

## Investment, innovation, exports

The National Programme for the Support and Development of Exports of the Republic of Belarus for 2016-2020 includes among the eight main tasks, along with the diversification of trade and economic relations with various countries and regions, optimization of export support legislation, encouraging exporters of goods and services to expand the product range and types of services provided, improvement of approaches to work with small and medium-sized enterprises on export issues, creating conditions for the promotion of non-resource, high-tech. This complexity can only be achieved if all domestic producers of goods and services are involved in foreign economic activity. How is this objective achieved in practice? This is what the proposed study is about.



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## Investment, innovation, exports

*A chronicle of the potential for international cooperation*

**Boris Zalesskii**

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# Chapter 1

## Introduction

<sup>1</sup>The National Programme for the Support and Development of Exports of the Republic of Belarus for 2016-2020 includes among the eight main tasks, along with the diversification of trade and economic relations with various countries and regions, optimisation of export support legislation, encouraging exporters of goods and services to expand the product range and types of services provided, improvement of approaches to working with small and medium-sized enterprises on export issues, creating conditions to stimulate high-tech, innovative

The appearance of such a task among the strategically important ones in the state document of the highest level is probably not a coincidence. It is well known that exports are the backbone of Belarus' open economy, as they generate foreign currency, corporate profits, and taxes for the budget of the Republic of Belarus. In the Address to the Belarusian People and the National Assembly in April 2016, it was noted in this regard that "export, its growth and necessarily diversification, has been and remains the most important priority"<sup>2</sup>. However, the results of the past five-year period (2011-2015) have revealed a number of factors constraining the growth and optimization of the structure of Belarusian exports. They include slow development of new markets, low competitiveness of domestic products, lagging behind advanced countries in terms of labour productivity, insufficient use of competitive advantages, focus of Belarusian industrial production on external resources, lack of a wide range of innovative export goods, unreadiness of sectoral and territorial management structures to promptly respond to changes in market conditions and actively promote products to new markets. All this is happening against the backdrop of an increase in "the volume of global sales of goods and services using information and communication technologies, which leads to the partial displacement of Belarusian export goods sold in the traditional way"<sup>3</sup>.

<sup>4</sup>This is why the programme documents for socio-economic development of the Republic of Belarus for 2016-2020 state that in the coming five-year period the foreign economic activity, which implies implementation of a multi-vector foreign policy and achievement of sustainable growth of the export potential of the Belarusian economy,

"will be aimed at ensuring a balanced foreign trade based on outstripping export growth rates, use of the country's competitive advantages, effective participation in the international division of labour and integration

The solution of tasks of such complexity is only possible if all domestic producers of goods and services, irrespective of the scale of production and forms of ownership, are involved in foreign economic and export activities. But here are the figures: "We have more than twenty-two thousand economic entities in the country, but only eight thousand eight hundred economic entities take part in export activities"<sup>5</sup>. In other words, two thirds of Belarusian enterprises, companies and firms remain outside the sphere of international business cooperation. However, the country's export opportunities also depend on "a successful transition to an innovation economy, the creation of a favourable institutional environment, an investment and business climate, a reduction in the import intensity of production and an increase in human capital"<sup>6</sup>. In addition, all these problems have to be solved in the context of increasing globalisation, international integration and internationalisation of production and consumption. The experience of other countries shows that only those who have a high export culture can cope with them, which cannot be introduced into the mass consciousness without the active involvement of the media structures.

This objective will be pursued in several directions. Thus, within Priority 1 "Optimisation of the National System of Export Support and Development", in order to strengthen Belarus' position on promising world markets, it is planned to establish a comprehensive national system of export support using not only financial, organisational, marketing, trade and political, diplomatic, but also information tools. In accordance with this priority, not only activities such as systematisation of the regulatory framework, introduction of new approaches to training and deployment of personnel in the export sector, changes in the format of organisational support for exports of goods and services, modernisation of financial mechanisms of export support, development of non-financial instruments of export support, use of the potential of exhibition, fair and congress activities, but also a significant strengthening of information and communication tools should be implemented.



Under Priority 6, "Development of innovative exports by increasing exports of knowledge-intensive products and technologies", which aims to intensify the commodity export structure, increase exports of highly processed products, advanced materials and finished products with improved properties, and develop exports of technologically and technologically sophisticated products, the national information and communication technology sector is to strengthen the innovative specialisation of Belarusian exports.

The promotion of our country's export opportunities abroad, in the global computer network, satellite TV and radio broadcasting system, outlined in the Roadmap for the implementation of the National Programme of Support and Development of Exports of the Republic of Belarus for 2016-2020, should also become an important element in the promotion of export culture in the mass consciousness. The republican, branch and regional mass media operating in Belarus and their Internet resources can also contribute to the solution of this task.

## Chapter 2

### Foreign policy of the Republic of Belarus in the context of globalisation

In the Republic of Belarus, the main principles of state policy are 'orderliness, consistency, gradualness', continuity<sup>17</sup>, which is the basis of the current Belarusian foreign policy. At the same time: 1) **consistency** consists in pursuing a peaceful policy of good neighbourliness, in building the Union State of Belarus and Russia, in refraining from steps that could draw the country into international conflicts; 2) **consistency** has allowed the country to preserve traditional ties with the countries of the Commonwealth of Independent States and is also manifested in relations with the "good neighbourhood belt" states and the North Atlantic Treaty Organization, with which normal relations and constructive solutions can and should be established; 3) n

On the legislative level, Belarus has **seven** other **principles**<sup>8</sup>, on which the foreign policy of the Belarusian state is based: 1) Compliance with generally recognised principles and norms of international law; 2) Compliance of the foreign policy goals with the political, diplomatic, economic, defence, scientific, technological, intellectual potential of the state, ensuring their implementation to strengthen the international position of the Republic of Belarus and its international prestige; 3) Increasing the effectiveness of political, legal, foreign policy and international relations in Belarus.

**The strategic objectives** of the foreign policy of the Republic of Belarus are: 1) protection of state sovereignty and territorial integrity of the Republic of Belarus; 2) protection of the rights, freedoms and legitimate interests of citizens, public and state interests.

Today, there is every reason to believe that 'the necessary conditions to prevent or neutralise various threats to national security have been created in Belarus. The system of national security is functioning steadily and provides solutions to the challenges at hand. <...> At the same time, the current global situation makes it difficult for Belarus to pursue an independent foreign policy"<sup>9</sup>. That is why, among the main

potential or existing threats to the national security of the country, there are the following: 1) infringement on the independence, territorial integrity, sovereignty and constitutional order of the Republic of Belarus; 2) the imposition of a political course on Belarus which does not meet its national interests,

3) destructive **information** influence on individuals, society and state institutions, damaging the national interest; 4) decrease or loss of competitiveness of domestic information and communication media

The project will be implemented by the Ministry of Education and Science of the Republic of Moldova.

In the political sphere, the main **external sources of threats to** Belarus include:

1) the presence of significant contradictions between the main actors of world politics, which manifest themselves against the background of a decline in the capacity of international and regional security systems and which may complicate the situation around the Republic of Belarus;

2

)

The clash of geopolitical interests of the leading states (groups of states) in the process of transition from a unipolar to a multipolar world order; 3) The use by individual states or groups of states of pressure, economic and resource advantages to further their interests; 4) Interference in international processes by forces which are not recognised subjects of international relations; 5) International terrorism, illicit trafficking in dual-use technologies and equipment, weapons, ammunition, radioactive, chemical, biolog

In this regard, **the main objectives** of the foreign policy of the Republic of Belarus are formulated as follows: 1) promotion of a stable, just, democratic world order based on universally recognised principles of international law; 2) equitable integration of the Republic of Belarus into the world political, economic, scientific, cultural and **information** space; 3) creation of favourable foreign policy and foreign economic conditions for the improvement of the well-being of people, development of the political, economic, intellectual and spiritual potential of the state; 4) establishment of good neighbourly relations with neighbouring

The following **main areas of Belarus' foreign policy** objectives are being pursued in the current context:

- 1. Foreign economic activity.**
- 2. International economic cooperation.**
- 3. International cooperation in the field of space activities.**
- 4. International military cooperation.**
- 5. International cooperation on the implementation of state border policy.**
- 6. International security.**
- 7. Humanitarian cooperation and human rights.**
- 8. International cooperation in health, education, science, information and informatisation, culture, sport, tourism, environmental protection.**
- 9. International cooperation in disaster management.**
- 10. Cooperation in the codification and progressive development of international law.**
- 11. Cross-border cooperation.**

Each of these **areas of foreign policy** implementation is structured as follows:

**1. Foreign economic activity:**

- 1.1. Improvement of state foreign economic policy on the basis of multi-vector, established international division of labour and markets for goods and services;
- 1.2. to create favourable conditions for the participation of Belarusian goods in international trade and economic turnover;
- 1.3. protection of interests of organisations and individual entrepreneurs - residents of the Republic of Belarus in the foreign market;
- 1.4. ensuring the conditions for export growth;
- 1.5. to perform external public borrowings within the limit of external public debt of the Republic of Belarus established by the legislation of the Republic of Belarus;
- 1.6. Developing high-tech exports and promoting high-tech imports in order to accelerate the development of the national economy;
- 1.7. providing access to sources of raw materials and goods whose production

is impossible or inefficient in the Republic of Belarus.

## **2. International economic cooperation:**

2.1. Participation in multilateral cooperation within the framework of international organisations, institutions and fora as a factor of organic integration into the world community for the development of the national economy;

2.2. Participation in customs unions, free trade zones and other forms of economic integration with foreign countries;

2.3. attracting foreign investment;

2.4. developing business cooperation with states participating in the multilateral trade regulation system;

2.5. rational use of the geographical location, development of an efficient system of servicing international transport systems and communications.

## **3. International cooperation in the field of space activities:**

3.1. participation in international programmes for the exploration and use of outer space;

3.2. development of the scientific and technical potential of Belarusian organisations working in the field of space activities.

## **4. International military cooperation:**

4.1. The implementation of public policies aimed at preventing war and maintaining peace and neutralising potential military threats;

4.2. Excluding the involvement of the Armed Forces of the Republic of Belarus in armed conflicts outside the country;

4.3. Enhancing international co-operation, partnerships and confidence-building in the military sphere;

4.4. promoting the peaceful settlement of international armed conflicts and disputes;

4.5. Cooperation with foreign countries on arms and military reductions in Europe and the conversion of defence industries;

4.6. military-technical cooperation with foreign countries.

## **5. International cooperation on the implementation of state border policy:**

5.1. ensuring the inviolability of the State border of the Republic of Belarus, protecting the state sovereignty and territorial integrity of the Republic of Belarus;

5.2. mutually beneficial inter-state cooperation on border issues;

5.3. . peaceful resolution of border issues.

#### **6. International security:**

6.1. Developing international cooperation to preserve and strengthen existing international and regional security systems;

6.2. Developing international cooperation to combat terrorism and extremism, organised crime, drug trafficking and other criminal activities;

6.3. Countering the illicit proliferation of weapons of mass destruction, their components and means of delivery, and dual-use goods and technologies.

