional opportunities for Belarusian exporters who intend to develop the Italian market" .<sup>154</sup>

As noted above, one of the main promising areas of cooperation between the two countries should be the intensification of interaction between the regions of the Republic of Belarus and the Italian Republic. It should be reminded that the starting point in the history of partnership ties at the level of regions and municipalities of the

<sup>152</sup> On holding the first meeting of the Intergovernmental Belarusian-Italian Commission on Economic Cooperation [Electronic resource]. - 2016. - URL: [http://mfa.gov.by/press/news\\_mfa/ba5a87f9efb837f2.html](http://mfa.gov.by/press/news_mfa/ba5a87f9efb837f2.html)

<sup>153</sup> Italian business considers it promising to develop infrastructure projects in Belarus [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/italijanskij-biznes-schitaet-perspektivnym-razvivat-v-belarusi-infrastrukturnye-proekty-182780-2016/>.

<sup>154</sup> Palezhay, T. Italy counts on the intensification of the dialogue between Belarus and the EU / T. Palezhay [Electronic resource]. - 2016. - URL: <http://www.belta.by/politics/view/italija-rasschityvaet-na-intensifikatsiju-dialoga-belarusi-i-i-es-182756-2016/>

two states can be considered July 1992, when Belarusian Zhlobin and Italian established twinning relations Scalenge. Since that time "trade and economic relations between the regions of Italy and Belarus have always been active". But perhaps only in recent years has regional cooperation between the two countries, which previously rested on a solid foundation of bilateral humanitarian interaction, started to take on new colours.<sup>155</sup>

The partnership between Belarus and Sardinia, an Italian region that has a special charter and autonomy, can serve as an example of such co-operation, which has been going on for more than a decade. Since 2004, with the support and partial funding of the Sardinian government, a joint project of vocational training of young people has been implemented in our country at the Sardinia Global Training Centre for Training, Professional Development and Retraining, which "has become a platform for the multifaceted development of cooperation between Belarus and Sardinia". In<sup>156</sup> subsequent years, the range of Belarusian-Sardinian relations began to expand. The humanitarian programmes were supplemented by cultural events, exchanges of students and youth groups, and trade and economic activities. In March 2012 Minsk Region signed a co-operation agreement with the autonomous region of Sardinia. According to the president of the region F. Pigliaru, "strengthening and intensification of relations between Sardinia and Belarus opens a great potential for further development of the two countries". At the same time, the Italian side is very interested in expanding the capabilities of its agro-industrial complex at the expense of high-quality Belarusian machinery.<sup>157</sup>

Belarus has particularly high hopes for co-operation with Italian regions in terms of the creation of an Italian industrial district in Brest Oblast, which was agreed upon by the parties back in 2010. Five years ago, due to the economic crisis and the reduction of production in Italy, this joint project had to be postponed for a while. But today both parties are ready to return to it again for a number of reasons. Firstly, over 85 enterprises with Italian capital are already operating in the region, and the trade turnover of region Brest with Italy in 2014 amounted to 77 million dollars. Secondly, "the industrial district is a kind of model of industrial development, tested in many regions of Italy. At the heart of this model are some large enterprises around which

<sup>155</sup> Bianchi, S. Multilateral cooperation - an indicator of mature economic relations / S. Bianchi // [Electronic resource]. - 2015. - URL: <http://delo.by/news/~shownews/2015-03-11-belarus-italija-raznostoronnee-sotrudnichestvo>

<sup>156</sup> Grishkevich Maskevich, A. The project "Sardinia Global" contributes to the improvement of vocational education in Belarus - / A. Grishkevich // [Electronic resource]. - 2014. - URL: <http://www.belta.by/society/view/proekt-sardinija-global-sodejstvuet-povysheniju-urovnja-proftekhobrazovaniya-v-belarusi-maskevich-36252-2014>

<sup>157</sup> President of Sardinia: Belarus can become a bridge for us to the markets of Russia and Eastern Europe [Electronic resource]. - 2014. - URL: <http://news.21.by/society/2014/09/16/988940.html>

other, smaller ones are concentrated, which supply them with raw materials or provide services". In other words, such a complex of interrelationships ensures the sustainability of development of both the district itself and its member enterprises, which is especially needed today.

Thirdly, on the territory of the free economic zone "Brest" there are already registered and operating "three Italian enterprises - in the area of the village of <sup>158</sup>Kozlovichi, the village of Telmy and on the site of the Brest Electromechanical Plant. <...> These are small industrial facilities related to the production of components for buses, refrigeration equipment, technologies for the production of reinforced concrete structures". Fourthly, in the middle of 2015 on the territory of the industrial zone <sup>159</sup>"Airport", where the land plots reserved for the Italian industrial district with the area of 26 hectares with the possibility of its expansion up to 200 hectares, the construction of the first enterprise of the district, which will produce lifts, has already begun. So, we should assume that in 2016 the plans related to the implementation of the flagship project of Belarusian-Italian interregional cooperation in Brest region will take on real contours.

Other Belarusian regions also have interesting prospects for co-operation with Italian partners. For example, Gomel Region, where nine companies with Italian capital were registered as of mid-2015, has been cooperating with the Italian province of Parma for almost twenty years. This province is one of the most active Italian regions in organising recuperation of Belarusian children from the areas most affected by the Chernobyl nuclear power plant accident. Since 2010, the parties have clearly identified three specific areas of cooperation: in the field of education - organisation of experience exchange for young specialists from boarding schools in ; in the field of economy - creation of joint productions; on creation of a Gomel region barrier-free environment.

In autumn 2014, an agreement on cooperation in the was also signed socio-economic and tourism sectors between Parma and five districts of the Gomel region. In July 2015, the contractual-legal base of interaction between the region and the province was supplemented with an agreement on trade and economic, scientific, technical and humanitarian cooperation. At the same time, "truly business relations were established between Belarusian and Italian farmers. According to the protocol of intentions with the Italian National Association of Breeders specialists from the Cattle had an opportunity to study the experience of work on the technique of cattle embryo

<sup>158</sup> Vechorko, S. Italian business is looking towards Belarus with increasing interest - Stefano Bianchi / S. Vechorko // [Electronic resource]. - 2015. - URL: [http://pe.ws.21.by/re\\_gional-new/s/2015/02/18/1057299.html](http://pe.ws.21.by/re_gional-new/s/2015/02/18/1057299.html)

<sup>159</sup> Vechorko, S. Construction of an enterprise for the production of lifts started near Brest / S. Vechorko // [Electronic resource]. - 2015. - URL: <http://virtualbrest.by/news32682.php>

transfer in Italy, and Chechersk districts and JSC Kormiansk Milkavita " .<sup>160</sup>

The Italian company effectively in the Gomel region. Drillmec S.p.A., which has been operating in the oil and gas equipment market since 1929, operates In the middle of 2015, it signed an agreement with the administration of the Gomel-Raton free economic zone to implement an investment project worth \$1.8 million. Back in 2010, this company became a shareholder of the Gomel enterprise JSC Seismotekhnika, which now employs over 500 Belarusian specialists and "produces stationary drilling rigs with a lifting capacity of 345 tonnes under the trade brand of the Italian company, corresponding to the European level of quality" . The new investment project is aimed at expanding existing production aimed at exporting the company's products.<sup>161</sup>

Another area of co-operation with Italian business is represented in the Gomel region by Micro Leasing, which has been operating in Belarus since 2009. The firm is interesting because it is the first financial institution with 100 per cent Italian capital registered in our country. In mid-2015, the head office of the company was opened in Gomel, and its representative offices are located in Minsk, Grodno, Brest and Mogilev. This structure provides leasing services without additional collateral obligations for the sale and purchase of transport, equipment, and other property. "Over the last four years, the value of items leased by the company totalled almost \$36 million. The number of concluded contracts during this time increased from 101 to 507" .<sup>162</sup>

In general, the Gomel Region considers agriculture, the processing industry, tourism, and a number of other areas as possible priorities in expanding economic ties with Italy. In this regard, it may be recalled that in 2015, with the participation of the head of the Belarusian state, a production line was opened at the Belarusian Metallurgical Plant in Zhlobin, where the main contractor and partner was the Italian company Dani eĭ. In addition, in the region now "on the agenda is also a programme of recuperation of about 200 Homiel children in Italy, the possibility of internship of psychiatrists in Parma" .<sup>163</sup>

Vitebsk region is not left out of productive cooperation with Italian partners, where at the end of 2014 the first in our country production of high-pressure hoses by

<sup>160</sup> Sidorchik, V. Homiel region and the Italian province of Parma signed an agreement on cooperation / V. Sidorchik // [Electronic resource]. - 2015. - URL: <http://www.belta.by/regions/view/gomelskaja-oblast-i-italijanskaja-provintsija-parma-podpisali-soglashenie-o-sotrudnichestve-150145-2015/>

<sup>161</sup> Sidorchik, V. Italian company Drillmec Implements an investment project for \$1.8 million in Gomel region / V. Sidorchik // [Electronic resource]. - 2015. - URL: .p.A. <http://www.belta.by/economics/view/italijanskaja-kompanija-drillmec-s.p.a.-realizuet-v-gomelskoj-oblasti-investproekt-na-18-mln-150061-2015/>

<sup>162</sup> Sidorchik, V. Italian Ambassador to Belarus opened a new office of the company in Gomel Micro Leasing / V. Sidorchik // [Electronic resource]. - 2015. - URL: <http://news.21.by/regional-news/2015/07/06/1096172.html>

<sup>163</sup> Lysenko, Y. Italian Parma is ready to expand cooperation with Homel region in all spheres / Y. Lysenko // [Electronic resource]. - 2016. - URL: <http://www.belta.by/regions/view/italijanskaja-parma-gotova-rasshirjat-sotrudnichestvo-s-gomelskoj-oblastju-vo-vseh-sferah-177037-2016/>

metre was opened in Orsha at the joint Belarusian-Italian enterprise Manuli Hydraulic Manufacturing Bel. Before this manufacturer appeared, high-pressure hoses were supplied to Belarus from the countries of the European Union, Russia and China. The capacity of the new production, in the creation of which 16.5 were invested million euros, is more than seven million linear metres per year. At the same time, "20% of the output will be sold on the domestic market, and 80% - through its distribution network Manulito foreign consumers". An interesting detail: for the implementation of this project, the unused production areas of the plant were reconstructed<sup>164</sup> Legmash

In Minsk Region Italian company, the L'Industria Alimentare Tanagrina, which has been operating in its country for over 35 years, plans to set up the production of mozzarella cheeses on the basis of OJSC. Molodechno Dairy Plant To this end, in February 2016, the parties signed a document in which they stipulated the terms of the project implementation: "In four months Belarus will be able to taste these cheeses". Grodno region is establishing co-operation with the Italian region<sup>165</sup> Veneto, where mechanical engineering, metallurgy, light industry, optics, agricultural production and tourism are particularly developed. "We are talking about food supplies, but it is not excluded that it will be possible to establish exports of non-food products as well". In Minsk, the Italian holding is interested in the project to utilise the Belarusian capital's<sup>166</sup> Gruppo Paoletti, whose companies process about half of Rome's municipal waste, municipal waste. Several possible areas of co-operation have already been discussed. Among them are incineration and biogas production, as well as deep processing to maximise the recovery of secondary material resources. In general, this group of companies, founded in 1967, "plans to implement a project on processing, collection, removal, sorting and utilisation of Minsk municipal waste in Belarus, to create an agricultural enterprise, as well as to build biogas and wind power plants".<sup>167</sup>

There are also regions in Italy that attract the increased attention of the Belarusian side as effective potential partners. For example, Campania region is interesting for Belarus because of its developed agro-industrial sector, food and

<sup>164</sup> Tikhonova, A. Belarus needs to develop the potential of small and medium-sized enterprises - Semashko / A. Tikhonova // [Electronic resource]. - 2014. - URL: <http://www.belta.by/economics/view/belarusi-neobhodimo-razvivat-potentsial-malyh-i-srednih-predpriyatij-semashko-61071-2014>

<sup>165</sup> Palezhay, T. Italian company plans to establish mozzarella production in Belarus / T. Palezhay // [Electronic resource]. - 2016. - URL: <http://www.belta.by/newscompany/view/italijjanskaja-kompanija-planiruet-naladit-v-belarusi-proizvodstvo-motsarelli-182738-2016/>

<sup>166</sup> Vishnevskaya, T. Grodno region intends to supply food to Italy and China / T. Vishnevskaya // [Electronic resource]. - 2015. - URL: <http://www.belta.by/regions/view/grodnenskaja-oblast-namerena-postavljat-prodovolstvie-v-italiju-i-kitaj-159163-2015/>

<sup>167</sup> Italian holding Gruppo Paoletti intends to implement three investment projects in Belarus [Electronic resource]. - 2014. - URL: <http://www.belta.by/economics/view/italijjanskij-holding-gruppo-paoletti-nameren-realizovat-v-belarusi-tri-investprojekta-50384-2014>

seafood production. There is also "a developed metallurgical industry, shipbuilding, and in these areas it is possible to create co-operation and develop cooperation" . The Belarusian side also considers Lombardy as one of the priority regional partners in Italy, where trade turnover exceeded 140 million euros in 2014. The bulk of Belarusian exports to Italy "consisted of <sup>168</sup>fabrics, leather, chemical , metals and metal products, productswood " .<sup>169</sup>

Belarus offered Italy's Piedmont to co-operate in the automotive and furniture industries. In addition, with this region "there are prospects for co-operation in the chemical industry, light industry and agriculture" . Piedmont is home to the production facilities of , the world's seventh largest car manufacturer<sup>170</sup>Fiat Chrysler Automobiles. In September 2015, the Belarusian side reached a preliminary agreement with Fiat Chrysler Automobiles on the implementation of two projects for the assembly of passenger cars and commercial vehicles: "The first step is the creation of large-unit assembly in 2016, in 2017-2018 it is expected to achieve a certain localisation - 30-50%" . In autumn 2015, the management of the Italian company also announced its interest in establishing cooperation with Belarus.<sup>171</sup>Agusta Westland, a world leader in helicopter construction,

It should be noted that Belarusian-Italian relations are entering a new stage development not only at the interstate and interregional, but also at the intersectoral level. This, in particular, is evidenced by such facts. As for the financial sphere, at the end of 2015, Banca JSC - a subsidiary of GroupIntesaIntesa Sanpaolo , which is one of the largest in the eurozone and the absolute leader of the banking services market in Italy - granted the Development Bank of Belarus a loan of 15 million euros - "for two years on market conditions" . The point here, of course, is not so much the amount of the loan, but rather<sup>172</sup> confidence in the transparent and well-regulated financial system of Belarus. The Chamber of Commerce "Italy-Belarus" - the only national organisation specialising in Italian-Belarusian economic cooperation, which is officially recognised by the Italian Foreign Ministry - plans to significantly intensify its work in 2016. Operating since 2009, this structure was completely reorganised at the beginning of

<sup>168</sup> Markovich, E. Belarus and Italy have great potential for the development of trade and economic relations - Bel CCI / E. Markovich // [Electronic resource]. - 2013. - URL: <http://www.belta.by/economics/view/u-belarusi-i-italii-bolshoi-potentsial-dlia-razvitiia-torgovo-ekonomicheskikh-otnosheni-j-beltpp-30121-2013>

<sup>169</sup> Andrei Kobyakov met with the President of the Lombardy region [Electronic resource]. - 2015. - URL: <http://www.government.by/ru/content/6032>

<sup>170</sup> Andrei Kobyakov met with the President of the Regional Assembly of Piedmont [Electronic resource]. - 2015. - URL: <http://www.government.by/en/content/6034>

<sup>171</sup> Andrei Kobyakov visited the concern "Fiat Chrysler Automobiles" [Electronic resource]. - 2015. - URL: <http://www.government.by/ru/content/6033>

<sup>172</sup> Pivovar, E. A transparent and well-regulated financial system has been created in Belarus - the head of the Italian bank / E. Pivovar // [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/v-belarusi-sozdana-prozrachna-i-horosho-otregulirovannaia-finansovaja-sistema-glava-italijjanskogo-173977-2015>

2015 to continue to be "a reference point of public importance in Italy for ministries, regional chambers of commerce and industry, state bodies, banks and local institutions on all issues related to business relations with Belarus".<sup>173</sup>

As we can see, the complex of measures taken by both sides testifies to the seriousness of the intentions of the Republic of Belarus and the Republic of Italy to fix their relations at a much higher qualitative level in the very near future in order to jointly confront modern challenges.

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<sup>173</sup> NACP and the Italian-Belarusian Chamber of Commerce will hold Skype conferences for investors [Electronic resource]. - 2015. - URL: <http://news.21.by/economics/2015/03/30/1068776.html>

## CHAPTER 8

### **Belarus-Pakistan: a formula of mutual complementarity**

The development of Belarusian-Pakistani relations over the past few years can be called a clear example of putting into practice the strategy of the Republic of Belarus to strengthen its relations with the countries of the so-called "far arc". Back in 2011, Islamabad expressed hope "for the intensification of bilateral relations between Belarus and Pakistan". In 2012, Minsk also expressed a very clear conviction that "sustainable development of Belarusian-Pakistani relations in all areas will allow to bring mutual cooperation to a new level"<sup>174</sup>. And in 2013, they already talked about opportunities to "intensify trade and economic ties, primarily by increasing supplies of Belarusian machine-building products that have proven themselves on the Pakistani market"<sup>175</sup>.<sup>176</sup>

Belarus is well aware that as the sixth country in the world in terms of population - about 200 million people - and the seventh in terms of agricultural exports, Pakistan is a very capacious market and a promising partner not only in agricultural machinery, where our machinery is "the basis of Belarusian exports to Pakistan, which in 2013 totalled more than \$42 million". This also suggests that it is time to seriously expand the naturally established formula of Belarusian-Pakistani<sup>177</sup> relations, which is still based on the mutual complementarity of the two countries' economies: "In terms of net trade, there are quite certain prospects for us in the Pakistani market in terms of heavy-duty dump trucks, road-building, municipal and agricultural machinery, and petrochemical products". Pakistan, on the other hand, has traditionally supplied the Belarusian market with textile products, rice, vegetables, fruits and vegetables. Taking these arguments into account<sup>178</sup> led to the fact that the Belarusian side opened a diplomatic mission in this South Asian country in 2014, and trade turnover increased to almost \$60 million. At that time, supplies of Belarusian potash fertilisers to the Pakistani market increased significantly - by two times, parts and accessories for cars and tractors - by almost a third, and synthetic thread harnesses - by 20%. However, 2015 was a truly breakthrough year for Minsk and Islamabad, with the visit of the

<sup>174</sup> On the presentation of credentials [Electronic resource]. - 2011. - URL: [http://mfa.gov.by/press/news\\_mfa/f2183ccf6e73f640.html](http://mfa.gov.by/press/news_mfa/f2183ccf6e73f640.html)

<sup>175</sup> Alexander Lukashenko congratulated President of the Islamic Republic of Pakistan Asif Ali Zardari on Independence Day [Electronic resource]. - 2012. - URL: [http://president.gov.by/ru/news\\_ru/view/aleksandr-lukashenko-pozdravil-prezidenta-pakistana-asifa-ali-zardari-s-dnem-nezavisimosti-4003/](http://president.gov.by/ru/news_ru/view/aleksandr-lukashenko-pozdravil-prezidenta-pakistana-asifa-ali-zardari-s-dnem-nezavisimosti-4003/).

<sup>176</sup> About the meeting of Ambassador of Belarus to Russia I. Petrishenko with Ambassador of Pakistan to Russia A. Babar. Babar [Electronic resource]. - 2013. - URL: [http://mfa.gov.by/press/news\\_mfa/d503da6196449e39.html](http://mfa.gov.by/press/news_mfa/d503da6196449e39.html)

<sup>177</sup> Answers of the Head of the Information Department - Press Secretary of the Ministry of Foreign Affairs of Belarus Dzmitry Mironchik to the questions of journalists during the briefing held on 22 May 2014 [Electronic resource]. - 2014. - URL: [http://mfa.gov.by/press/news\\_mfa/a57b88663cc28b13.html](http://mfa.gov.by/press/news_mfa/a57b88663cc28b13.html)

<sup>178</sup> Interview Extraordinary ^ Ambassador and Plenipotentiary of the Republic of Belarus to Pakistan Andrei Yermolovich to the Belarusian Telegraph Agency (7 August 2015) [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/press/smi/d12ddfe19d932532.html>



Belarusian head of state to Pakistan in May, which culminated in the adoption of the Islamabad Declaration of Belarusian-Pakistani Cooperation, in which the parties consolidated the main principles of the political dialogue and signed "a package of two dozen documents aimed at expanding cooperation between Belarus and Pakistan in various areas, including industry, agriculture and food, science and technology, investment, information and ".<sup>179</sup>communication

It is noteworthy that the list of Belarusian-Pakistani documents signed in May 2015 includes three documents related to information and media: the Memorandum of Understanding between the Government of Belarus and the Government of Pakistan on cooperation in the field of information and communications; the Agreement on Cooperation between the National State Television and Radio Company of Belarus and Pakistan Television Corporation; and the Memorandum of Understanding between the Belarusian Telegraph Agency (BELTA) and the Associated Press of Pakistan Corporation. In addition, the Pakistani side expressed readiness to promote the TV channel Belarus 24 in Pakistan. It should be noted that the signed documents contain specific cooperation programmes. In particular, they envisage the exchange of journalists, assistance of the parties in the work of journalists in the territory of the two countries. In addition, the Pakistani side has shown great interest in journalistic education in Belarus, in cooperation in the exchange of cultural programmes, in the creation of joint multi-part films. An agreement was reached on joint television projects. The Belarusian side considers it important to "establish a regular operative exchange of news information" .<sup>180</sup>

Obviously, the fulfilment of all these agreements will contribute to the development of cooperation in the media sphere, the importance of which is only growing every year. After all, the very fact of signing the above-mentioned documents shows that for Pakistan, as well as for Belarus, "positive, creative information is relevant. The country is actively looking towards Europe. It sees Belarus as an island of stability. <...> The economy will move only when countries and peoples understand each other better" . In this regard, it is important for citizens of Belarus and Pakistan to have timely and comprehensive access to information related to bilateral interaction. After all, intensive <sup>181</sup>media and information co-operation only contributes to the

<sup>179</sup> Belarus and Pakistan signed the Islamabad Declaration of Bilateral Partnership [Electronic resource]. - 2015. - URL: [http://president.gov.by/ru/news\\_ru/view/belarus-i-pakistan-podpisali-islamabadskuju-deklaratsiju-dvustoronnego-partnerstva-11453/](http://president.gov.by/ru/news_ru/view/belarus-i-pakistan-podpisali-islamabadskuju-deklaratsiju-dvustoronnego-partnerstva-11453/).