#### **7. Humanitarian cooperation and human rights:**

7.1. Participation in international humanitarian and human rights instruments;

7.2. developing international humanitarian and human rights cooperation;

7.3. implementation of a long-term strategy to promote the spiritual and cultural development of the Belarusian diaspora;

7.4. creating favourable legal and organisational conditions for ethnic Belarusians, natives of the Republic of Belarus and persons identifying themselves as Belarusians, as well as their family members who have decided to return to the Republic of Belarus for permanent residence.

#### **8. International cooperation in health, education, science, information and informatisation, culture, sport, tourism, environmental protection:**

8.1. Strengthening international cooperation in health development;

8.2. attracting external intellectual and scientific resources for the scientific, educational and cultural development of the Republic of Belarus;

8.3. Increasing international scientific and technical cooperation;

8.4. Participation in international treaties, development of mutually beneficial relations with foreign states, international organisations, **exchange of information** and technology, use of international global information networks for accelerated economic development;

**8.5. promote integration of the Republic of Belarus into the world information space, support mutually beneficial international cooperation in the field of information and informatization;**

8.6. Assisting national federations (unions, associations) for a particular sport(s) in their international activities and raising the international profile of the Republic of Belarus through the active participation of Belarusian athletes (teams of athletes) in international sporting events;

8.7. to build the image of the Republic of Belarus as a region attractive for tourism development and to promote the national tourist product on the external market;

8.8. developing international cooperation in the field of environmental protection and solving environmental problems of a transnational character;

8.9. attracting assistance from the international community to overcome the consequences of the Chernobyl disaster.

**9. International cooperation in disaster management:**

9.1. Prompt reporting of the occurrence or danger of an emergency situation;

9.2. implementation of a coordinated policy on cross-border emergency prevention and response;

9.3. exchange of scientific and technical information and experts in the field of disaster management;

9.4. providing humanitarian assistance to countries affected by emergencies.

**10. Cooperation in the codification and progressive development of international law:**

10.1. participation in the drafting of international treaties;

10.2. developing cooperation with international organisations.

**11. Cross-border cooperation:**

11.1. interaction with foreign countries at regional and local levels in order to promptly solve cross-border problems, attract foreign investments to improve cross-border and transport infrastructure, and establish commercial organisations with foreign investments;

11.2. Development and implementation of regional technical assistance projects financed by international organisations and programmes in the fields of economy, spatial planning, entrepreneurship, infrastructure, **information**, environment, education, culture, tourism and sport;

11.3. Promoting **Euroregions** as a form of cross-border cooperation to smooth out differences in the levels of socio-economic development of territories, to develop cross-border infrastructure, to jointly address problems in the field of nature protection, to overcome imbalances in employment, cultural and linguistic barriers.

**Looking ahead**, the Republic of Belarus has based its socio-economic policy until 2015 on the continuity of the goals and priorities that have been formulated and implemented in previous years. Evidence suggests that the national model of a socially oriented economy has worked well over the past 15 years and will largely remain so in the future. However, dynamic development requires more active improvement and modernisation of existing organisational and economic mechanisms, economic institutions and economic policy, which will enhance efficiency, sustainability and competitiveness of the existing model of development in the Republic of Belarus. The main objective is to improve the well-being and living conditions of the population on the basis of improved socio-economic relations, innovative development and increased competitiveness of the national economy. To this end, the country envisages

- 1) the formation of a national innovation system;
- 2) Creating favourable conditions for the development of entrepreneurial initiative and increasing the inflow of investment into the economy;
- 3) developing public-private partnerships to ensure the sustainability of the public financial system;
- 4) Increased autonomy and responsibility of regional and local governments in dealing with socio-economic issues<sup>10</sup>.

Considering that the further development of the world economy will be determined by increasing tensions between world centres and an accumulation of imbalances in the world trade and financial system, that the global financial crisis has already led to increasing differentiation between countries, that the European market



is growing relatively slowly and that there is a marked increase in the activity of emerging markets, where not only China but also India and Brazil have become dynamic growth centres, that demand for foreign goods in countries is increasing significantly

In the next few years, the Belarusian economy will be strongly influenced by global trends in global economic development, which will require increasing the competitiveness of national manufacturers and the introduction of new technologies.

In this connection, the implementation of a consistent and balanced multi-vector foreign policy of the Republic of Belarus, based on the principles of mutual respect, equality and partnership, non-interference in the affairs of sovereign states, will focus on the following **areas**:

1) Timely detection, prevention and suppression by political and diplomatic - means of attempts to interfere in the internal affairs of the Republic of Belarus by foreign states and their intelligence services, international organisations and other forces which are not recognised as subjects of international relations;

2) To oppose or encourage the use in international practice of economic, political and other coercive measures aimed at curtailing the sovereign rights of States;

3) The decisive defence of national interests within international organisations and alliances, including regional ones, and the promotion of the authority of the Republic of Belarus and the position of these structures in the system of international relations;

4) Preserving the global role of the United Nations and the UN Security Council in ensuring international stability and security;

5) Continued commitment to nuclear disarmament, participation in non-proliferation regimes, conflict mediation and peacekeeping under UN auspices;

6) Developing international cooperation in combating all forms of transnational organised crime, especially those related to terrorism, illegal migration, trafficking in human beings and drug trafficking;

7) The active participation of the Republic of Belarus in the activities of the Organization for Security and Co-operation in Europe, assistance in eliminating

imbalances in its functioning, consistent strengthening of the institutional framework of this organization;

8) The formation of a full-fledged, effective and mutually beneficial Customs Union and Common Economic Space within the Eurasian Economic Community, without artificial exemptions or limitations;

9) intensifying the activities of the Republic of Belarus to expand its participation in mutually beneficial initiatives and projects within the framework of key sub-regional organisations: The Commonwealth of Independent States, the Central European Initiative, the Organization of the Black Sea Economic Cooperation, and the Council of the Baltic Sea States;

10) development of a belt of good neighbourliness along the external borders of the Republic of Belarus in all its dimensions: military, political, cultural, informational, social and economic;

11) Effective implementation of the state border policy, ensuring an integrated approach to border management, optimal combination of barrier functions with the creation of favourable conditions for active development of economic relations, increase of tourist and business attractiveness of the country;

12) maintaining and strengthening the foundations of the Union State, and realising the existing constructive potential of the strategic partnership with the Russian Federation;

13) developing full-fledged relations with the European Union states, maintaining an active dialogue with the European Union on the whole range of issues of mutual interest with a view to concluding a Partnership and Cooperation Agreement, as well as abolishing discriminatory measures against the Belarusian state;

14) Consistent increase in the involvement of the Republic of Belarus in the pan-European integration processes, primarily involving active participation in international projects related to the production and transportation of energy resources and the operation of transport corridors;

15) Consistently deepening strategic partnership relations with China, Venezuela, developing comprehensive cooperation with other states in Asia, Latin

America and Africa, especially India, Vietnam and Brazil, and adjusting the scale of economic cooperation with them to the level of political relations;

16) Develop a dialogue with the US based on the principles of equality, mutual respect and partnership based on common interests, primarily in the context of international security;

**17) To convey to the wider world public objective information about Belarus and its position on major international problems, foreign policy initiatives, and the achievements of national culture and science;**

18) to increase the effectiveness of the protection of the rights and legitimate interests of Belarusian citizens and compatriots abroad.

In his recent Address to the Belarusian People and the National Assembly, the Belarusian head of state outlined the main, pivotal **idea of renewal** for Belarus, which will also affect the Belarusian foreign policy: "We need to completely reorient our foreign economic political representations in line with our interests. We should go where we are expected, where new markets open up"<sup>11</sup>. This means that Belarus will continue striving to develop mutually beneficial partnerships with all countries and regions, but will also adequately respond to external pressure and sanctions policies that it still has to face.

## Chapter 3

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

The system of state foreign policy, dubbed 'multi-vectorism', began to take shape in the post-Soviet space in the first half of the 1990s. The choice of this system for most of the former Soviet republics was dictated by the need to survive in the difficult conditions caused by the collapse of the Soviet Union. In fact, the multi-vector system was a tool that helped to correct the natural disadvantages and take advantage of the existing strengths of the newly independent states that had begun to pursue their own foreign policy course. The fact is that there is still no scientific description of the term "multi-vectorism", which is already widely used in the diplomatic and political science lexicon. However, there are a number of definitions which, in our view, can convey the meaning of the term in a very comprehensive way.

First, "a multi-vector foreign policy is an independent independent foreign policy, the distinguishing feature of which is a balanced and equal attitude simultaneously with different important centres of power and major world and regional players"<sup>12</sup>. Secondly, for the newly independent states of the post-Soviet space multi-vectorism meant "a certain diplomatic style, a favorable method of conducting foreign policy, following which the national interests formulated by the ruling elite are most fully implemented"<sup>13</sup>. Third, the interpretation of the principle of multi-vector foreign policy voiced by Kazakhstan's President Nazarbayev draws attention: "In fact, all states can be called multi-vector. This means that under conditions of independence, self-sufficiency, each state can communicate, trade, conclude political agreements with all those with whom it is profitable to do so."<sup>14</sup>. Fourthly, even in the foreign policy of the Russian Federation multi-vectorism is one of the key characteristics, as the head of the Russian diplomatic department, Sergey Lavrov, points out: "Following this principle means only one thing: each vector is valuable to us, and any mutually exclusive or "compensatory" schemes are unacceptable"<sup>15</sup>. In other words, the principle of multi-vector Russian foreign policy activity is "an aspiration to develop equal mutually beneficial relations with all countries, without exception, that are ready for it"<sup>16</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 need to expand the circle of allies and obtain an effective mechanism for finding them. At that time, Turkmenistan almost immediately chose the path of neutrality and stated that it would not join any union or association. Uzbekistan declared that it had chosen the path of independence. Tajikistan proclaimed an 'open door' policy which sought to forge equal relations with all countries. In Kazakhstan, the focus was on developing friendly and predictable relations with all states that play a significant role in world affairs and are of practical interest.

Belarus is no exception in this regard. Declarations about the need for a multi-vector foreign policy of the Republic of Belarus have been echoed in documents and speeches of Belarusian officials almost from the first months of the country's independence. In 1997, a multi-vector approach was declared as the underlying principle of Belarus' foreign policy, the implementation of which demanded "utmost precision, well-thought-out statements and actions from the Belarusian diplomacy, leaving no room for error"<sup>17</sup>.

The increasing globalisation processes have also provided a serious impetus to a multi-vector foreign policy of post-Soviet states. After all, "the problem of distance in the era of globalisation is becoming less and less of an obstacle to networking"<sup>18</sup>. Therefore, in the process of developing international cooperation between states located in different regions of the planet, an opportunity to understand the diversity of the world and the specificity of different countries and peoples has emerged. It was the globalization that provided the former Soviet Union countries with real opportunities and ability to beneficially combine different geopolitical vectors and actively use them to integrate various directions of foreign policy into one course. In fact, with the intensification of globalisation came the possibility of multilevel multivectorism, where one vector could carry qualitative assessments of the political regime, another could seriously influence and support the local elite without an ideological context and the third could be distinguished by specific pragmatic beneficial projects.