<sup>180</sup> Palezhay, T. BELTA and Associated Press of Pakistan signed a memorandum of understanding / T. Palezhay // [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/belta-i-associated-press-of-pakistan-podpisali-memorandum-o-vzaimoponimanii-3641-2015/>.

<sup>181</sup> Palezhay, T. Pakistan shows great interest at all levels to Belarus - Ananich / T. Palezhay // [Electronic resource]. - 2015. - URL: <http://www.belta.by/politics/view/pakistan-projavljaet-ogromnuju-zainteresovannost-na-vseh-urovnjah-k-belarusi-ananich-3628-2015/>.

expansion of economic and cultural contacts between representatives of the two countries and the implementation of joint projects. There is no doubt that such interaction between the two countries located on different continents will be actively developing in the very near future.

Thus, back in May 2015, when the Belarusian head of state visited Pakistan, Minsk and Islamabad agreed that, given the rapid development of partnership ties between the countries, a joint Belarusian-Pakistani commission should become the centre of bilateral relations, elaboration, and decision-making in trade and economic cooperation. Its first meeting was held in August 2015 in Minsk. At the meeting, the parties agreed to "expand cooperation, in particular, in industrial cooperation, geology, healthcare and pharmaceuticals, housing and infrastructure development, interregional cooperation, science and technology, culture and education".<sup>182</sup>

It is only natural that Pakistan is for industrial cooperation, as the intentions of the two countries complement each other quite organically. Thus, Minsk sees the creation of industrial assembly plants for Belarusian machinery and joint ventures to produce dairy products based on Belarusian technologies and raw materials as a promising vector of forward movement in Pakistan. At the same time, Islamabad proposes to set up joint ventures in Belarus to produce textile products from Pakistani raw materials. For this purpose, that Belarus and at the top of the list of priority areas the Belarusian side even declared at the first meeting of the joint commission its readiness "to provide a production site for a textile enterprise in the city of Baranovichi - one of the largest textile in the entire post-Soviet space". The creation of a joint venture on the premises of the Brest Carpet Factory also looks promising.<sup>183</sup>

The implementation of these and a number of other projects of Belarusian-Pakistani industrial cooperation would mark a trend of gradual transition from simple trade to more advanced forms of bilateral interaction and could have a positive impact on the state of mutual trade volumes, which have fluctuated between \$50 million and \$129 million over the past eight years. The target set at the summit in 2015 aims at increasing trade turnover between Belarus and Pakistan to one billion dollars. The implementation of the Roadmap of Bilateral Cooperation for 2015-2020, which was signed by the parties in November 2015, should help to meet this target.

This document deals with several main areas of joint activities. First, Pakistan will be supported in initiating negotiations on a free trade area agreement with the Eurasian Economic Union and its member states. Secondly, the structure of Belarusian-Pakistani trade will be optimised through joint research to identify promising areas of

<sup>182</sup> On the first meeting of the Joint Belarusian-Pakistani Commission on Trade and Economic Cooperation [Electronic resource]. - 2015. - URL: [http://mfa.gov.by/press/new\\_s\\_mfa/e8da2c1a2ab59907.html](http://mfa.gov.by/press/new_s_mfa/e8da2c1a2ab59907.html)

<sup>183</sup> Andrei Kobyakov met with the Prime Minister of Pakistan Nawaz Sharif [Electronic resource]. - 2015. - URL: <http://www.government.by/en/content/5984/>

economic cooperation. Third, the roadmap specifically envisages the establishment of joint ventures and assembly plants for Belarusian tractors and automotive equipment in Pakistan. At the same time, "interaction in the textile industry will be actively developed. In particular, we are talking about setting up joint production facilities in Belarus and Pakistan for further supplies of manufactured products to the markets of both countries and the Eurasian Economic Union". The issues of supplying MTZ tractors, combine harvesters to the Pakistani market will also be discussed<sup>184</sup> Gomselmash, MAZ trucks, road-building machinery, Amkodor Belshina tyres and products Bellegprom.

Within the framework of the joint commission foreseen to focus their attention on specific issues of Belarusian-Pakistani interaction trade and economic cooperation, working groups in various areas - industry and agriculture - are. Thus, at the first meeting of the bilateral working group on industry, the parties plan to consider a draft intergovernmental agreement on cooperation in the field of industrial and scientific-technical cooperation. In addition, in 2015, Belarus and Pakistan set up a joint commission on military-technical cooperation to develop cooperation in the field of electronic warfare, and signed an agreement on military-technical cooperation, which "is concluded for a five-year term and provides for the mutual sale of weapons and design work, training of military specialists, and exchange of information".<sup>185</sup>

The first meeting of the joint Belarus-Pakistan Commission for Cooperation in Science and Technology was held in August 2015. It should be noted that representatives of Pakistani science travelled to Belarus for the first time in March 2015. At that time, the parties agreed to implement joint projects, for which they envisaged the possibility of creating a joint funding fund. At the same time, Pakistan declared its readiness to "provide funding in the field of scientific and technical cooperation". The Pakistani side was interested, first of all, in co-operation in space research, biotechnology, as well as agricultural engineering and agrarian technologies. The agenda of the first meeting of the joint commission also included the issues of "expanding scientific and technical cooperation in the development and organisation of production of modern micro- and <sup>186</sup>nanoelectronic devices, cooperation in geological exploration". In October 2015, Minsk hosted the first Belarusian-Pakistani scientific seminar, during which scientists of the two countries discussed the most

<sup>184</sup> Belarus and Pakistan signed the Roadmap for Cooperation [Electronic resource]. - 2015. - URL: <http://www.government.by/ru/content/6106>

<sup>185</sup> Belarus plans to supply small arms sights to Pakistan [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/belarus-planiruet-postavljat-v-pakistan-pritsely-dlja-strelkovogoruzhija-173398-2015/>.

<sup>186</sup> Scientists of Belarus and Pakistan plan to create a joint fund for financing scientific developments [Electronic resource]. - 2015. - URL: [http://atom.belta.by/ru/news\\_belta/view/news\\_belta/view/uchenve-belarusi-i-pakistana-planiruiut-sozdat-sovmestnvi-fond-finansirovaniia-nauchnyx-razrabotok-5200/t id/1](http://atom.belta.by/ru/news_belta/view/news_belta/view/uchenve-belarusi-i-pakistana-planiruiut-sozdat-sovmestnvi-fond-finansirovaniia-nauchnyx-razrabotok-5200/t id/1)

promising areas of<sup>187</sup> cooperation, as well as "directions for the implementation of joint projects in information technologies, physical and technical sciences, chemistry and earth sciences, biological and medical sciences" . Finally, in early 2016, the parties announced<sup>188</sup> the planned establishment of the Belarusian-Pakistani Centre for establishment of Coordination of Scientific, Technical and Innovative Cooperation, which "will facilitate the cooperation between Belarusian and Pakistani research organisations and more efficient use of funds and resources" .<sup>189</sup>

In March 2016, the implementation of the Roadmap's main activities was considered at the second meeting of the joint Belarus-Pakistan Commission on Trade and Economic Cooperation, which was held in the Pakistani city of Lahore. After discussing topical issues of partnership development, the parties agreed to intensify trade and economic cooperation and interaction "in the sphere of economy, standardisation and certification, customs, aviation, pharmaceuticals, industrial and agricultural cooperation" .<sup>190</sup>

Another effective way to develop and strengthen Belarusian-Pakistani economic ties is to hold joint business and investment forums. The first such forum, held in May 2015 in Islamabad, brought together, on the Belarusian side, representatives of 25 companies operating in oil refining, agriculture, engineering, medicine, chemicals, light industry, and trade enterprises. On the part of Pakistan, representatives of 60 companies took part in the forum. And already on the first day of the forum they "signed contracts worth \$42 million" . Such a high performance is explained by the fact that such forums are a very convenient platform for publicising the intentions of the parties in terms of developing business cooperation. Thus, during the first forum, the Pakistani side expressed its interest in fabrics produced by Belarusian enterprises, in particular, <sup>191</sup>polyviscose, and in the creation of joint production of Belarusian linen and Pakistani cotton. The Belarusian side, in turn, special interest showed in the

<sup>187</sup> Belarus and Pakistan discuss in Minsk the expansion of scientific and technical cooperation [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/belarus-i-pakistan-obsuzhdajut-v-minske-voprosy-rasshirenija-nauchno-technicheskogo-sotrudnichestva-158424-2015/>.

<sup>188</sup> Pakistani scientists are interested in developing co-operation with NAS in the field of biotechnology and IT [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/pakistanskije-uchenye-zainteresovany-v-razvitii-sotrudnichestva-s-nan-v-oblasti-biotehnologii-i-it-165353-2015/>.

<sup>189</sup> Mihovich, S. Belarus and Pakistan will create a centre for coordination of scientific, technical and innovative cooperation / S. Mihovich // [Electronic resource]. - 2016. - URL: <http://www.belta.by/society/view/belarus-i-pakistan-sozdadut-tsentr-po-koordinatsii-nauchno-technicheskogo-i-innovatsionnogo-179316-2016/>.

<sup>190</sup> Grishkevich, A. Belarus and Pakistan at the meeting of the trade and economic commission agreed to intensify contacts / A. Grishkevich // [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/belarus-i-pakistan-na-zasedanii-torgovo-ekonomicheskoi-komissii-dogovorilis-aktivizirovat-kontakty-184571-2016/>.

<sup>191</sup> Palezhay, T. Belarus and Pakistan concluded contracts for \$42 million / T. Palezhay // [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/belarus-i-pakistan-zakljuchili-kontrakty-na-42-mln-3446-2015>

Pakistani leather industry, as this country produces high-quality leather for both the footwear and furniture industries. In the opinion of the parties, the most optimal option for cooperation "is mutual provision of services, in particular, supply of favourable raw materials from Pakistan and production of fabrics from them in Belarus".<sup>192</sup>

Co-operation with Pakistan in the machine-building sector is even more important for Belarus. After all, in the best years the Minsk Tractor Plant used to supply more than 12 thousand machines to this South Asian country annually, while now it supplies less than three thousand. That is why Minsk sets a task - "not just to return its positions and supply the same 12 thousand tractors, but to increase supplies up to 20 thousand". And the first steps in this direction were made at the first business and investment forum, within the framework of which signed a contract with Pakistani company<sup>193</sup> MTW MTW RAK Assembling Industries for the supply of 2000 tractor kits and 500 fully assembled tractors. Belarusian Automobile Plant has plans to expand its presence in the Pakistani market. Among its partners there are companies engaged in the construction sector, coal, copper, silver and gold mining. We would like to remind you that Pakistan is actively developing large infrastructure projects related to the development of deposits, so Belarusian heavy-duty trucks may be in high demand here.