But it should not be forgotten that "for small states, with a limited number of

political and economic resources, multi-vectorism carries certain dangers"<sup>19</sup> . It is no secret that major powers or centres of gravity constantly send signals to smaller states, making it clear that they need to decide on a major partner or vector. "In this situation, the policy of multi-vectorism risks remaining only in theory, while in practice states, guided by the interest of preserving sovereignty, will slide towards an emphasis on closer relations with one of the big partners"<sup>20</sup> . The negative attributes of a multi-vector foreign policy also include such attributes as disguising one's real foreign policy, inconsistency in inter-state relations, momentary attempts to correct the balance in one or another favour, inconstancy and rushing between geopolitical centres, isolationism, rushing from one reference point to another, dependence on political conjuncture, "indiscriminateness, allivism"<sup>21</sup> .

Nevertheless, pursuing multi-vectorism is one effective way of redistributing foreign policy risks into different "baskets". It is important that while developing a wide range of foreign policy relations in a variety of directions, be it East, West, North or South, a state pursuing a multi-vector policy should retain the initiative to make independent decisions, rather than becoming an object of foreign games. It is clear that mutual understanding between these geopolitical phenomena should be based on a profound knowledge of the peculiarities of each of them, for it contains enormous opportunities that need to be turned for the benefit of the interacting countries and peoples. In other words, "the development of friendly relations with states correlating with such geopolitical phenomena as East, West, North and South determines the content of a multidirectional foreign policy"<sup>22</sup> .

Of course, it is possible to achieve success in implementing a balanced, pragmatic foreign policy with mutual benefit and a firm assertion of national interests, with a differentiated and multi-level approach to interaction with various foreign countries and international organisations in the context of ambiguous processes and trends in the current system of international relations, expressed in all kinds of contradictions and conflicts between their participants, only if the state uses the whole composite of the international relations of the country. Moreover, "the need to create a public opinion supportive of cooperation with a given state is one of the challenges of

multi-vector policy"<sup>23</sup> , which by definition should be addressed by the international segment of the national journalism of each country pursuing a multi-vector approach in its foreign policy. The real practice shows that not all post-Soviet countries successfully tackle 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 international coverage in the media of a particular state depends, first of all, on the activity of the international position of the country itself, but also on such factor as the interest of readers, viewers, listeners to international issues. The experience of the formation of international journalism in the post-Soviet space over the past two decades has demonstrated the following correlation: as the socio-economic situation in the countries sharply deteriorated, the interest of the audience towards the outside world was also seriously diminishing. This is evidenced by the fact that international political and economic issues have been replaced by purely domestic issues in the media sphere. This trend resulted in the departure of qualified international journalists and degradation of international coverage itself in the press, on radio, television and the Internet, and prompted the sad conclusion that if "society is not interested in international events, while the foreign policy of the state has no global or regional interests, then one should not expect journalists <...> to be able and capable of covering any particular events in international life"<sup>24</sup> .

It seems that such a rigid formulation of the issue in this thematic plane is still not typical for the Republic of Belarus, which can be explained by the relevant 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 is adjacent to the west) it is experiencing a serious imbalance, especially in the political sphere, being limited mainly to the foreign economic sphere"<sup>25</sup> . And already at the end of the 1990s, a course for a multi-vector foreign policy was proclaimed at the state level in Belarus.

At the legislative level, the major principles, goals and objectives of the Belarusian foreign policy were set forth in 2005, in the Law "On Approval of the

Guidelines for the Internal and Foreign Policy of the Republic of Belarus". The document outlines the development of comprehensive cooperation with foreign states and international organizations, mutual consideration and respect for the interests of all members of the international community, based on the universally recognized principles and norms of international law. The main direction in the sphere of foreign policy is "improvement of the state foreign economic policy based on the multi-vector nature, the established international division of labour and markets for goods and services"<sup>26</sup>.

The Republic of Belarus had to shape its international multi-vector course in a situation when the world has entered a stage of cardinal geopolitical, economic and social transformations characterized by high intensity and dynamism, when "the formation of new centres of power is accompanied by aggravation of rivalry between states and competition of models of future development"<sup>27</sup>. The growth of international tensions in the last few years has markedly reduced the credibility of partners at the interstate level. The emergence of so-called hybrid threats and the intensification of sanctions have further complicated the international community's approach to coherent solutions to the world's problems. In addition, "information wars, the activation of so-called fifth columns and the shaping of negative public opinion through the media and the internet have taken on enormous significance"<sup>28</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, which are bringing the world to the brink of a new war. In these circumstances, we see a way out only in the search for optimal ways of sustainable development for the entire global community, rather than for individual countries. That is why the Belarusian side sees the new formula of universal mutually beneficial cooperation 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 relevant trend of the modern world"<sup>29</sup>.

All the more so because today the prospects for cooperation between the European and Eurasian Economic Unions, the implementation of the large-scale Silk



Road project, the Trans-Pacific Partnership and the Transatlantic Free Trade Area, and a number of other integration projects are already becoming relevant at different levels. That is why a multi-vector foreign policy in modern conditions becomes the creative tool that makes it possible not only to avoid dangerous and unnecessary confrontation of integration models, but also to achieve their compatibility and mutual supportiveness.

The multi-vector foreign policy of the Belarusian state is a fundamental principle, which implies the development of balanced constructive relations with those partners in various regions of the world with whom Belarus "is guided by the principles of pragmatism and consistency, mutual respect, equality, non-interference in internal affairs, rejection of pressure and coercion"<sup>30</sup> while building up a dialogue and mutually beneficial cooperation. This multivector course of Belarus is conditioned by a number of circumstances, among which are both the geographical position of the country, whose territory is crossed by major transport routes from Europe and Asia, and the history of the Belarusian state, which has experienced the disastrous consequences of numerous European wars and conflicts. Today the Republic of Belarus is recognised by the entire international community as a sovereign European state, which pursues an independent, peace-loving, multi-vector foreign policy, actively developing cooperation with foreign partners in various parts of the world and making a substantial contribution to strengthening international security and stability.

The multi-vector nature of Belarus's foreign policy is also evidenced by the following figures. At the beginning of 2016, Belarus maintained diplomatic relations with 174 countries. Today, Belarusian diplomatic representations operate in 56 countries across five continents. In 2014 alone, Belarusian embassies were opened in Australia, Qatar, Mongolia, Pakistan, and Ecuador, while Italy opened a Consulate General of the Republic of Belarus in Milan. Foreign countries in Minsk are now represented by 45 embassies, 4 embassy branches, 2 trade missions, 35 consular offices, including honorary consuls. Another important fact is that 88 foreign missions have already been accredited in Belarus.

Its status as a geopolitical crossroads offers the Republic of Belarus a tempting

chance to make the most of its favourable geographic location and available transit and industrial potential, but at the same time brings conflicts close to its borders, which never before in its sovereign history have flared up and developed so rapidly and unpredictably. Therefore, while adhering to uniform approaches to the development of relations with all foreign countries, Belarus still focuses its multi-vector foreign policy efforts on a number of the most important and promising areas, among which the following priorities can be highlighted.

I. The **Russian Federation**, the strategic partnership with which is conditioned by geographical, geopolitical, historical factors, mutual complementarity of economies of two countries, close cooperative ties between enterprises. The main foreign economic tasks in this direction:

- 1) increasing the volume of Belarusian exports;
- 2) effective use of the potential of direct links between the regions of the two countries;
- 3) deepening cooperation;
- 4) expansion of the Belarusian commodity distribution networks;
- 5) attracting investment.

The priority area of cooperation between Belarus and Russia is regional cooperation aimed at

- 1) Increasing the volume of mutual supply of goods;
- 2) expansion of the distribution network;
- 3) Strengthening of production cooperation;
- 4) the establishment of assembly plants.

The leaders in mutual trade with Belarus are the Central, Ural, Volga, Northwestern Federal Districts, and among the Russian federal subjects - Moscow, St. Petersburg, Tyumen, Moscow, Smolensk, Orenburg, Bryansk, Nizhny Novgorod, Kaluga regions and the Republic of Tatarstan, which account for over "70 percent of the Belarusian-Russian trade turnover"<sup>31</sup> .

II. The countries of **the Commonwealth of Independent States** and **the Eurasian Economic Union**, with which the process of post-Soviet integration is

taking on an increasingly concrete shape. 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) The establishment of a free trade area for services;
- 3) further shaping the educational and investment space;
- 4) developing humanitarian, cross-border and cross-border cooperation;
- 5) strengthening environmental security.

Belarus' key trade partners in the CIS are Ukraine, Kazakhstan, Moldova, Turkmenistan and Azerbaijan, "which account for over 95 per cent of Belarus' exports to the CIS region (excluding Russia)"<sup>32</sup> .

**The EAEU** is now creating additional conditions for the sustainable development of the Belarusian economy at the expense of

- 1) ensuring freedom of movement of goods, services, capital and labour;
- 2) implementation of coherent policies in key sectors of the economy;
- 3) The development of cooperative ties;
- 4) The implementation of joint investment and innovation projects;
- 5) compliance with uniform competition rules, standards and requirements for goods and services;
- 6) access to natural monopoly services and the public procurement market.

III. The countries of **the European Union**, with which Belarus has intensified relations in areas of mutual interest such as trade and investment, transport and transit, cross-border and regional cooperation, visa facilitation and environmental protection. Belarus' main trade and economic partners among the European countries are Germany, the Netherlands, Poland, Italy, Lithuania, the UK and Latvia, while the UK, Cyprus, the Netherlands, Austria, Poland, Lithuania and Latvia are among the leading investors in the Belarusian economy.

The Belarusian one is aimed at intensifying cooperation with European partners and developing concrete projects aimed at

- 1) the development of a network of energy and transport connections;
- 2) Strengthening regional energy security;

- 3) countering environmental threats;
- 4) improving the efficiency of border security and customs trade facilitation.

It is on the European vector that Belarus has consistently promoted the idea of integration of integrations, which "in the future may serve as a basis for harmonisation of integration processes within the European Union and the Eurasian Economic Union, as well as the creation of a common economic and humanitarian space from Vladivostok to Lisbon"<sup>33</sup>.

**IV. The People's Republic of China**, the relations with which over the past few years have reached the level of a comprehensive strategic partnership and are built "on the principles of mutual respect, support and multifaceted cooperation"<sup>34</sup>, the structure of which can be distinguished in the following main areas:

- 1) deep and mutual integration of industries and enterprises;
- 2) information technology;
- 3) the formation of joint research and training centres;
- 4) joint development of sectoral science;
- 5) direct and systematic inter-regional cooperation.

For their successful implementation, mechanisms are already being formed to encourage Chinese direct investment in the energy sector, production of construction materials, transport infrastructure, production and processing of agricultural products. And the twin regions of the two countries have developed a roadmap for deepening trade and economic cooperation, fixing priority joint projects, as well as promising areas for cooperation by all

Belarusian regions and Minsk with 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 for the development of relations are structured as follows:

- 1) Intensifying political and economic engagement with traditional partners -

Argentina, Brazil, Cuba, Egypt, India, Iran, Japan, Syria, South Africa, United Arab Emirates, Venezuela and Vietnam;

2) Establishment of dialogue and active entry into markets with significant potential for mutually beneficial cooperation - Angola, Australia, Bolivia, Cambodia, Colombia, Indonesia, Laos, Malaysia, Mozambique, Mongolia, Nicaragua, Nigeria, Pakistan, Peru, Qatar, Saudi Arabia. Ecuador, Ethiopia.