The first Belarusian-Pakistani business and investment forum proved to be important also in the sense that within the framework of the forum, a proposal was made to set up a Belarusian-Pakistani Business Council, which would be open not only to members of chambers of , but also to any representatives of the business community wishing to receive consultations or facing any problems. After all, the essence of the business council is "to help commerce and industry businesses solve those problems that exist in cooperation, to bring them to the government, including providing consulting assistance to businesses wish to cooperate".<sup>194</sup>

The first meeting of the Business Council took place in August 2015. At , the parties outlined the priority and most promising areas of co-operation. In particular, Pakistani companies expressed interest in establishing business ties with Belarusian partners "in the chemical and textile industries (sale of cotton, fabrics, and materials), machine building (purchase of industrial, quarry, and agricultural machinery and spare parts for Belarusian machinery). Potential partners are also interested in the processing and sale of raw materials for the construction industry and export of agricultural

<sup>192</sup> Polezhay, T. Belarus and Pakistan show mutual interest in cooperation in the light industry / T. Polezhay // [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/belarus-i-pakistan-projavljajut-obojudnyj-interes-k-kooperatsii-v-legkoj-promyshlennosti-3447-2015/>.

<sup>193</sup> Belarus and Pakistan need to reach a trade turnover of \$1 billion - Vovk [Electronic resource]. - 2015. - URL: <http://news.21.by/economics/2015/06/07/1088104.html>

<sup>194</sup> Polezhay, T. Belarus and Pakistan create a business council / T. Polezhay // [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/belarus-i-pakistan-sozdajut-delovoj- sovet-3522-20155>

products (vegetables, fruits, legumes and cereals, rice, sunflower oil)" . From the Belarusian side, the goal was outlined - to increase the volume of tractor deliveries to 25 thousand per year by 2020, create assembly plants of MAZ, <sup>195</sup>to , to enter the Pakistani market with quarry equipmentGomselmashBelAZ . "The implementation of these plans will allow the enterprises of the Ministry of Industry to increase exports to \$400 million per year" . Already in November 2015, Islamabad hosted the next Belarusian-Pakistani Business and Investment Forum, during which eight more contracts worth about \$55 million were signed, including the delivery of the first batch of products of the glass factory "Neman" to the market of this <sup>196</sup>South Asian country. And it was noted that already "mutual deliveries on the commodity nomenclature of foreign economic activity exceed 10 positions" . All these facts testify to one thing: the formats of interaction used by Minsk and Islamabad have justified themselves, although their potential is only beginning to be realised. As well as the potential of interregional co-operation.<sup>197</sup>

It was announced back in May 2015 during the visit of the Belarusian leader to Islamabad that interaction between the regions of Belarus and Pakistan was an important component of the bilateral relations. At that time, Mahiliou Regional Executive Committee and the Punjab provincial government signed the relevant agreement. At the high level, the two sides expressed mutual confidence that "otherwill eventually join this dynamic of contacts regions of Belarus and Pakistan " .<sup>198</sup>

As for the Mogilev region and the Punjab province, they indeed have a wide range of opportunities for mutually beneficial co-operation in many spheres and sectors of economic activity. This applies to machine and lift construction, mining equipment, agricultural production. For reference, we note that this province accounts for more than half of Pakistan's gross domestic product. The region has a great potential for the development of mineral resources, coal reserves here amount to 600 million tonnes. Large deposits of iron ore have been discovered. There is also concentrated, for example, the main Pakistani production of sports equipment and inventory. The province is interested in buying skimmed milk powder, agricultural machinery and

<sup>195</sup> <sup>1</sup>Businessmen of Belarus and Pakistan will discuss opportunities for expanding cooperation in Minsk on 11 August [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/businessmen-belarusi-i-pakistana-obsudjat-11-avgusta-v-minske-vozmozhnosti-rasshirenija-sotrudnichestva-158332-2015/>.

<sup>196</sup> <sup>1</sup>The Ministry of Industry plans to increase deliveries of MAZ machinery to Pakistan up to 1.5 thousand units per year by 2020 [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/minprom-planiruet-k-2020-godu-narastit-postavki-tehniki-tehniki-maz-v-pakistan-do-15-tys-edinit-v-god-163829-2015/>.

<sup>197</sup> Ogneva, Y. Contracts worth about \$55 million signed at the Belarusian-Pakistani Business and Investment Forum / Y. Ogneva // [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/kontrakty-na-summu-okolo-55-mln-podpisany-na-belorussko-pakistanskom-delovom-i-investitsionnom-forume-169765-2015/>.

<sup>198</sup> Official visit of Prime Minister of Pakistan Nawaz Sharif to Belarus [Electronic resource]. - 2015. - URL: [http://president.gov.by/ru/news\\_ru/view/ofitsialnyj-vizit-premjer-ministra-pakistana-navaza-sharifa-11909/](http://president.gov.by/ru/news_ru/view/ofitsialnyj-vizit-premjer-ministra-pakistana-navaza-sharifa-11909/).

equipment, and forestry products from Mogilev's partners.

The share of Pakistan in the foreign trade turnover of the Mogilev Region with countries outside the Commonwealth of Independent States in 2014 was only 0.3 per cent. Tyres and tyres of were mainly exported to the Pakistani marketBelshina, as well as parts and accessories for cars and tractors . But already in 2015, the supplies of Mogilev began to grow. "At the same time, the textile industry of the Mogilev region needs cotton, cotton fibre, Pakistani fabrics. Also the region is interested in importing surgical <sup>199</sup> instruments, leather, some types of resources" . <sup>199</sup>

Among other Pakistani regionsinterested in building up , Sindh province is and investment cooperation with Grodno and Homiel, "including within the framework of the cooperation agreement signed in 2015trade, economic " , as well as Khyber province<sup>200</sup>Pakhtunkhwa , where the president of the Chamber of Commerce and Industry has already discussed "options for involving business circles of both countries in trade and economic interaction" . But, perhaps, the most significant in the perspective of interregional cooperation may be the interaction between Belarusian and Pakistani partners in the province of Balochistan, where the portis located<sup>201</sup>Gwadar , from which the China-Pakistan Economic Corridor begins, . This project, located at the crossroads of the Silk Road Economic Belt and the 21st century Maritime Silk Road, is of particular interest in Minsk, which even suggested creating a special working group in the joint Belarusian-Pakistani commission to assess the possibility of Belarusian participation in the project, as "the Minsk-Beijing-Islamabad triangle, given the complementarity of each in the geographical and economic sense, may become a promising formula for interaction" . <sup>202</sup>

The China-Pakistan Economic Corridor, the implementation of which was announced by Chinese President Xi Jinping during his visit to Pakistan in April 2015, involves the construction of three thousand kilometres of roads, railways and pipelines from the Pakistani port of Gwadar to the Chinese city of Kashgar in the Xinjiang Uygur Autonomous Region. This is done so that in the near future oil from the Middle East through Gwadar through the transport corridor across Pakistan will go to China, and in the opposite direction will be sent Chinese goods. For the implementation of this project, the Chinese side has already formed a large-scale investment portfolio in the

<sup>199</sup> Kulyagin, S. Mogilev region and Pakistan are interested in expanding economic ties - Domanevsky / S. Kulyagin // [Electronic resource]. - 2015. - URL: <http://www.belta.by/news-headers/view/mogilevskaja-oblast-i-pakistan-zainteresovany-v-rasshirenii-ekonomicheskix-svjazej-domanevskij-2529-2015>

<sup>200</sup> On the working trip of Ambassador of Belarus A. Yermolovich to Karachi. Yermolovich in Karachi [Electronic resource]. - 2015. - URL: [http://mfa.gov.by/press/news\\_mfa/cec9d046d6b650e6.html](http://mfa.gov.by/press/news_mfa/cec9d046d6b650e6.html)

<sup>201</sup> About the meeting of the Ambassador of Belarus to Pakistan A. Yermolovich with the President of the Chamber of Commerce and Industry of Khyber Province Pakhtunkhwa [Electronic resource]. - 2015. - URL: [http://mfa.gov.by/press/news\\_mfa/c31fa31b399f3e59.html](http://mfa.gov.by/press/news_mfa/c31fa31b399f3e59.html)

<sup>202</sup> Official visit of Prime Minister of Pakistan Nawaz Sharif to Belarus [Electronic resource]. - 2015. - URL: [http://president.gov.by/ru/news\\_ru/view/ofitsialnyi-vizit-premier-ministra-pakistana-navaza-sharifa-11909/](http://president.gov.by/ru/news_ru/view/ofitsialnyi-vizit-premier-ministra-pakistana-navaza-sharifa-11909/)



amount of 46 billion dollars, and has also received the right to operate the said Pakistani port for a period of forty years.

Note that "China is currently involved in more than 200 projects in Pakistan, employing some 14,000 engineers and technicians". Opening to China "the shortest route to the Middle East and directly to the oil sources in the Arabian Peninsula, where over 60 per cent of China's oil imports <sup>203</sup>currently come from", Pakistan is now becoming China's main partner in implementing the Silk Road strategy. Perhaps for this reason, <sup>204</sup> bilateral Sino-Pakistani documents include a provision on "all-weather relations of strategic co-operation and partnership", which is for China "the highest measure of the level of co-operation and achieved trust in bilateral relations with a foreign country". <sup>205</sup>

Another interesting fact is this. On the basis of this China-Pakistan cooperation, an agreement has already emerged on the inclusion of into the transport infrastructure of an Iranian-Pakistani gas pipeline, the contents of which can also be sent to China. In general, the emergence of this economic corridor should fundamentally change the socio-economic situation in Balochistan province, creating a zone of economic growth here. In addition, as this project is implemented, it could become "a key transport artery for landlocked Central Asian republics such as Afghanistan, Uzbekistan and Tajikistan, as well as an important logistics centre for cargo transportation to Bangladesh, Iran, Iraq and Sri LankaGwadar". Thus, the possible involvement of Belarus in the implementation of this China-Pakistan megaproject seems to be a very tempting prospect that can give powerful impulses to the Belarusian side in terms of strategic coordination and deepening practical cooperation with other participants of the Silk Road Economic Belt. <sup>206</sup>

<sup>203</sup> Manukyan, J. Economic corridor China - Pakistan will be guarded by 10 thousand military / J. Manukyan // [Electronic resource]. - 2016. - URL: <http://ria.ru/world/20160204/1369419737.html>.

<sup>204</sup> Antipov, K.V. The economic corridor "China-Pakistan" opens the Silk Road to the West / K.V. Antipov // China in World and Regional Politics. History and Modernity. - 2015. - №20. - C. 262.

<sup>205</sup> Antipov, K.V. The economic corridor "China-Pakistan" opens the Silk Road to the West / K.V. Antipov // China in World and Regional Politics. History and Modernity. - 2015. - №20. - C. 261.

<sup>206</sup> Analytical review: Economic corridor and port in Gwadar - key highlights in Xi Jinping's trip to Pakistan [Electronic resource]. - 2015. - URL: [http://russian.news.cn/china/2015-04/19/c\\_134163963.htm](http://russian.news.cn/china/2015-04/19/c_134163963.htm)



## CHAPTER 9

### **Belarus-Ecuador: a new page in bilateral relations**

Over the next five years, the foreign economic policy of the Republic of Belarus envisages achieving sustainable growth of the country's export potential while ensuring a surplus in foreign economic activity. One of the important priorities in this regard is further intensification of trade and economic relations with promising, fast-growing economies and capacious markets in South-East Asia, the Middle East, Africa and Latin America. Cooperation with Latin America, a region that is dynamically developing and consistently strengthening its position as one of the growth centres of the global economy, has gained special importance in Belarusian foreign policy in recent years. "From year to year, co-operation with Latin American countries covers new areas and is filled with new content". Suffice it to say that in 2012 the trade turnover between Belarus and the states of the region exceeded two billion dollars. At the same time, Belarus's interaction with such a Latin American country as Ecuador has become particularly dynamic.<sup>207</sup>

The conceptual foundations of Ecuador's foreign policy are based on principles that are close and understandable to Belarus - respect for sovereignty and territorial integrity, non-interference in internal affairs, and resolution of disputes by political means. This Latin American country supports the need to create a global system to counter modern challenges and threats, and is in favour of banning nuclear tests and all types of weapons of mass destruction. Quito to be the optimal and most effective instrument for the formation of a new world order on a just and democratic basis considers multilateral diplomacy, and focuses on in regional issues integration processes.

Perhaps for this reason, Belarus and Ecuador are currently cooperating very fruitfully within the framework of various international organisations. Thus, Belarus' support for Ecuador's candidature to the UN Human Rights Council, as well as for the Ecuadorian initiative of an agreement on transnational corporations and human rights within the framework of the United Nations, has been significant. In addition, the Belarusian side confirmed its support for Ecuador's candidature to the UN International Law Commission. Ecuador, on the other hand, supports the Belarusian position within the UN and condemns the unilateral nature of the reports of the Special Rapporteur on Human Rights. In addition, Quito notes the role of Minsk in the peaceful resolution of the crisis in Ukraine.

As for the economy, in this agrarian-industrialised country, the a leading role

<sup>207</sup> Alexander Lukashenko accepted credentials of ambassadors of foreign countries [Electronic resource]. - 2013. - URL: [http://president.gov.by/ru/news\\_ru/view/aleksandr-lukashenko-prinjal-veritelnye-gramoty-poslov-zarubezhnyx-gosudarstv-5078/](http://president.gov.by/ru/news_ru/view/aleksandr-lukashenko-prinjal-veritelnye-gramoty-poslov-zarubezhnyx-gosudarstv-5078/).

in managing strategic sectors - energy, transport, the development of state plays natural resources, and telecommunications. "Ecuador is actively engaged in a process of industrialisation. There is a great desire to change the economic pattern of the country - to move away from the image of a supplier of raw materials and to achieve industrialisation, through which we plan to improve the well-being of the people non-renewable ". Now here is the National Plan for the Good Life 2013-2017, whose main objective is to modernise the economy, eradicate extreme poverty and destitution, and improve the well-being of all Ecuadorians. The plan includes political and economic reform, the creation of modern infrastructure, the provision of affordable housing for all those in need, and breakthroughs in science and education. In total, the document outlines over a hundred objectives, with a total of \$70 billion to be spent, which<sup>208</sup> should "lead to the construction of a 'socialism of the good life' in the country under the predominant control of the state, with the parallel development of democracy, popular participation in government, and the creation of a society in which the individual is above the power of capital" .<sup>209</sup>

Among Ecuador's strategic objectives is to achieve full energy independence. At present, "eight hydroelectric power plants are being built here, which will meet the need for electricity and even provide an opportunity to export energy to neighbours" . It is also planned to create its own national petrochemical and oil refining enterprises and metallurgical complex. That is why the Ecuadorian Government, adhering to the course of restructuring and modernisation of the national economy, sees among the most important development priorities<sup>210</sup> activation of its foreign policy, significant strengthening of foreign economic activity, and expansion of international cooperation, including with the countries that are members of the Commonwealth of Independent States.

January 2017 will mark a quarter of a century since the establishment of diplomatic relations between Belarus and Ecuador. However, it was only in 2010 that an official Belarusian delegation visited this Latin American country for the first time. The official visit of the Belarusian head of state to Quito in June 2012 gave a powerful impetus to the intensification of bilateral partnership ties, which laid the foundation for the formation of the legal framework of the Belarusian-Ecuadorian relations. Among the bilateral documents signed then were agreements on cooperation in higher education, science, technology and innovation, military and technical cooperation, the

<sup>208</sup> Espinel, J.G. Interaction between Ecuador and Belarus is developing rapidly / J.G. Espinel // [Electronic resource]. - 2013. - URL: <http://www.belta.by/interview/view/vzaimodejstvie-mezhdu-ekvadorom-i-belarusju-razvivaetsja-stremitelnyimi-tempami-4045/>.

<sup>209</sup> Moiseev, A. Ecuador is full of hopes / A. Moiseev // [Electronic resource]. - 2013. - URL: <https://interaffairs.ru/news/show/10145>

<sup>210</sup> Sawala, P.^. Our country lived better before oil exports / P.Ch. Sawala // [Electronic resource]. - 2014. - URL: <http://malina.am/Series/savala994941>

Memorandum of Understanding between the Belarusian Chamber of Commerce and Industry and the Ecuadorian Institute for Export Promotion and Investment Attraction PRO ECUADOR, the Protocol of Intentions between the Ministry of Architecture and Construction of Belarus and the Ministry of Urban Development and Housing of Ecuador on cooperation in urban and regional planning, and the Protocol of Intentions between the Ministry of Architecture and Construction of Ecuador and the Ministry of Housing of Ecuador on cooperation in urban and regional planning. Two years later, the list of documents signed by the parties was supplemented by an intergovernmental agreement on mutual visa cancellation and a Memorandum of Understanding and Cooperation between the Ministry of Agriculture and Food of the Republic of Belarus and the Ministry of Agriculture, Livestock, Aquaculture and Fisheries of the Republic of Ecuador.

New bilateral documents appeared in 2015. In August, an Agreement on Academic Cooperation between the National Secretariat of Higher Education, Science and Technology of Ecuador and the Belarusian National Technical University. In September - Agreement on Academic Cooperation between the Institute of Higher National Studies of Ecuador and the Academy of Administration under the President of the Republic of Belarus. The Ecuadorian side explained the appearance of this document by the fact that it "has a special interest in the training of managerial personnel and considers Belarus as one of the countries where such training can be carried out. In particular, this concerns co-operation with the Academy of Management, including in the field of scientific research" . In September 2015, a Memorandum of Understanding and Cooperation was signed between<sup>211</sup> the State Committee for Science and Technology of the Republic of Belarus and the Ecuadorian state-owned enterprise Yachay EP, which refers to the intention of the parties to cooperate "in scientific, industrial, technical and innovative spheres in a number of areas, including energy, innovative, communication and space technologies, new materials, biotechnology and nanoindustry" .<sup>212</sup>

In November 2015, the Ministries of Health of the two countries adopted a Memorandum of Understanding in which they outlined the main areas of cooperation - "joint research in the field of health care, treatment of rare diseases, <...> implementation of joint projects in personnel training, coordination of scientific programmes and research projects" , with a special focus on the supply of Belarusian medicines to the Ecuadorian market. In January 2016, the Belarusian-Ecuadorian

<sup>211</sup> Ecuador is interested in the training of managerial personnel in Belarus [Electronic resource]. - 2015. - URL: [http://www.pac.by/ru/news-feeds/news/ekvador-zainteresovan-v-podgotovke-upravlencheskix-kadrov-v-belarusi\\_i\\_0000005166.html](http://www.pac.by/ru/news-feeds/news/ekvador-zainteresovan-v-podgotovke-upravlencheskix-kadrov-v-belarusi_i_0000005166.html)

<sup>212</sup> SCST and Ecuadorian enterprise Yachay EP signed a memorandum of understanding and cooperation [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/gknt-i-ekvadorskoe-predpriyatie-yachay-ep-podpisali-memorandum-o-vzaimoponimanii-i-sotrudnichestve-161956-2015/>

intergovernmental agreement on the the light of <sup>213</sup>avoidance of double taxation and prevention of tax evasion with respect to income and property taxes, aimed at settling tax relations between the two countries and promoting trade and economic co-operation on mutually beneficial terms, sawday. "The main objectives of the document are the allocation of taxation rights between the states, elimination of double taxation, and exchange of information between the tax services of Belarus and Ecuador" <sup>214</sup>

In March 2016, during the visit of G.R. , President of the National Assembly of the Republic of BurbanoEcuador, to Belarus, the parties once again addressed the issue of developing and improving the legal framework for Belarusian-Ecuadorian cooperation, expressing their readiness to sign six more agreements on cooperation in various areas. The Belarusian side stressed the need to adopt three of them as soon as possible - "on trade and economic cooperation, on investment protection, and on mutual recognition of university diplomas" <sup>215</sup>

The process of formation of the legal and regulatory framework of Belarusian-Ecuadorian relations suggests that their intensification occurred at the beginning of the second decade of the XXI century, when "over the last 5 years, the bilateral trade turnover between Belarus and Ecuador doubled, totalling about \$40mn in 2010" . Such dynamics of interaction showed that Ecuador could become a very promising partner in South America. And already in October 2011 the parties agreed "to prepare a common action plan and define the main directions in the sphere of economic cooperation<sup>216</sup>" , as well as to intensify work on the creation of a full-fledged legal framework for the relations. <sup>217</sup>

In June 2012, during the first-ever visit of the Belarusian head of state to Ecuador, it was noted that "Ecuador occupies an important place in Belarus's plans to establish trade and economic relations with the countries of the Latin American region" , and the economic potential of the two countries indicates the possibility of

<sup>213</sup> Belarus plans to supply medicines to Ecuador [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/belarus-planiruet-postavljat-lekarstvennye-sredstva-v-ekvador-170961-2015/>

<sup>214</sup> Grishkevich, A. Belarus and Ecuador are taking measures to intensify economic cooperation - Nalivaiko / A. Grishkevich // [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/belarus-i-ekvador-predprinimajut-mery-dlja-aktivizatsii-ekonomicheskogo-sotrudnichestva-nalivajko-179172-2016/>