With **Africa**, the key area for Belarus's trade and economic cooperation is the expansion of Belarusian exports of goods and services and the development of new markets. The most promising area for Belarus's engagement with the **Middle Eastern** countries is investment cooperation, which involves joint projects in manufacturing, construction, agriculture, hotel business, and trade. **Asian** countries, which have the highest gross domestic product growth rate on the planet, are both a promising, rapidly expanding market for Belarusian goods and services and a promising investor in the Belarusian economy. **Latin American** countries are a vector of Belarus's foreign policy aimed at consolidating long-term relations, expanding the political dialogue, strengthening the legal framework and promoting the interests of Belarusian companies, including through the establishment of joint ventures, opening trading houses and representative offices.

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

All of these directions of Belarusian foreign policy presented above are very eloquent of the idea that in the current conditions of overcoming the global crisis it is necessary to increase international cooperation in all spheres. And this will be absolutely in line with the logic of the principle of multi-vector foreign policy. In this case, international cooperation should be based not only on knowledge, innovations and advanced technologies introduced into mass production, but also on the active

formation of a common information and media space of interaction and partnership, on introducing the principles of equality and mutual respect into the mass consciousness of millions of people. After all, the media today play an extremely important role in the processes of further rapprochement of countries and peoples: "Active promotion of the idea <...> of integration presupposes an equally active creative position of the mass media, their historical responsibility to society"<sup>35</sup>.

It must be assumed that the growing responsibility to its readers, listeners and viewers is pointing the way for the modern media to follow not only certain value criteria, but also to exhibit the highest professional skills, based on a competent knowledge of the social, ethnic, linguistic, religious, cultural, civilizational features of its audience. This is the only way to counter the information wars observed today in the media sphere - wars without rules, of which more and more people on our planet are witnesses and victims.

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## Chapter 4

### Features of parliamentary diplomacy in the context of global challenges

In September 2016, the Republic of Belarus elected its sixth parliament. The time that has passed since then has shown that one of the most important areas of its activities is becoming a significant increase in the so-called "parliamentary diplomacy", which should be based on the tasks of "diversification of markets, promotion of Belarusian goods and services"<sup>36</sup>. Recall that the concept of "parliamentary diplomacy" refers to the totality of active actions of the parliament, groups within it or individual parliamentarians to achieve foreign policy goals in dialogue formats, as well as various aspects of international activities of parliamentarians related both to the implementation of international obligations of the state and promotion of its various foreign policy and foreign economic initiatives.

It is believed that the dialogue formats that the people's elected representatives are called upon to build in the international arena can facilitate the search for effective strategies to resolve global and regional problems and contradictions. And if we remember that the current international environment is characterised by continued high volatility and increasing uncertainty due to ongoing global transformations and the negative impact of traditional and new challenges and threats, it is easy to understand why today "the trend towards increasing multifunctional activity of parliaments in international relations is universal in nature. It extends to virtually every state in the world and the inter-parliamentary structures that they have created"<sup>37</sup>.

In assessing the current state of development of parliamentary diplomacy, it should also be understood that it is now increasingly returning to the national interest and beginning to address serious foreign policy and economic issues. And this is quite understandable, as "the return to national interests and pragmatic approaches is in many ways not just a reaction to external crises, but also a logical step in the rethinking of the methodology of implementation <...> of goals in global politics"<sup>38</sup>. In turn, the intensification of parliamentary activity in the international arena is an important

growth point in the development of the institution of parliamentarism itself and the establishment of the national parliament as one of the centres of foreign policy strategy development, as "the increase in the impact of parliamentary diplomacy at the global level can be observed in the increase of powers, the geographical scope of activity and the range of issues addressed"<sup>39</sup> .

In other words, parliamentary diplomacy is a tool to improve the methods of debate and create an environment conducive to international cooperation, both bilaterally and multilaterally. It is important that parliamentarians, in the current political and economic global reality, organically integrate themselves into the system of foreign policy implementation and effective decision-making, relying on a strengthened analytical component of their work, as it is the in-depth analysis of the situation in foreign countries that can make their search for possible ways to influence civil society to address existing engagement issues effective.

Also relevant in this context is the topic of improving information support for the foreign policy activities of the national parliament in order to purposefully shape not only its international image, but also that of the country as a whole. All the more so since "an important problem in the field of information is the excessive closed access to information, the excessive level of secrecy, the materials presented to the press could have been greatly expanded by specifying the areas of activity and the list of some proposed initiatives"<sup>40</sup> .

The main forms of foreign policy activities of national parliaments today include several. Firstly, the institutional strengthening of international cooperation through the creation of a legal and treaty framework, the improvement of international law, and the adoption of statements, appeals and resolutions on foreign policy issues. Secondly, strengthening international security through participation of parliamentarians in international conferences, symposiums, discussions, roundtables, peacekeeping missions and observation of elections in other countries. Third, developing inter-parliamentary co-operation through international meetings of parliamentarians, personal contacts with foreign counterparts, and representatives of both governmental and non-governmental bodies.



non-governmental organisations.

When it comes to the Belarusian parliament, inter-parliamentary cooperation occupies a special place in its system of foreign policy activities, as "this form contains the maximum potential to pursue its own active international policy, as well as to assist official diplomacy in the implementation of foreign policy initiatives"<sup>41</sup>. Among the priorities of Belarusian parliamentary diplomacy are anti-crisis issues, as well as promotion of trade, economic and industrial cooperation and international ties between Belarusian regions in all spheres. We will look at how this cooperation is implemented in practice, using the example of the partnership between the Belarusian parliament and its counterparts in **Kazakhstan, Pakistan, and Malaysia**.

In March 2017, a parliamentary delegation **from Kazakhstan, headed by** the Chairman of the Majilis of the Parliament, N. Nigmatulin, visited Belarus. The visit signalled the mutual and most keen desire of Minsk and Astana to expand the toolbox of Belarus-Kazakhstan interaction through such an effective form of bilateral dialogue as parliamentary diplomacy. Therefore, during numerous meetings of Kazakhstani parliamentarians on the Belarusian soil they discussed not only inter-parliamentary cooperation, but also interaction in the trade and economic sphere, improvement of the legal framework and operation of joint assembly facilities in Kazakhstan.

The engagement of parliamentary diplomacy to address a number of issues in the partnership between Belarus and Kazakhstan is very timely, if only for the reason that today the parties "need to make efforts to overcome the decline in trade and economic cooperation, both at the bilateral level and within the framework of the Eurasian Economic Union"<sup>42</sup>. Indeed, back in 2014, Belarusian-Kazakh trade turnover hit a record high of almost one billion dollars. However, in 2016, the volume of mutual trade decreased more than twice, amounting to \$419.1 million. Although the trade balance in this case was positive for Belarus due to the supplies of Belarusian tractors and tractor trucks, milk and dairy products, machines and mechanisms for harvesting and threshing crops, trucks and furniture to Kazakhstan, the priority task for parliamentarians of the two countries today is to "ensure effective legislative support for all decisions and agreements of the heads of state. <...> Another important task is

to work on increasing trade turnover"<sup>43</sup> .

It should be noted that the main document on the practical development of bilateral Belarus-Kazakhstan relations today is the intergovernmental action plan for 2017-2018, which covers all areas of interaction, including trade and economic, scientific and technical, cultural and humanitarian, and regional issues. In accordance with this document, the parties have set a goal of restoring the level of trade turnover in 2014 and even exceeding it in the very near future. And certain steps are being taken in this direction.

Assembly of quarry and mining equipment of the Belarusian Automobile Plant, as well as Belarusian tractors, grain and forage harvesters, cargo and passenger lifts, and fire-fighting equipment has already been organized in Kazakhstan. In total, there are currently "eight joint assembling factories of Belarusian machinery and equipment in Belarus. The parties are working on launching six more assembly factories"<sup>44</sup> . In particular, Pinsk Small Mechanization Equipment Plant and Dorelektromash LLC are planning to take part in the production. In addition, cooperation in the industrial sector will be expanded very soon through the establishment of the Belarusian-Kazakh Industrial and Technological Park in Kokshetau. And in early 2017, the plant of Astana Motors in Almaty started producing trucks under the brand name of Minsk Automobile Plant. It is important that "the MAZ project in Kazakhstan envisages not just large-scale assembly of trucks. Already now the share of local components makes 30 per cent. By the end of this year this figure on localisation of production will increase up to 50%"<sup>45</sup> .

All these facts suggest that the parties have created a certain foundation for the development and adoption of the Programme of Social and Economic Cooperation between Belarus and Kazakhstan until 2026, which is expected to be signed in 2017. This document, which will be facilitated by the parliamentarians of the two countries, will be able to continue and develop both the already launched projects to create an industrial and technological park of agricultural and municipal machinery, joint assembly of municipal dump trucks based on the Minsk Automobile Plant and the Lidagroprommash combine harvesters, and those that are still being developed. In

particular, this program could open "good prospects for cooperation in drones, cooperation in the space industry"<sup>46</sup>, as well as participation of the Belarusian side in the large-scale initiative of the Kazakh leader Nursultan Nazarbayev on the third modernization of the country. It should be reminded that at the end of January 2017, the head of Kazakhstan outlined five main priorities for reforming Kazakhstan's economy, the implementation of which will ensure its growth above the global average and sustainable advancement into the top 30 advanced countries. "The first priority is accelerated technological modernisation"<sup>47</sup>, under which a programme "Digital Kazakhstan" will be created, where the developments of Belarusian specialists can be used with the widespread introduction of such elements of the fourth industrial revolution as automation, robotics, artificial intelligence.

**Pakistan** is among those Asian countries with which the Republic of Belarus has been developing its relations especially intensively over the past few years. The two visits of the Belarusian leader to Pakistan in 2015 and 2016 and exchange visits of Prime Ministers Sharif and Kabiakoŭ in August and November 2015 showed that the time has come for fundamental changes in the bilateral relations between Belarus and Pakistan. The roadmap for short- and medium-term cooperation between Belarus and Pakistan "sets a goal to increase mutual trade to \$1 billion by 2020."<sup>48</sup>

In 2017, the parties came to the understanding that "regular interaction between parliamentarians is necessary to deepen cooperation. It is parliaments that serve as important bridges in building people-to-people contacts, deepening mutual understanding and developing mutually beneficial cooperation"<sup>49</sup>. This is why, in April 2017, the House of Representatives of the National Assembly of Belarus and the National Assembly of the Parliament of Pakistan signed a joint statement and a Memorandum of Understanding, stating that "full-fledged interaction cannot be developed without establishing and enhancing effective inter-parliamentary dialogue"<sup>50</sup>.