<sup>215</sup> Malashenkov, V. Myasnikovich: the parliamentary dimension allows for a full-fledged dialogue between Belarus and Ecuador / V. Malashenkov // [Electronic resource]. - 2016. - URL: <http://www.belta.by/politics/view/mjasnikovich-parlamentskoe-izmerenie-pozvoljaet-vesti-polnotsennyj-dialog-mezhdu-belarusiju-i-ekvadorom-187130-2016/>

<sup>216</sup> 17 October Alexander Lukashenko met with Minister of Foreign Affairs, Trade and Integration of Ecuador Riccardo Patiño [Electronic resource]. - 2011. - URL: [http://president.gov.by/ru/news\\_ru/view/17-oktjabrja-aleksandr-lukashenko-vstretilsja-s-ministrom-inostrannyx-del-torgovli-i-integratsii-ekvadora-5174/](http://president.gov.by/ru/news_ru/view/17-oktjabrja-aleksandr-lukashenko-vstretilsja-s-ministrom-inostrannyx-del-torgovli-i-integratsii-ekvadora-5174/)

<sup>217</sup> Materials of the approach to the press of the Minister of Foreign Affairs of the Republic of Belarus Sergei Martynov during the official visit to Minsk of the Minister of Foreign Affairs, Trade and Integration of the Republic of Ecuador Riccardo Patiño Aroca (Ministry of Foreign , 17 October 2011) [Electronic resource]. - 2011. - URL: [http://mfa.gov.by/press/news\\_mfa/d822a912a7d8d17e.htm](http://mfa.gov.by/press/news_mfa/d822a912a7d8d17e.htm)

multiplying cooperation in trade and economic, scientific, technical and educational areas. The first and second meetings of the Belarus-Ecuador held in December 2013 in Minsk and in February 2015 in Quito <sup>218</sup>Commission on Trade and Economic Cooperation showed a very wide range of interests of the parties in the planned interaction, which was reflected in the topics of the meetings of "joint working groups on industry, construction, public transport, oil, energy, science and technology, education, health care" . All this allowed official Minsk to declare at the highest level in December 2014 that "we are now"<sup>219</sup> opening a new page with friendly Ecuador" . And at the end of 2015, the volume of bilateral trade reached \$77 million.<sup>220</sup>

From the very beginning of the new stage of interaction between Belarus and Ecuador, the parties agreed, first of all, to "identify several areas of cooperation and choose three or four specific projects to be implemented in the near future" . One of these areas was Belarusian assistance in optimising existing oil fields and searching for new ones, as Ecuador has significant reserves of "black gold", ranking fourth in Latin America after Venezuela, Mexico, and Argentina. Oil is Ecuador's main export. That is why the country encourages projects to develop new fields, as well as the creation of modern infrastructure and means of transporting oil and petroleum products. That is why Belorusneft started its work here as early as in 2012. Its main activities included "exploration and development of oil fields; seismic exploration; drilling of wells; introduction of knowledge-intensive technologies in the field of monitoring of oil and gas field development and <sup>221</sup>enhanced oil recovery" . Two seismic exploration teams of Belarusian specialists searched for hydrocarbon deposits over an area of 1,500 square kilometres in 3D format in the Amazon jungle.<sup>222</sup>

In 2014, Belorusneft won the annual award of authoritative magazine theOil & Gas Year published in Ecuador. The victory in the nomination "Best Seismic Project 2014" was awarded for the implementation of prospecting in the eastern oil basin of this country. Interestingly, part of the prospecting work took place "in the territory of the country's largest national park - Yasuni. Not only is it declared a biosphere reserve, but it is also home to two indigenous tribes that have declared voluntary isolation.

<sup>218</sup> President of Belarus Alexander Lukashenko arrived on an official visit to Ecuador [Electronic resource]. - 2012. - URL: [http://president.gov.by/ru/news\\_ru/view/prezident-belarusi-aleksandr-lukashenko-pribyl-s-ofitsialnym-vizitom-v-ekvador-619/](http://president.gov.by/ru/news_ru/view/prezident-belarusi-aleksandr-lukashenko-pribyl-s-ofitsialnym-vizitom-v-ekvador-619/).

<sup>219</sup> On the second meeting of the Belarusian-Ecuadorian Commission on Trade and Economic Cooperation [Electronic resource]. - 2015. - URL: [http://mfa.gov.by/press/news\\_mfa/e81708f320e75497.html](http://mfa.gov.by/press/news_mfa/e81708f320e75497.html)

<sup>220</sup> President of Belarus accepted credentials [Electronic resource]. - 2014. - URL: [http://president.gov.by/ru/news\\_ru/view/prezident-belarusi-prinjal-veritelnye-gramoty-10410/](http://president.gov.by/ru/news_ru/view/prezident-belarusi-prinjal-veritelnye-gramoty-10410/)

<sup>221</sup> Alexander Lukashenko met with President of Ecuador Rafael Correa Delgado in Quito [Electronic resource]. - 2012. - URL: [http://president.gov.by/ru/news\\_ru/view/aleksandr-lukashenko-vstretilsja-s-prezidentom-ekvadora-rafaelem-korrea-delgado-v-kito-655/](http://president.gov.by/ru/news_ru/view/aleksandr-lukashenko-vstretilsja-s-prezidentom-ekvadora-rafaelem-korrea-delgado-v-kito-655/)

<sup>222</sup> Belarus and Ecuador: opportunities for cooperation [Electronic resource]. - 2013. - URL: <http://www.belta.by/comments/view/belarus-i-ekvador-vozmozhnosti-sotrudnichestva-3537/>

Given these features, the environmental requirements for seismic exploration were quite high".<sup>223</sup>

In 2016, the joint-stock company Service Oil Ecuador Equuservoil S.A., which is a subsidiary of Belorusneft, plans to start drilling oil wells in Ecuador. The work will be carried out at the field Armadillo. "Belarusian specialists will drill three wells and build infrastructure to deliver the extracted oil. Estimated peak production at the field is expected to be 250,000 tonnes of oil per year." This means that the fruitful Belarusian-Ecuadorian partnership on well rehabilitation of mature oil fields in Ecuador will continue and will bring more concrete results.<sup>224</sup>

The interaction between the two countries in the sphere of production co-operation can be even more effective. After all, "Ecuador needs scientific developments and production technologies most of all. Belarus can help it a lot". The first concrete steps in this direction were made a few years ago. Thus, in October 2013, an agreement was reached to assemble buses based on MAZ-4371 and MAZ-5340 chassis: "At the first stage, it is planned to assemble buses on MAZ chassis specifically for the Ecuadorian market. At the second stage it is planned to assemble MAZ trucks in Ecuador. Besides, Ecuador is interested in buying Belarusian trucks of high cross-country ability"<sup>225</sup>. Ecuador also offers great prospects for Belarusian manufacturers of unmanned aerial vehicles. This universal platform can be used in the difficult Ecuadorian terrain "for border protection, traffic control, and fire detection. spheres<sup>226</sup>There are so many of activity".<sup>227</sup>

Agriculture is a promising area of cooperation between the two countries. Thus, during his visit to Minsk in October 2013, President of Ecuador R. Correa said: "There is a huge potential for cooperation in terms of supplies and the establishment of tractor production in Ecuador using Belarusian technologies. <...> Thanks to co-operation with Belarus, there is hope that we will be able to produce high value-added products ourselves. This is part of our revolution in technology and production". Ecuador's unique climatic conditions make it possible to grow a variety of crops that are

<sup>223</sup> Seismic project of Belorusneft recognised as the best in Ecuador [Electronic resource]. - 2014. - URL: [http://atom.belta.by/ru/news\\_ru/view/sejsmicheskij-proekt-belorusnefti-priznan-luchshim-v-ekvadore-3549/](http://atom.belta.by/ru/news_ru/view/sejsmicheskij-proekt-belorusnefti-priznan-luchshim-v-ekvadore-3549/).

<sup>224</sup> Sidorchik, V. Belorusneft will start drilling wells in Ecuador in 2016 / V. Sidorchik // [Electronic resource]. - 2016. - URL: <http://www.belta.by/newscompany/view/belorusneft-v-2016-godu-pristupit-k-bureniju-skvazhin-v-ekvadore-183286-2016/>.

<sup>225</sup> Belarus and Ecuador will jointly produce drones [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/belarus-i-ekvador-budut-sovmestno-proizvodit-bespilotniki-5408-2015>

<sup>226</sup> Krapivina, L. Agreement on the establishment of the assembly production of MAZ vehicles in Ecuador signed in Minsk / L. Krapivina // [Electronic resource]. - 2013. - URL: <http://www.belta.by/economics/view/soglasenie-o-sozdanii-v-ekvadore-sborochnogo-proizvodstva-avtotehniki-maz-podpisano-v-minske-29384-2013>

<sup>227</sup> Cooperation between Belarus and Ecuador in the sphere of drone development is promising - Polujan [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/sotrudnichestvo-mezhdu-belarusju-i-ekvadorom-v-sfere-sozdaniya-bespilotnikov-perspektivno-polujan-164189-2015/>.

successfully exported. But also of great importance to Ecuadorians is the protection of plants against pests. This opens up interesting opportunities for not only potash and nitrogen fertilisers from Belarus, but also products of Belarusian producers of chemical plant protection products to enter the Ecuadorian market. In addition, the parties are now discussing the possibilities of involving Belarusian specialists and agricultural machinery manufacturers in the implementation of Ecuador's National Agricultural Mechanization Programme, prospects for <sup>228</sup>scientific and technical cooperation "in potato and vegetable farming, as well as the possibility of training Ecuadorian students in Belarusian agrarian universities" <sup>229</sup>.

Apparently, co-operation in the sphere of education promises to become one of the main directions of Belarusian-Russian-Ecuadorian interaction in the near future. At present, "in institutions 43 Ecuadorian citizens study Belarusian education on a fee-paying basis higher ". But in the near future an intergovernmental agreement on mutual recognition of documents on education and diplomas of higher education should be signed, which will open new opportunities for training personnel for Ecuador in Belarus. "In this case we mean not only higher education, but also the acquisition of working specialities"<sup>230</sup> . discussion<sup>231</sup> A joint initiative of the Ecuadorian Ministry of Education and Belarusian higher education institutions to include teachers from Belarus "in the staff of English language teachers in Ecuadoris also " . The implementation of a project to build 100 educational institutions in Ecuador by the Belarusian company may also yield interesting results.<sup>232</sup> Belzarubezhstroy, which is currently implementing a \$34 million contract for technical control over the construction of ultra-high voltage transmission lines that will stretch across the country, The approximate cost of the project in the educational sphere is \$600 million.

The planned increase in the number of Ecuadorian students studying in Belarus in the coming years is an important link in the intensification of bilateral cooperation between Minsk and Quito in all areas of scientific and technical development. After

<sup>228</sup> Alexander Lukashenko met with President of Ecuador Rafael Correa Delgado [Electronic resource]. - 2013. - URL: [http://president.gov.by/ru/news\\_ru/view/aleksandr-lukashenko-vstretilsia-s-prezidentom-ekvadora-rafaelem-korrea-delgado-7291/](http://president.gov.by/ru/news_ru/view/aleksandr-lukashenko-vstretilsia-s-prezidentom-ekvadora-rafaelem-korrea-delgado-7291/).