It should be noted that the potential for expansion of the current Belarus-Pakistan engagement is based on the realization that the economy of this Asian country is growing and offers great investment opportunities in agriculture, agro-industry,

pharmaceuticals, light industry, mechanical engineering, oil and gas industry. And in a number of these areas, concrete steps have recently been taken in terms of effective cooperation with the Belarusian side. For example, at the end of March 2017, the Pakistani side announced its intention to implement an investment project to open an assembly plant for Belarus tractors in Punjab province, which are already well known here.

It should be recalled that Minsk Tractor Works started supplying its machinery to Pakistan back in 1955. Since then it has exported more than 130 thousand machines there. In 2015, the Orient Tractor plant in Pakistan opened an assembly facility for the production of Belarusian machines - about four thousand tractors annually. But "as of today, Pakistan's tractor fleet is estimated at 700,000 machines. The annual market demand is 85-90 thousand tractors"<sup>51</sup>. This is why there are reasons to believe that the new project of assembling Belarusian agricultural machinery will bring real benefits to its participants. The more so because the Belarusian side has offered its Pakistani partners not only to assemble tractors but also to supply local farmers with machinery and farming technologies. And in the future the joint venture in the state of Punjab will assemble not only agricultural but also municipal machinery.

The topic of developing bilateral cooperation in the agro-industrial complex has recently received a strong impetus in the first joint Belarusian-Pakistani agricultural forum held in April 2017 in Pakistan, which was attended by a representative delegation led by Speaker of the House of Representatives of the National Assembly of Belarus V. Andreichenko. At this landmark event, the Belarusian side voiced the main priorities of bilateral cooperation in the agro-industrial sector, including "increasing mutual turnover, establishing joint processing facilities, sharing advanced achievements in agrarian science, and organising joint training"<sup>52</sup>.

For example, Belarusian producers such as Polotsk Dairy Factory OJSC, Vitebsk Broiler Poultry Factory OJSC, Orsha Meat Canning Factory OJSC will be able to step up their export operations in the Pakistani market, CJSC Meat and Dairy Company, Biokom LLC, OJSC Agrokombinat Dzerzhinsky, OJSC Lidselmash, OJSC Gomselmash who demonstrated their production and technological potential at the first

joint agricultural forum. In terms of new joint productions we are talking about "creation of poultry meat processing enterprises, construction of greenhouses, grain drying complexes"<sup>53</sup>, because the parties already have good practices in designing and equipping livestock buildings, fruit and vegetable storages, and greenhouse complexes. As for the exchange of advanced achievements in the field of agricultural science, the Memorandum of Understanding and Cooperation between the Belarusian State Agrarian Technical University and the Agrarian University of Faisalabad, signed in April 2017, should provide additional opportunities.

**Malaysia is a** state in Southeast Asia that the Republic of Belarus views as an important and promising partner in the region, and the potential for cooperation with which has yet to be unlocked. In 2015, the country ranked 25th in terms of the value of Belarusian exports among all of Belarus's trading partners. Mutual supplies amounted to nearly \$160 million at that time, with a surplus of \$65.1 million for the Belarusian side. In 2016, the trend practically continued: Belarusian exports to Malaysia exceeded \$85 million in ten months with a surplus of forty million dollars. However, potash fertilizers accounted for the lion's share of Belarusian supplies, which is understandable, because Malaysia is one of the largest consumers of potassium chloride in Southeast Asia. In the same year 2015, 406.9 thousand tons of these fertilizers worth \$109.5 million were imported here, and in 2016 - 546.2 thousand tons worth \$104.6 million. These facts alone show that there is room for the sides to move forward in terms of trade and economic cooperation - to diversify mutual supplies. But to do this, we need to determine the most effective mechanisms of bilateral cooperation.

Minsk has its own opinion on the matter, which, however, is shared by Kuala Lumpur: "Interparliamentary cooperation should become one of the cornerstones in the foundation of the Belarusian-Malaysian relations"<sup>54</sup>. And, by all appearances, the parties are already making concrete steps towards the goal. Back in February 2013, a working group on cooperation with the Malaysian parliament was set up in the National Assembly of the Republic of Belarus. As a reciprocal step, in April 2014, the Malaysian-Belarusian Parliamentary Friendship Group was formed in the Parliament

of Malaysia, whose representatives, headed by Deputy Speaker of the House of Representatives R. Kiandi, arrived in Minsk in August of the same year, where they formulated one of the most important tasks of the Belarusian-Malaysian partnership with their Belarusian colleagues: "The two countries need to create and develop the legal framework for cooperation"<sup>55</sup> .

Work on a host of draft bilateral agreements began immediately: on economic, scientific, technological and cultural cooperation; on the promotion and mutual protection of investments; on cooperation in the fight against crime; on mutual visa abolition; on cooperation in the legal sphere; on military and technical cooperation; on cooperation between the Belarusian Chamber of Commerce and Industry and the National Chamber of Commerce and Industry of Malaysia; on cooperation between the Minsk branch of the Belarusian Chamber of Commerce and Industry and the International Chamber of Commerce of Malaysia. Finally, in 2016, the parties signed a Memorandum on Inter-Parliamentary Cooperation, noting that "Belarus and Malaysia have the necessary basis to deepen political dialogue, develop trade and economic relations, cooperation in culture, science, education and healthcare"<sup>56</sup> , that there is huge unrealised potential for cooperation and there are many points of contact.

The visit to Minsk in December 2016 by Speaker of the House of Representatives of the Malaysian Parliament P.A. Mulia demonstrated the breadth of the thematic range that parliamentarians of the two countries will be involved in Belarusian-Malaysian cooperation in the near future: industry, tourism, education, high-tech, military-industrial complex, establishment of joint ventures, building up interregional and scientific and technical ties. In particular, as far as scientific and technological cooperation is concerned, here "projects in the field of biotechnology, microbiology, laser optics, new materials could be implemented as start-ups"<sup>57</sup> . Several agreements are already being worked out between the higher education institutions of the two countries on issues related to the training of specialists, both at the university level and of highly qualified scientific personnel, as "increased cooperation in training personnel would help develop political, trade and economic relations"<sup>58</sup> .

The Malaysian market appears to offer interesting opportunities to a number of Belarusian exporters, which have so far supplied tyres, measuring equipment, hardware and foodstuffs in small quantities in addition to potash fertilizers. In 2016, trial shipments of mixed mineral fertilizers by Gomel Chemicals OJSC and malt by Belsolod OJSC were made to that country. Due to the intensive development of agriculture in Malaysia, there are prospects for the resumption of export of Belarusian agricultural machinery. The first deliveries of Minsk Tractor Works' machinery to Malaysia were made in 1968, but later the deliveries were made via Singapore. Today, "the capacity of Malaysia's agricultural machinery market is estimated at \$70-80 million a year. The fleet of tractor and other agricultural machinery has about 43 thousand units. The main users of such machinery are plantation farmers"<sup>59</sup> . So, Belarusian tractors may be in demand here in considerable quantities.

The Malaysian side also expressed its interest in such Belarusian companies as the Belarusian Automobile Plant in Zhodino and the 558th Aircraft Repair Plant in Baranovichi. Belarusian dump trucks may be in demand in this Asian country for the reason that "Malaysia has large reserves of minerals. These are iron ore, coal and non-ferrous metals. The country is one of the world's largest producers of tin. <...> now we are entering the recovery phase of the sector"<sup>60</sup> . As for the Baranovichi-based company, it has already been involved in one-off contracts with Malaysian customers. But today Malaysia is considering opportunities to expand cooperation with Belarus in the area of aviation equipment, so we are talking about expanding cooperation of the Belarusian side "with the Ministry of Defense of Malaysia to repair and upgrade MiG-29 type aircraft"<sup>61</sup> .

Apparently, Belarusian-Malaysian engagement in the area of military equipment may expand significantly in the near future. At least, in March 2017, the Belarusian side made important steps in this direction by demonstrating its latest defense technologies at the 14th International Aerospace and Naval Machinery Exhibition YMA-2017, which was held in Malaysia on Langkawi Island. Note that the forum is one of the largest military equipment shows in the Asia-Pacific region, which has been held biennially for the past 26 years under the patronage of the Malaysian Ministry of

Defence. This time it was attended by about 350 companies from 36 countries and about 400 thousand visitors. Belarus' participation in the event is understandable, as "previous LIMA exhibitions have proven to be an excellent platform to display and promote the latest aerospace and naval equipment and technology to the Malaysian market and the entire Asia-Pacific region"<sup>62</sup> .

That is why the joint stand of the State Committee for Defense Industry presented the latest defense technologies and capabilities of the defense sector of the Belarusian economy in the development and production of robotic equipment, aviation components, modern radiolocation equipment, radio communication suppression stations and complexes, optical and optoelectronic products, information display devices capable of operating in harsh operating conditions, and deep modernization of air defense anti-aircraft missile complexes. Aircraft Repair Plant 558 demonstrated its independent exposition at the exhibition as well. It displayed a wide range of unmanned aerial vehicles - tactical aerial UAVs Berkut-1(2), Kondor-1(2), Moskit and vertical take-off and landing quadcopters - Shershin, Satellite UAV and over 20 items of aviation components manufactured at Baranovich enterprise.

There are certain prospects for cooperation between the regions of Belarus and Malaysia. On the Belarusian side, it concerns, first of all, Minsk Region, which is home to Belaruskali, a major exporter to Malaysia. Interestingly, "the share of Belarusian potash fertilizers among all similar products in the Malaysian market reaches 25%"<sup>63</sup> . But the regional authorities hope that export supplies to the Malaysian market will not be limited to potash fertilizers. Their range can be expanded to include agricultural and freight equipment, as well as food products. On the Malaysian side, the state of Sabah will be involved in this inter-regional cooperation. If the experience of cooperation with Sabah proves positive, the Minsk Oblast does not rule out the development of close ties with other Malaysian regions.

It is noteworthy that the stepped-up efforts to expand the engagement between Belarus and Malaysia, which is based on inter-parliamentary cooperation, have been yielding tangible results for the past few years. Specifically, "the growth rate of Belarusian exports to Malaysia in January 2017 compared to the same period last year



was 172.4% and export volume was \$13.8 million"<sup>64</sup> . An important and effective instrument to expand mutually beneficial partnership, such as the intergovernmental Belarus-Malaysia Commission for Trade and Economic Cooperation, is now on the agenda for the development of bilateral relations between Belarus and Malaysia. One should believe that its emergence in 2017 could become a factor for further intensification of the relations between the two countries, which turned 25 years old in March 2017. According to Minsk and Kuala Lumpur, over a quarter of a century, both sides have witnessed an increase in mutual trade turnover and the development of political and cultural ties. Further development of this constructive dialogue will only "positively influence the realization of the existing rich potential of Belarusian-Malaysian cooperation"<sup>65</sup> .

As we can see from the cited examples of interaction between the Belarusian parliament and its Kazakh, Pakistani and Malaysian colleagues, "the parliamentary component in the international dialogue is an important element of interaction on many issues"<sup>66</sup> . The MPs seek to use the opportunities of parliamentary diplomacy to promote trade and economic ties, industrial co-operation and the implementation of promising investment projects. Belarus sees further development of the resource of parliamentary diplomacy in its more active use in the preparation and implementation of roadmaps and policy documents signed with foreign countries. All the more so because "MPs, by virtue of their status, are able to raise very sensitive topics, and parliamentary contacts often prove to be an effective alternative way to "expand" the bottlenecks in interstate relations"<sup>67</sup> .