<sup>229</sup> Belarus can participate in the National Programme of Agricultural Mechanisation of Ecuador [Electronic resource]. - 2016. - URL: <http://www.belta.by/economics/view/belarus-mozhet-prinjat-uchastie-v-natsprogramme-mehanizatsii-selskogo-hozjajstva-ekvadora-187323-2016/>

<sup>230</sup> Belarus and Ecuador will mutually recognise higher education diplomas [Electronic resource]. - 2016. - URL: <http://www.belta.by/society/view/belarus-i-ekvador-budut-vzaimno-priznavat-diplomy-o-vysshem-obrazovanii-185232-2016/>.

<sup>231</sup> Malashenkov, V. Head of the Ecuadorian Parliament: cooperation with Belarus is very important for the creation of a multipolar world / V. Malashenkov // [Electronic resource]. - 2016. - URL: <http://www.belta.by/politics/view/glava-parlamenta-ekvadora-sotrudnichestvo-s-belarusju-ochen-vazhno-dlja-sozdaniia-multipoljarnogo-mira-187150-2016/>

<sup>232</sup> Davila, K. Technology exchange as the basis of Belarusian-Ecuadorian cooperation / K. Davila // [Electronic resource]. - 2016. - URL: <http://www.belta.by/interview/view/obmen-tehnologijami-kak-osnova-belorusko-ekvadorskogo-sotrudnichestva-4600/>.



all, in the near future "Belarus and Ecuador plan to implement about 20 scientific and technical projects in information technologies, applied chemistry and physics, agriculture, space and renewable energy" . In particular, the possibilities of implementing joint projects with the Belarusian High Technology Park are being discussed. In the agricultural sector, this involves testing potato varieties of Belarusian selection suitable for the production of potato products and starch in Ecuador. It is quite possible that in the course of the implementation of all these scientific and technical projects, the regions of the two countries will soon make themselves known. At least, the Ecuadorian province of <sup>233</sup>Esmeraldas is already considering opportunities for cooperation with Belarusian partners "in industry, construction, public transport and public utilities, medicine, education, and processing seafood " . In February 2016, the "economic capital" of Ecuador - , the centre of the province <sup>234</sup>GuayaquilGuayas - hosted the International Economic Forum "House Open to Foreign Trade", which featured a report "Belarus: Opportunities for Cooperation" and an information stand of the Belarusian Embassy in Ecuador.

These facts show that today the issues of intensifying bilateral partnership in the are at the top of the agenda in terms of further development of Belarusian-Ecuadorian interaction.information and media sphere It is very important for the citizens of both countries to receive objective information about each other's situation in the context of intensified cooperation. Moreover, according to the Ecuadorian Minister-coordinator for Knowledge and Human Talent A. Araus, "not so long ago Belarus was practically an unknown country for us. Information about it came only from major international TV channels, and there was not much of it. difficult to It was understand what is really happening there" .<sup>235</sup>

The first systemic step to address this issue was taken in December 2015, when the Belarusian Telegraphic Agency and Ecuador's state broadcaster RTV ECUADOR signed an Agreement on Information Exchange. The parties agreed to maintain a regular exchange of operative information materials on current events concerning the domestic life of the countries and their foreign policy activities, and also expressed confidence that "the exchange of information between the two states will be more operative, and this will contribute to even more intensive ties between Belarus and

<sup>233</sup> Belarus and Ecuador plan to implement about 20 scientific and technical projects [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/belarus-i-ekvador-planirujut-realizovat-okolo-20-nauchno-tehnicheskikh-proektov-172568-2015/>.

<sup>234</sup> On the working trip of Ambassador of Belarus I. Poluyan to the Esmeraldas Province of the Republic of Ecuador. Poluyan to the Province of the Esmeraldas Republic of Ecuador [Electronic resource]. - 2016. - URL: [http://mfa.gov.by/press/news\\_mfa/ff1a12d5497f3b50.html](http://mfa.gov.by/press/news_mfa/ff1a12d5497f3b50.html)

<sup>235</sup> Araus, A. Ecuador will build up comprehensive co-operation with Belarus / A. Araus // [Electronic resource]. - 2015. - URL: <http://www.belta.by/interview/view/ekvador-budet-naraschivat-vsestoronnee-vzaimodejstvie-s-belarusju-4522/>.



Ecuador" . It should be assumed <sup>236</sup>that now the representatives of the international segment of the national journalists of both countries should say their word in the implementation of the signed agreement in order to contribute to the realisation of specific projects and contracts of Belarusian-Ecuadorian cooperation.

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<sup>236</sup> Grishkevich, A. BELTA and the State TV and Radio Company of Ecuador signed an agreement on information exchange / A. Grishkevich // [Electronic resource]. - 2015. - URL: <http://www.belta.by/society/view/belta-i-gosudarstvennaja-teleradiokompanija-ekvadora-podpisali-soglasenie-ob-obmene-informatsiej-172587-2015/>.

## CHAPTER 10

### **The potential of multilateral economic diplomacy in the current context**

The calling card of the Republic of Belarus at the present stage is economic diplomacy - a special area of international activity dictated by the development of globalisation processes and the growing interdependence of the economies of the world's states, uneven distribution of costs and benefits, different conditions of participation of countries in the world economic relations. One of the main vectors of Belarusian economic diplomacy is "gaining access to scientific developments, information and technological resources of foreign countries". Participation of the Republic of Belarus in the work of universal and specialised, global and regional international organisations and integration associations contributes to the successful solution of this task. The need to mitigate the consequences of the global economic crisis has led to the current trend of expanding cooperation between Belarus and a number of leading international specialised organisations, including the Food and Agriculture <sup>237</sup>Organization of the United Nations and the United Nations Industrial Development Organisation (FAO) (UNIDO).

**The Food and Agriculture Organisation of the United Nations (FAO)** is one of those international structures that seeks to expand cooperation with the member countries of the Commonwealth of Independent States, as well as other integration formations in the post-Soviet space. In particular, in March 2013, "a Memorandum of Cooperation between FAO and the Eurasian Economic Commission was signed", and the organisation representative offices <sup>238</sup>already has in Uzbekistan, Tajikistan and Kyrgyzstan. In 2014, the necessary preparatory work was done to open FAO partner offices in Moscow, Baku and Astana. In September 2014, the FAO-Belarus Country Programme of Cooperation for 2014-2016 was signed.

FAO is part of the UN system and is dedicated to international food security and agricultural development. Established in October 1945, the organisation's goal was to achieve a lasting solution to the problems of hunger and poverty. FAO now has 194 member countries, one integration organisation - the European Union - and two associate members. Belarus joined in November 2005 and thus gained access to information on current best practices in agriculture compiled by the organisation.

<sup>237</sup> Article of the Minister of Foreign Affairs of the Republic of Belarus Vladimir Makei "Foreign Policy in the Service of the People" in the magazine "Belaruskaya Dumka" (No. 9, September 2015) [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/press/smi/cfef954e802ad673.html>

<sup>238</sup> CIS Executive Committee and FAO Representation for Europe and Central Asia intend to expand cooperation [Electronic resource]. - 2014. - URL: [http://www.belta.by/ru/all\\_news/society/Ispolkom-SNG-i-predstavitelstvo-FAO-po-Evropе-i-Tsentralnoj-Azii-namereny-rasshirjat-sotrudnichestvo\\_i\\_681281.html](http://www.belta.by/ru/all_news/society/Ispolkom-SNG-i-predstavitelstvo-FAO-po-Evropе-i-Tsentralnoj-Azii-namereny-rasshirjat-sotrudnichestvo_i_681281.html)

Moreover: "The Belarusian Agricultural Library is a depository library of FAO" .<sup>239</sup>

The project activities of this international organisation in Belarus were launched at the 145th Session of the FAO Council in December 2012, during which the increasing importance of the Republic of Belarus "in the development of a new international organisation" was noted.

as a supplier of food to world markets <...> and as a significant regional producer of cereals" . At the same time, management <sup>240</sup>FAO expressed special hopes for the potential of the Belarusian side as a globally significant producer of agricultural machinery, including small-scale mechanisation equipment in demand by farms in developing countries. When discussing prospective areas of cooperation, the parties considered food security, management of obsolete as priorities pesticides, as well as standardisation and development of legislative acts in agriculture and agricultural exports .

Already in February 2014, Belarus signed an agreement with FAO to provide it with technical assistance for the implementation of the project "Enhanced capacity to eliminate and prevent the re-use of obsolete pesticides as a model for addressing unused hazardous chemicals in the former Soviet Union" to "contribute to better protection of the environment and public health in the region and <... > bring interaction between Belarus and FAO to a qualitatively new level" .<sup>241</sup>

In April 2014, this project entered the stage of concrete implementation in Belarus. Its peculiarity was to intensify the development and application of a systematic approach to the problem of elimination of obsolete pesticides, persistent organic pollutants and hazardous waste on the territory of the country. The project, as in other post-Soviet countries - Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Uzbekistan, Ukraine, Tajikistan, Turkmenistan - should result in "reducing the risk from pesticides to public health and the environment" by improving the national system of accounting and control of unusable pesticides, ensuring safe storage of their stocks and environmentally safe disposal. The budget of this project for Belarus is about 560 thousand euros with the prospect of increasing the funding. This project became one of the main projects included in the Country Programme of Cooperation between FAO and Belarus for 2014-2016, the budget of which exceeded three million euros. In addition, the <sup>242</sup>document refers to technical

<sup>239</sup> Food and Agriculture Organisation of the United Nations [Electronic resource]. - 2015. - URL: <http://mfa.gov.by/mulateral/organization/list/b10bd4bc389e384b.html>

<sup>240</sup> On the participation of the Belarusian delegation in the 145th session of the FAO Council [Electronic resource]. - 2012. - URL: [http://mfa.gov.by/press/news\\_mfa/ca0f7d03f5f2d39a.html](http://mfa.gov.by/press/news_mfa/ca0f7d03f5f2d39a.html)

<sup>241</sup> On signing an agreement with the Food and Agriculture Organisation of the United Nations [Electronic resource]. - 2014. - URL: [http://mfa.gov.by/press/news\\_mfa/dce3d77fce80d6c2.html](http://mfa.gov.by/press/news_mfa/dce3d77fce80d6c2.html)

<sup>242</sup> EU and FAO project on the elimination of obsolete pesticides started in Belarus [Electronic resource]. - 2014. - URL: [http://www.belta.by/ru/all\\_news/society/Project-ES-i-FAO-po-likvidatsii-vyshedshix-iz-](http://www.belta.by/ru/all_news/society/Project-ES-i-FAO-po-likvidatsii-vyshedshix-iz-)

assistance projects on rape cultivation on lands contaminated with radionuclides as a result of the Chernobyl nuclear power plant accident, on rational management and protection of forests from fires, and on food security.