We would remind you that the National Assembly of the Republic of Belarus of the sixth convocation formed 70 working groups for cooperation with parliaments of foreign states, two inter-parliamentary commissions for cooperation with the National Assembly of Armenia and the Verkhovna Rada of Ukraine, as well as 13 delegations for work with international organizations, including the Parliamentary Assembly of the Belarus-Russia Union, the Inter-parliamentary Assembly of CIS, the Parliamentary Assembly of the Commonwealth of Independent States States, the Parliamentary Assembly of the Council of Europe.

Furthermore, the role of the Belarusian parliament is now also increasing significantly in addressing such large-scale issues as attracting significant volumes of Western investment and technology to modernise the Belarusian economy, which cannot be done without improving the investment climate in the country and further improving legislation in this area. This is why "the inter-parliamentary exchange of experience with European colleagues on the optimization of the legal regime for the protection and promotion of investments and the protection of intellectual property becomes particularly relevant"<sup>68</sup>. This is why parliamentary diplomacy as a whole, working to strengthen the authority and image of Belarus, to increase its investment attractiveness, not only contributes to the expansion of the entire spectrum of international cooperation, but becomes a very important element of the entire system of implementation of the Belarusian foreign policy.

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## Chapter 5

### International journalism, Belarusian exports and media innovation

Modern development trends in most countries of the world objectively demonstrate that the quality of higher education today is of crucial importance for successful development of any state, since "changing technologies based on the highest level of intellectual resources, and the related geopolitical competition of the leading countries for such resources becomes the most important factor determining not only the economy, but also the politics of the new century"<sup>69</sup>. The post-industrial stage of civilizational development, characteristic of our time, is characterized by the need to form a new type of intellect, thinking, attitude to the rapidly changing industrial, technical, social and informational realities. This approach is defined as technocratic, as it changes the meaning and nature of higher education, focusing its content and methods on the formation of students' rational ability to operate large amounts of information, to master computer technology and to think professionally and pragmatically. Its core value is the orientation towards professionalism and the organisation of learning in connection with the requirements of the market and the social order of modern society.

The need for such an approach is especially relevant for the training of specialists in the information and media complex in Belarus, which "must master a new and innovative quality of communication with the audience so that the Belarusian people and the state can overcome the challenges of the 21st century"<sup>70</sup>. In this regard, media professionals are facing new demands of the times, when "the need of society for journalists who are not just talking and writing about what they see and how they understand what they see, but for journalists, analysts who are able not just to identify and report, but to analyse an event deeply and competently, to present it effectively, to evaluate the result"<sup>71</sup>.

The expansion of political, economic and cultural ties of our country, the intensification of international cooperation in practically all areas of activity of the Belarusian state and the planned course for the earliest possible inclusion of national

journalism into the global information context dictate the need for an increasing role of the national media in international projects and programmes. However, in order to effectively cover these issues in the print and online press, radio and television, "media employees must not only have a general idea about the role and place of different states in world politics, but also be competent in the specifics of their foreign policy strategies and interaction with each other"<sup>72</sup>. In other words, we are talking about the need to significantly increase the level of preparation of specialists of the international segment of the domestic media - international journalists - in the Republic of Belarus. We should remind that the first intake of students of international journalism specialisation was held at the Belarusian State University in 1998.

<sup>73</sup>Today, the professional training of Belarusian international journalists has "pronounced specificity conditioned by such main tendencies of the modern world development as imposition of globalism ideology designed to replace or distort traditional spiritual and moral values of peoples, revival of the unipolar world doctrine and return to the right of the strong to dictate his will to all and interfere in the internal affairs of sovereign states, when the international financial and economic crisis is replaced by new in its urgency

Traditionally, international journalism is defined as a branch of journalism that studies the international aspects of journalists and media, international and regional organisations that develop standards, legal and ethical norms of collecting, creating, processing, storing and disseminating information through channels of mass communication. In the Republic of Belarus, "there is every reason to consider domestic international journalism as a field of philological science, the subject of which is the role of the Belarusian mass media in the international information space, forms and methods of journalistic activity related to the reflection in the media of the state of relations between states and nations, the implementation of foreign policy, economic activities and other aspects of international relations of the Republic of Belarus"<sup>74</sup>.

University training emphasises the study and mastery of four informational and analytical levels of international topics by future international journalists:

- 1) **Global-inter-state**, including analysis of current global and inter-regional

world events;

2) **national-country**, covering the implementation of the multi-vector state foreign policy of the Belarusian state, its bilateral and multilateral trade and economic, scientific and technical, production and cooperation, cultural and social relations with other countries and international organisations;

3) **The sectoral one**, which reflects the subjects of international cooperation of the Belarusian ministries, agencies, concerns and individual economic entities;

4) **regional-territorial**, covering international cooperation of Belarusian regions - cities, districts, regions - with foreign partners.

In order to improve the theoretical and practical training of future international journalists, the Department of Foreign Journalism and Literature at the BSU Institute of Journalism has developed a number of new academic disciplines, special courses, and courses on the profile over the past few years. These include the discipline of specialising in the "World Advertising Industry", introduced for third-year students of the "International Journalism" specialisation in the autumn of 2010.

The emergence of this discipline in the curricula of specialist training for the international segment of Belarusian journalism was dictated by the fact that "the openness of the Republic of Belarus and its involvement in global economic relations largely determine the dependence of the country's economy on the situation and trends on foreign markets <...> In this regard, the most important development priorities should be increasing the efficiency of foreign trade and ensuring a balance of foreign economic relations"<sup>75</sup>. At that "the main directions of external economic activity should be the expansion of export, rationalization of the volume and structure of import, deepening of interaction with the world market, implementation of efficient foreign trade policy, interconnected with macroeconomic and industrial policy, ensuring dynamic development of the external economic complex of the country and protection of national market interests from unfavorable influence of the world conjuncture"<sup>76</sup>. This is why the Belarusian government has named the strategic objectives of the current five-year plan as follows:

1) Increasing exports of goods and services, improving their efficiency and

increasing the profitability of export deliveries;

2) reaching a foreign trade surplus;

3) Improving the system of legal and **information** support for foreign economic activity.

In order to meet these challenges, Belarus will modernise its existing export-oriented production and introduce new export-oriented products and services, as well as increase the share of services in its total exports. However, enhancing the competitive positions of traditional Belarusian producers-exporters in global markets will not be possible without implementing new technologies and actively using new forms of trade, including setting up Belarusian trading companies abroad, financial and industrial groups with foreign partners, exporting technologies, opening assembly factories with simultaneous establishment of networks of technical centres and representative offices in CIS and non-CIS countries, as well as without developing exports of services related to the maintenance of infrastructure. Therefore, in the information sphere special attention in the current five-year period should and "will be paid to consistent improvement of quality, volume and competitiveness of the national content, which is designed to occupy a dominant position inside the country, and its promotion in the external information space. <...> An important task in doing so is to expand channels and improve the quality of information for the foreign public"<sup>77</sup>. It is thought that representatives of the international segment of national journalism, whose professional interests should include "timely comprehension of the processes that take place in the development of Belarusian exports", could play a competent role in terms of advertising and media support of Belarusian exports in foreign information markets<sup>78</sup>.

In the structure of the Belarusian economy, export traditionally accounts for more than half of the gross domestic product, which makes it one of the main sources to ensure sustainable economic growth in our country. But given the growing competition in the world, it is "vital for us to find new partners and use various forms of interaction on all continents. <...> Therefore, like any sensible seller, it is important for us to have as many trading partners as possible. We cannot afford to be dependent

on one or five buyers as we used to be"<sup>79</sup>. And the figures show that Belarusian exports have been seriously transformed in recent years. Suffice it to say that in 2009 Belarusian goods were supplied to 141 countries. Moreover, export diversification today is carried out along two vectors - geographic and product ones. In 2010, the geography of Belarusian exports expanded by 24 new countries that had not previously been supplied with Belarusian products: Barbados, Burkina Faso, Gabon, Haiti, Gibraltar, Honduras, Djibouti, Cabo-Cambodia, Central African Republic, Chad, Costa Rica, El Salvador, Fiji, French Guiana, Jamaica, Liberia, Malta, Martinique, Niger, Papua New Guinea, Paraguay, Uruguay<sup>80</sup>. The list of exported Belarusian goods already exceeds a thousand items.

The expansion of the geography and nomenclature of supplies of Belarusian products is carried out, as a rule, within the framework of sectoral and regional export development programs both to the traditional CIS and European markets and to new markets - in Asia, Africa, Australia and Oceania. But how much do the readers of the Belarusian regional and branch press know about the essence of these programmes? Monitoring of these media by students of international journalism gives an unequivocal answer to this question: practically nothing. The domestic mass media also fail to analyse the mechanisms of promotion and consolidation of Belarusian products in the promising markets, such as creation of a distribution network, assembly facilities for Belarusian complex technical products and service and warranty service networks. In 2010 alone 253 new entities of the distribution network and 49 assembly factories were set up outside Belarus. Today the enterprises of the national Ministry of Industry have 87 assembly factories abroad, where machine sets, units and parts for Belarusian agricultural, automotive, lift and household appliances are assembled. These facts show that Belarus has established a national system of financial support for exports, using export credit and risk insurance mechanisms supported by the State. It is thought that the next stage on this path should also be the formation of a system of advertising and media support for Belarusian exports and the development of the export potential of advertising and information services.

The fact is that the Programme of Socio-Economic Development of the Republic

of Belarus for 2011-2015 sets the task "to increase exports of goods and services by more than 2.2 times"<sup>81</sup> by entering new foreign markets, creating new knowledge-intensive and highly profitable

export-oriented activities, increasing the share of service exports. It will be very difficult to do it today without outstripping the advertising and media support of this process both inside the country and abroad, because "global information systems in recent decades have connected the world into a single whole and made all states information interdependent, forcing them to pay maximum attention to the quality of information interaction in various spheres of society"<sup>82</sup>. Therefore, international journalism should have a say in the organisation of such advertising and media support for Belarusian exports, whose new approaches to coverage of export-related topics require especially accurate analysis and creative approach in the promotion of Belarusian economic interests in foreign information markets. Domestic media should be active participants in such export promotion, deeply penetrating into its essence and constructively supplementing it with available means - publications, broadcasts, and programs. In addition, they themselves should become exporters of their own information products by implementing their own export policy. After all, "globalisation offers great opportunities for expanding information exchange, establishing new communication channels to disseminate information in the near and far abroad markets"<sup>83</sup>.

Of course, the expansion of international advertising and information cooperation on different movement vectors will and is already happening differently. Today, the very process of analysis of this phenomenon in the Eurasian, European, Asian, African, and Latin American directions by theorists and practitioners of Belarusian international journalism is just beginning. However, it is already clear that this path to foreign information markets should be based on the principles of innovation and cooperation with media partners in other countries. And if in the Eurasian direction these issues of forming a joint advertising and information space are relatively easier and simpler to solve due to the already existing agreements on the creation of the Customs Union, the Common Economic Space and the formation of the Eurasian



Economic Union, then in other vectors of Belarus' promotion to the global information space everything looks much more complicated. As a matter of fact, in these areas we are still talking about finding focal points for interaction between the Belarusian media and partners in Europe, Asia, Africa and Latin America within the framework of inter-civilisation dialogue. It is clear that the Belarusian central, regional and sectoral media are just beginning this journey beyond national borders to the global level. And from the very beginning, there are huge opportunities for them to demonstrate their innovative approaches and capabilities.

Generally speaking, innovation is broadly defined as a new way of thinking and doing. In this definition, both the words 'think' and 'do' are important. Any innovation starts with a new perspective, with the assumption of a new development possibility. The innovation and export activities of the Belarusian media could also be stimulated by the introduction of a programme of advertising and media support for Belarusian exports and accelerated development of exports of advertising and information products and services. The absence of such a programme has so far resulted in the fact that in Belarus media products are not yet considered to be export-oriented at all, and advertising and information services are also nowhere to be seen in the list of export services. Although there are opportunities for successful development of these export segments in the country. But "development is impossible without an image of the future. <...> The lack of this image is the key problem of our time"<sup>84</sup> .<sup>85</sup> In other words, the development of the export component in the Belarusian media can be classified as one of the elements of the formation of media innovativeness - the field of knowledge devoted to the problems of organizing innovative activity in the media. Today, when we are all witnessing the rapid development of the media community, it becomes especially obvious that to ensure its needs "there is a need for a scientific and educational complex, capable of optimizing the use and commercialization of research and development results, improving

The available experience of the Belarusian media shows that the main difficulties in realizing their innovation and export potential are related to their lack of "both a meaningful innovation policy and approaches to creating an innovation climate,

as well as a severe lack of innovation culture in editorial teams<sup>186</sup>. The fact is that innovation culture should be formed in the process of implementing innovation, as it is largely the result of accumulated

The media are not the only ones who have the experience of participating in this process, which should be stimulated in the first place by the media managers. The innovative media climate can then be formed on the basis of the individual consciousness of the employees, which represents the traditions, norms and stereotypes of behaviour in the sphere of media production renewal that are established in the editorial offices and which individual employees are guided in their behaviour by. After all, "the more people in a team with a sense-forming motive of self-actualization, high inclination for creative work and readiness to innovate, the less important competition and mechanisms of economic coercion are, and the greater the importance of a favorable socio-psychological climate and high culture of production organization in ensuring technical and economic development"<sup>187</sup>. The facts show that so far the corporate culture of the Belarusian media should be classified as conservative and not always conducive to innovation. This situation can only be changed when specialists with an innovative culture, formed while still at university, join the editorial staff. The new academic disciplines, special courses, and courses on the profile introduced in recent years in the teaching process at the Department of Foreign Journalism and Literature at the BSU Institute of Journalism are designed to do everything necessary for this in the training of future international journalists.

## Chapter 6

### **Topical issues of attracting foreign investment in the Belarusian economy: the information and media aspect**

Attracting foreign investment to Belarus is an important area of the country's foreign economic activity because "the increased volume of international relations, the tasks of integrating the Belarusian economy into the system of modern world economic ties and effective use of the available domestic scientific and technical potential urgently require renovation of basic production assets and introduction of the latest foreign technologies"<sup>88</sup> .

There is a very wide range of mechanisms for the state to influence investment activity, among which, along with tax incentives, soft loans, co-financing, administration, establishment of special investment councils, regional development organisations and investment funds, information support for investment activity should also be mentioned. This is a system of information support for foreign investors, which is an important part of the infrastructure aimed at enhancing the process of attracting foreign direct investment. It is clear that any shortcomings and failures in the functioning of this system can only hinder the inflow of investments from abroad. The main elements of this system include information on: "a) internal and external competition; b) prospects for major markets; c) distribution channels; d) competition; e) levels of technological development; g) legal aspects"<sup>89</sup> .

In addition, a necessary tool to attract foreign direct investment is an effective media and communication strategy, the implementation of which should help to create a favourable image of the Republic of Belarus as a profitable investment destination, as well as to break stereotypes and perceptions of the Belarusian economy as unfavourable for foreign investors. The Seventh Belarusian Investment Forum held in Minsk in November 2012 was a truly constructive step in the implementation of the above strategy. Foreign investors, financial institutions and international organizations took part in the forum, providing them with complete and reliable information about the investment potential of the Republic of Belarus, including the opportunities offered

by the emerging 170-million common market of the Common Economic Space of Belarus, Kazakhstan and Russia.

The Concept of National Security of the Republic of Belarus identifies the transfer of modern technologies into the country's economy predominantly through foreign direct investment and the availability of foreign credit resources among the main national interests in the economic sphere, while insufficient volumes and low quality of foreign investments are considered to be the main potential or existing threats to national security. Therefore, a necessary condition for neutralising the sources of threats to national security in the economic sphere is to maintain long-term macroeconomic stability through structural transformation of the Belarusian economy based on foreign direct investment, among others. At the same time, the attraction of foreign resources into the Belarusian economy "is advisable in the form of foreign direct investment in foreign exchange-worthy projects that do not entail the accumulation of external liabilities of the state and ensure the transfer of foreign knowledge and technology and access to new export markets with competitive products"<sup>90</sup>.

<sup>91</sup>For Belarus, a country in transition, the topic of attracting foreign investment is also highly relevant due to current trends in global investment processes, where "foreign direct investment flows to transition and developing countries are growing; cross-border mergers and acquisitions operations are playing a paramount role in global FDI policies; private equity funds and other collective investment funds are becoming increasingly important in cross-border mergers

And in this regard, as United Nations Secretary-General Ban Ki-moon notes in the World Investment Report 2011, it is "transnational corporations that are increasingly engaging with developing and transition economies, using an increasing range of production and investment models, such as contract manufacturing and agricultural production, outsourcing of services, franchising and licensing. These relatively new phenomena offer developing countries and countries with economies in transition opportunities to deepen their integration into the rapidly evolving global economy, to strengthen their domestic productive capacities and to enhance their

international competitiveness"<sup>92</sup> . In short, "foreign direct investment is not only a balancing item in the balance of payments, but also a source of global technology and new highly productive jobs"<sup>93</sup> .

In 2012, the Belarusian Government has set a target of attracting 3.7 billion dollars of direct foreign investments into the economy on a net basis, including 1.2 billion dollars for modernization and job creation. In fact, this is about launching a new wave of industrial technological development with these funds, which should help to create conditions for the inflow of long-term and efficient investments and technologies. In other words, "foreign investment, especially the type of foreign direct investment (FDI), plays a major role in the economy. This is especially important during economic downturns and crises when FDI can be a major source of financial support for the economy"<sup>94</sup> . Statistics show that every dollar of foreign direct investment invested adds roughly the same amount to gross domestic product. And every job created through such investment contributes to the creation of several jobs in related sectors of the economy, which only increases employment.

There are a number of other positive effects of foreign direct investment on the country's economy. For example, the investor funds the training of local specialists in new technologies and management systems. The economy of a given country enters into global economic relations much faster, which has a very positive effect on reducing the outflow of qualified personnel outside the country. In addition, the emergence of "soft" competition for local enterprises also contributes to the improvement of their activities in the market.

However, the specific practice of attracting foreign investment in different countries shows another side of the issue. It is also about the negative impact of such investments on the economy of a given country. This is the case when a foreign investor may buy up a local enterprise in order to liquidate it and eliminate a competitor in the market. There are also cases in which a foreign investor, having invested in an enterprise, then drastically reduces the number of employees, thereby creating social tension and conflict in society. In modern history there have been cases in which the policies of some states have been controlled and directed entirely by foreign

transnational corporations, which have taken over the major sectors of the economy and thus jeopardised the economic security of the country. Clearly, the sensible way out of such situations must be in the "golden mean": a country in need of foreign investment must strive to attract it, without leaving this process without effective government control. Or, as the Belarusian head of state noted recently, "Belarus should identify points of economic growth, making the most of the opportunities of the global market, and build policies in such a way as to form protection mechanisms against crisis phenomena"<sup>95</sup> .

As for Belarus, the priority form of foreign direct investment in the Belarusian economy is the establishment of joint ventures and foreign enterprises "to implement investment projects of the green field category, which will promote the use of new advanced technologies and techniques in production, the introduction of marketing and managerial know-how, the production of goods not available in the domestic market, a faster entry into new markets with competitive products, the reduction of irrational imports"<sup>96</sup> .

Another form of foreign capital attraction is the implementation of brown field investment projects - the sale to foreign investors of a portion of the shares of state-owned enterprises, except for those strategically important related to the security of the country. On the whole, Belarus is interested in strategic investors involved in the production of high-tech products and services, as well as investors investing in increasing the assets of export-oriented organizations in this field. The priorities are as follows: the pharmaceutical industry, bio- and nanotechnologies, high technologies in industry, new materials, information and communication technologies; the creation and development of clusters - a group of organizations united on the basis of industrial, technological, scientific, technical and commercial ties and concentrated in a certain territory, providing a competitive position in the industry, national and global markets; the traditional "clusters" - a group of organizations, which ensure a competitive position in the national and international markets.

If we take the automotive industry, the main forms of attracting foreign investors are: the creation of joint ventures with transnational corporations; the privatisation of

certain state organisations; and the creation of international alliances in the automotive components, agricultural machine building and truck assembly industries. And in construction, of strategic relevance in this sense is the design and construction of buildings using high-speed construction technologies based on energy- and resource-saving technologies, including large-panel housing construction, as well as monolithic and prefabricated monolithic construction.

Overall, in order to intensify the processes of attracting foreign direct investment into the Belarusian economy, the government believes that two conditions must be met: first, it must guarantee to the investor that the rules of the game that were in place when it entered Belarus remain in place during the term of the investment agreement; second, there must be a willingness of ministries, regions and public authorities to attract investors and an understanding that this is necessary for the country to reach a qualitatively different economic level

The Foreign Direct Investment Strategy for the period until 2015, adopted in January 2012 by the Council of Ministers and the National Bank of the Republic of Belarus, is aimed at encouraging foreign direct investment in line with the needs of the structural reorganisation of the economy and innovative development of Belarus, and at expanding and improving its use on the basis of a constantly improving investment climate, reforming state ownership and the development of the country.

In Belarus, public-private partnership is understood as a form of interaction between state bodies and business, which has the potential to overcome economic contradictions, when strategically important objects cannot be transferred into private ownership, and their financing cannot be provided by means of the republican and local budgets. It is assumed that in our country the spheres of the public private partnership can and must become transport infrastructure, the system of public utilities, energy conservation, health care, education, culture and social services, tourism, recreation and sports, and mineral deposits. In addition, public-private partnerships can be implemented in Belarus in such forms as reconstruction - operation - transfer, construction - ownership - management, design - construction - ownership - management - transfer, and concession.