Within the framework of this Country Programme, the Belarusian Ministry of Agriculture and Food also requested FAO "to provide technical assistance for comprehensive research, prevention and control of African swine fever, possible sources of the disease penetration into Belarus" . As a result, the country is now implementing an FAO technical assistance project "Assistance to control outbreaks of African swine fever in Belarus" with a budget of \$420,000.<sup>243</sup>

As we can see, in just a few years the interaction of the Republic of Belarus with the

The cooperation between Belarus and the Food and Agriculture Organisation of the United Nations (FAO) has demonstrated a tendency to expand and increase the effectiveness of cooperation. And, we must assume that all this is only the beginning of the road to new large-scale joint projects between Belarus and FAO in the agro-industrial sector, as well as to the expansion of cooperation within the Eurasian Economic Union. After all, in March 2015, the Eurasian Economic Commission and FAO signed an action plan for 2015-2018, the implementation of which "will contribute to the expansion of practical cooperation between the EEC and FAO on agricultural policy and food security. Priority areas of joint work include crop production and plant protection, animal husbandry and animal health, food policy, as well as joint research in the field of the latest agricultural technologies" . It is expected that interaction with this international organisation within the framework of the above areas will improve the competitiveness of small and medium-sized enterprises in the countries of the Eurasian Economic Union and will contribute to: 1) development of cooperation in agriculture through innovation; 2) involvement of non-governmental organisations in the decision-making process in the field of food security; 3) development of new and revision of existing standards on phytosanitary measures; 4) development of biotechnology and breeding of agricultural plants and animals; 5) improvement of food safety; 6) expansion of<sup>244</sup> agri-food exports.

Another interesting fact is this. In June 2015, the Food and Agriculture Organisation of the United Nations proposed that the Eurasian Economic Commission become a full member of this international organisation, which would facilitate

[upotrebljenija-pestitsidov-startoval-v-Belarusi i 665422 .html](http://upotrebljenija-pestitsidov-startoval-v-Belarusi-i-665422.html)

<sup>243</sup> Dylenok, Y. FAO and Belarus signed a country cooperation programme for \$3.1 million / Y. Dylenok // [Electronic resource]. - 2014. - URL: [http://www.belta.by/ru/all\\_news/economics/FAO-i-Belarus-podpisali-stranovuju-programmeu-sotrudnichestva-na-31-mln-i-681088.html](http://www.belta.by/ru/all_news/economics/FAO-i-Belarus-podpisali-stranovuju-programmeu-sotrudnichestva-na-31-mln-i-681088.html)

<sup>244</sup> Pivovarov, E. EEC and FAO signed an action plan for 2015-2018 / E. Pivovarov // [Electronic resource]. - 2015. - URL: <http://news.21.by/economics/2015/03/27/1068142.html>

"harmonisation of the contractual and legal framework of the Eurasian Economic Union with international standards, guidelines and recommendations", and would also allow for closer development of priority areas of cooperation: in the areas of organic agriculture, seed production, unification of genomic techniques<sup>245</sup> farming

Established in 1967, the **United Nations Industrial Development Organisation (UNIDO)** was created to support and coordinate the efforts of the international community in the field of industrial development, including "research for the benefit of developing countries". Since then, it has promoted industrial growth and technological progress, the most efficient use of human resources, equitable development of countries through industrialisation, as well as industrial development and environmental protection, and international cooperation in industrial investment and technology.<sup>246</sup>

The Republic of Belarus has been participating in UNIDO activities since 1985, promoting within the framework of this organisation, first of all, its initiative "to create a mechanism of access to alternative and renewable energy sources within the UN". Since the beginning of the 21st century, several projects have been implemented in our country through UNIDO: in 2001-2004 - "Improving the infrastructure to support innovation in the Republic of Belarus", which resulted in the establishment of the Republican Centre for Technology Transfer and the opening of its regional offices in Brest, Gomel, Grodno and Novopolotsk; in 2006-2010 - "Improving the national system of technology transfer in the Republic of Belarus on the basis of information and communication technologies"; in 2010-2013 - "Creation of a unified network of UNIDO offices Belarus".<sup>247</sup> in

In October 2013, the Framework Programme of Cooperation between Belarus and UNIDO for 2013-2017 was adopted, which brought together five main areas of cooperation: 1) environment and energy, including resource efficient and cleaner production, water management, renewable energy and energy efficiency; 2) technological training, innovation and development; 3) investment promotion and technology transfer; 4) development and cooperation of small and medium-sized enterprises; 5) strengthening the agri-food and automotive sectors. According to this document, Belarus should take part in the implementation of the project "Greening of Economies in the Eastern Neighbourhood Region", work on the creation of the National System of Technological Anticipation, and establish the UNIDO Centre for

<sup>245</sup> Pivovar, E. FAO offered the Eurasian Economic Commission to become a full member of the organisation / E. Pivovar // [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/fao-predlozhi-la- evrazijskoj-ekonomicheskoy-komissii-stat- polnopravnym- chlenom- organizatsii-5347-2015/>.

<sup>246</sup> Feltham, R.J. The Diplomat's Handbook / R.J. Feltham; Transl. from English by V.E. Ulakhovich. - 3rd ed. - Minsk: New Knowledge, 2002. - C. 133.

<sup>247</sup> United Nations Industrial Development Organisation [Electronic resource]. - 2016. - URL: <http://mfa.gov.by/multilateral/organization/list/fdf9f9c3dd42d34e.html>

International Industrial Cooperation in the Republic of Belarus: "The main task of the Centre will be to support the Government's efforts to improve the competitiveness of industrial enterprises by providing them with technical assistance" .<sup>248</sup>

<sup>249</sup> Welcoming UNIDO's efforts to ensure economic, social and environmental stability, including through the development of the concept of green industry and innovation, and proceeding from the need to reach a global consensus on the task of ensuring real access of developing countries and countries with economies in transition to modern green technologies, back in 2012 the Belarusian side launched an initiative to establish a "global fund aimed at increasing access to "

<sup>250</sup> A year later, "adopted at the UNIDO General Conference the Declaration" - a document expressing the political will of the States Parties to promote inclusive and sustainable ". Lima industrial development as a basis for sustained economic growth - with the participation of the Belarusian side, reflected the national interest of our country "to promote cooperation with middle-income countries and to recognise the diversity of progressive development paths as a value of human life

In April 2015, the Belarusian side proposed that UNIDO develop an interregional project to support the formation of partnerships and cooperation schemes between middle-income countries aimed at promoting their innovative development. Promising areas in this regard could be the improvement of the regulatory environment and infrastructure for the development of innovative entrepreneurship, as "Belarus is interested in attracting UNIDO's potential to finalise the draft state programme of innovative development for the next five years, attract foreign investors to commercialise Belarusian knowledge-intensive technologies, and improve public-private partnership mechanisms" .<sup>251</sup>

One concrete example of effective cooperation between of the Republic of Belarus and the United Nations Industrial Development Organisation could be the pilot international technical assistance project for our country entitled "Support for food industry enterprises in the Grodno region - creation of the Grodno agro-industrial park". It is assumed that international organisations, private companies, local authorities and higher education institutions will take part in the creation of this agro-industrial park. The ultimate goal of the project is to provide an opportunity for Grodno producers-farmers and other economic entities to enter the European market. At the

<sup>248</sup> On signing of the Framework Programme of Cooperation with UNIDO [Electronic resource]. - 2013. - URL: [http://mfa.gov.by/press/news\\_mfa/c689bc13beeb861e.html](http://mfa.gov.by/press/news_mfa/c689bc13beeb861e.html)

<sup>249</sup> On the 40th session of the UNIDO Council [Electronic resource]. - 2012. - URL: [http://mfa.gov.by/press/news\\_mfa/eeb43a11cde58ec5.html](http://mfa.gov.by/press/news_mfa/eeb43a11cde58ec5.html)

<sup>250</sup> On the 15th session of the General Conference of UNIDO [Electronic resource]. - 2013. - URL: [http://mfa.gov.by/press/news\\_mfa/bcfc4057b2a915c1.html](http://mfa.gov.by/press/news_mfa/bcfc4057b2a915c1.html)

<sup>251</sup> Andrei Kobayakov met with representatives of the UN and UNIDO [Electronic resource]. - 2015. - URL: <http://www.government.by/ru/content/5895>

same time, "the first stage of the project implementation envisages the creation of a mushroom processing facility with the introduction of advanced technologies on the basis of the farm "Paradise Valley" of Grodno district". A special training centre will also be created here to train farmers, managers and specialists of other economic entities in advanced technologies in food production, to familiarise them with the requirements in this area of the European Union and to set up production according to European standards. The second stage of the project should be the creation of a <sup>252</sup>research centre on the basis of the Grodno State Agrarian University. The project, which is estimated at almost one million dollars, is planned to be implemented by January 2018.

Another example of cooperation under the Framework Programme of Cooperation for 2013-2017 is the project "Greening Economies in the Eastern Neighbourhood Region" with a total budget of 12.5 million euros, under which a package of funding from donors and UNIDO partner organizations has already been formed and work has begun on the Belarusian part - "Strengthening infrastructure to modernise the production of automotive components in Belarus". In total, the Belarusian side offered the United Nations Industrial Development Organisation to implement "about 10 scientific, technical and innovative projects in the following areas in areas such as environment and energy, investment promotion and technology transfer, development and co-operation of small and medium-sized enterprises, strengthening of the agro-food and agro-industrial sectors. In addition, there are plans to expand project collaboration with UNIDO on technology foresight and innovation"

<sup>253</sup>

If we talk about the Eurasian Economic Union space, recall that the Eurasian Economic Commission together with UNIDO is already "developing a programme of innovative development of technology transfer, increasing the capacity to support business infrastructure, industrial <sup>254</sup> parks and clusters, as well as trade potential and export support". The fact is that the priority issue now facing the member states of the Eurasian Economic Union is the transition to high-tech industries with high labour productivity and added value. Therefore, the development of industrial complexes in the post-Soviet integration countries should be based on the knowledge and best practices of leading international specialised institutions of economic and industrial development. This approach will make it possible to achieve the effect of integration into the global production cycle and participation in global production chains. It is

<sup>252</sup> Gavritsky, S. Creation of Grodno agro-industrial park will allow local farmers to enter the European market - Karl Shebesta / S. Gavritsky // [Electronic resource]. - 2016. - URL: <http://www.belta.by/regions/view/sozdanie-grodnenskogo->

<sup>253</sup> Belarus offers UNIDO to implement about 10 scientific, technical and innovation projects [Electronic resource]. - 2015. - URL: <http://www.belta.by/tech/view/belarus-predlagaet-junido-dlja-realizatsii-okolo-10-nauchno-tehnicheskikh-i-innovatsionnyh-proektov-152876-2015/>.

UNIDO that has the necessary expertise and experience in this area and is an effective platform for the exchange of experience in industrial development.<sup>254</sup>

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<sup>254</sup> Pivovar, E. EEC together with UNIDO develops a programme of innovative development / E. Pivovar // [Electronic resource]. - 2015. - URL: <http://www.belta.by/economics/view/cek-sovmestno-s-junido-razrabatyvaet-programmu-innovatsionnogo-razvitija-152166-2015>



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