The ultimate objective of all the actions undertaken today in our republic to boost the attraction of direct foreign investments into the Belarusian economy is to reach \$7-7.5 billion in 2015. Among the measures to stimulate the activities of foreign investors and create a positive investment image of Belarus, the following should also be mentioned: "... promotion of real successful examples of investment ,

propaganda of the attractiveness of high-tech sectors of the Belarusian economy; holding international-level events to attract foreign direct investment, including economic and investment forums, conferences, seminars"<sup>97</sup> .

Statistics show that from 2005 to 2010, the amount of foreign direct investment in the Belarusian economy increased from \$451.3 million to \$5569.4 million, or 12.3 times. In per capita terms, this means an increase from \$47 to \$587. It would seem that the rate is impressive.

However, this figure is considerably lower than in a number of Eastern European countries. These figures are also telling. Among the Southeast European and CIS economies, Belarus' partners in the Customs Union and the Common Economic Space, Russia and Kazakhstan, have been the main recipients of FDI in recent years, accounting for 60 per cent and almost 15 per cent of all investments, respectively. Belarus attracted only 2 per cent of the foreign direct investment attributable to the region in 2010. The conclusions are self-evident: "The attraction of foreign direct investment has been increasing slowly <...> the main areas for improvement are <...> creating an environment conducive to entrepreneurship and increasing the flow of investment into the economy"<sup>98</sup> . And the factors impeding the inflow of foreign investment into the Belarusian economy include such factors as "the system of currency regulation, the unstable regulatory environment for business, the system of sanctions for violations of business conditions and procedures, the level of tax burden, access to financial resources, the level of development of consulting and other business services"<sup>99</sup> .

That is why there were high expectations for the Seventh Belarusian Investment Forum, and its organizers decided to update the format of the event in order to



implement them: "The objective is not only to present the opportunities of Belarus, but also to carefully study and take into account the wishes of potential investors in the context of coming to the Belarusian market"<sup>100</sup>. In fact, the Forum was a platform for an open dialogue between representatives of the state administration, national business, and foreign investors. A platform to discuss strategic and operational issues of doing business, where the Belarusian side expected "a frank conversation and concrete steps on the proposed investment projects, as well as a vision of the problems they may have already encountered in implementing their business plans in our country"<sup>101</sup>. The focus on attracting foreign investment into the innovative economy also predetermined the topics of panel discussions on such industries as information and communication technologies, pharmaceutical industry, biotechnology industry.

At the same time, the Minsk Investment Day was organised by the Minsk City Executive Committee and included among its key objectives: "... presentation of the investment potential of Minsk, assistance in attraction of foreign investors, reconstruction and development of existing industrial assets, promotion of new projects"<sup>102</sup>. In the framework of the Forum 23 investment projects were presented; they are all innovative and envisage the creation of new production facilities in the pharmaceutical industry, new materials production, alternative energy, as well as in agriculture, food and machinery industry. The regional executive committees, the concern Belgospisheprom, ministries of agriculture and food, industry, health, energy, and the National Academy of Sciences presented their projects for foreign investment.

The largest investment project that the forum participants were able to get acquainted with was the construction of a sugar mill in Dyatlovo District, Grodno Region, which is estimated to cost 330 million dollars. The payback period of the project, which is estimated at two years, is as follows: setting up production of vacuum blood sampling systems in the free economic zone Gomel-Raton. The payback period of two other projects, establishment of a trout farm with the capacity of 200 tons of fish at OJSC Alba in Nesvizh and development of a water treatment plant to remove organic pollutants using the microbiological substance EM1 "Konkur"<sup>103</sup>, will be three years.

Another important feature of the Seventh Belarusian Investment Forum was the plenary session of the Foreign Investment Advisory Council (FIAC) set up back in 2001 in order to enhance the efficiency of foreign investment attraction into the Belarusian economy and ensure a consistent government policy in this area. Traditionally, FIAC's plenary sessions are the most important milestones in its activity, as they sum up the results of the work done and define the areas of activity for the near future. In particular, FIAC's previous - its sixth - meeting was held three years ago. At that time, foreign participants voiced many suggestions for improving further work with foreign investors. This time, the meeting was held in a round table format, which, according to the organizers, is best suited for an open dialogue between the participants, each of whom had the opportunity to express their views on how to improve the effectiveness of work with foreign investors, to offer their own options for creating comfortable conditions for doing business and increasing the investment attractiveness of Belarus.

An interesting detail. In June this year, an enlarged meeting of the FIAC Standing Committee was held, which was attended by over 130 representatives of major companies with national and foreign capital and of banking institutions operating in Belarus, state administration bodies, and the Embassy Corps. At that meeting the Belarusian government expressed its utmost interest in receiving proposals from investors to stimulate investment activity and raise the efficiency of the use of investment resources. And now this wish, I believe, has been fulfilled to the fullest extent. <sup>104</sup>The more so since the Foreign Investment Advisory Council under the Council of Ministers of the Republic of Belarus "works out proposals to improve the legislation regulating investment activities; takes part in the review of normative legal acts regulating the relations between commercial organizations with foreign investment; has the right to submit for consideration to the national bodies of state administration proposals on the revocation or amendment of normative legal acts which limit the rights of investors".

As we can see, in modern conditions there are many mechanisms and tools to enhance the inflow of foreign investments into the Belarusian economy, including

informational ones, which play a far-reaching role in the country's investment policy. Competent and purposeful use of them, including by representatives of the international segment of the national journalism, will significantly enhance the effect of other tools to attract foreign direct investment and achieve long-term goals of the investment policy.

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## Chapter 7

### Media export and international journalism

In May 2013, the Belarusian government introduced a forecast for the current year to increase exports for the organization of the Ministry of Information of the Republic of Belarus - 125 percent against the 2012 level<sup>105</sup>. This ministry is a republican body of state administration, which forms and implements the state policy in the sphere of mass media, book publishing, printing and book distribution. Its subordinate structures include: organizations of the "Soyuzpechat" system, six publishing houses and six book trade enterprises, five printing enterprises, BelTA and "Minsk-Novosti" news agencies, newspapers "Sovetskaya Belorussia", "Respublika", "Zvyazda", "Narodnaya Gazeta", "Belorusskaya Niva", "Znamya Yunosti", "7 Days" and magazines - "Belaruskaya Dumka", "Belarus", "Planeta" and "Economy of Belarus". All in all, there were 1,523 print media registered in the Republic of Belarus at the beginning of the second half of 2013: 705 newspapers, 768 magazines, 39 bulletins, 9 catalogues, 2 almanacs<sup>106</sup>.

The set export increase target is of course applicable to all organisations of a given ministry, so it applies equally to publishers and printers as to the listed media outlets. And not only them, as the role of ministries is now being reviewed in terms of their responsibility not only for subordinate organisations, but for the type of economic activity as a whole, in order to meet the export targets in Belarus. All the more so as the details of specific measures stimulating export development are already being detailed in the annually elaborated sectoral development plans. And the very activity to provide conditions for growth of exports of goods and services is the most important direction of foreign economic activity - one of the spheres of implementation of the foreign policy of the Republic of Belarus<sup>107</sup>.

It should be emphasized here that the key objective until 2015 in Belarus is to create "fundamentally new industries, enterprises and sectors that produce export-oriented, high-tech products"<sup>108</sup>. This is explained by the fact that "Belarus' economy is open, and almost all of its industries are export-oriented. Therefore, the well-being

of our country depends to a large extent on a dynamic increase in the supply of goods and services to foreign markets, and on the achievement of a trade surplus. <...> There are no trifles in these matters. No trend should go unnoticed. We must always keep our finger on the pulse."<sup>109</sup> . In this respect, the concentration of economic policy on building up the country's export potential is expected to change the structure of Belarusian exports towards an increase in the share of high-tech goods and services, and a reduction in the energy component; to ensure the expansion of traditional markets and the conquest of new ones. This is a prerequisite for reducing the vulnerability of the economy to fluctuations of the external economic situation and ensuring the required volume of foreign currency inflows. Therefore, the strategic objectives for the next three years are to increase exports of goods and services, improve its efficiency, increase the profitability of export supplies, achieve a positive balance of foreign trade, and improve the system of legal and information support for foreign economic activity.

At a meeting with students and professors of the Belarusian State Economic University in November 2012, the Belarusian head of state, noting such an important global trend as the expansion of the service sector, stressed: "Belarus has good prerequisites for accelerated development in this direction. <...> Healthcare, tourism, education, intellectual and business services (scientific research, management consulting, engineering, and information technology) have great prospects in the country"<sup>110</sup> . These tasks are to be solved in a complex way, one of the directions of which is to "increase the share of services in total exports of goods and services through the development of new types of information and communication"<sup>111</sup> services, which include services in the media sphere as well. The focus of Belarus' export development on new types of goods and services is also due to the fact that "a decrease or slowdown in the export of a number of important goods, such as cars, agricultural and household appliances, metallurgy and wood-processing products, is a matter of serious concern. <...> As long as passivity and caution have not been eliminated on the ground, there is also a reluctance to take on new and challenging things"<sup>112</sup> .

One can assume that it will not be easy for the subordinate organisations of the Belarusian Ministry of Information to make progress in this direction, as so far

international cooperation within the ministry is carried out in such areas as "creation of the contractual framework and practical implementation of agreements, interaction with international organisations, international exhibition and fair activities , work with associations of compatriots abroad"<sup>113</sup> . Until May 2013, the Belarusian government seemed to be quite satisfied with such organization of foreign economic activities of the Ministry of Information. Today, the ministry has a purely pragmatic task - to increase exports by a quarter. It goes without saying that a pragmatic sectoral programme to develop exports of media and information goods and services is a must in this case.

Here, it is worth recalling that the National Programme of Export Development for 2011-2015 was elaborated as a follow-up to the basic provisions of the Programme of Socio-Economic Development of the Republic of Belarus for 2011-2015, which provides for "a considerable increase of exports of goods and services, active implementation of innovative programmes, work in the sphere of import substitution, and production of high-tech export-oriented products"<sup>114</sup> . This document took into account the "peculiarities of the current international trade situation and new trends in the sphere of globalisation and regional integration"<sup>115</sup> . These trends included the development of the Customs Union of Belarus, Russia and Kazakhstan, the formation of a Common Economic Space with the possibility of new members joining it, and the formation of a system of Customs Union agreements with other regional blocs and individual countries, including free trade agreements. A number of current challenges have also been taken into account in the design of this programme: increasing global competition in the markets for goods and services, capital and technology; Tightening access to raw materials, energy, water and food resources, as well as transport corridors; increasing the role of innovative economic growth and export growth, while reducing the importance of traditional factors in the development of national economies.

The fact is that such concepts as "Ministry of Information", "Mass Media", and "Export of Media and Information Goods and Services" are practically never mentioned in this policy document. The Consolidated Plan of Export Development by

Republican Government and Local Executive and Administrative Bodies mentions such entities as Concerns Belneftekhim, Bellesbumprom, Belleprom, Belgospisheprom, Belbiopharm, Ministries of Industry, Agriculture and Food, Architecture and Construction, Energy, Transport and Communications, Communications and Informatization, Education, Health, Sports and Tourism, High Tech Park, and the Minsk City Executive Committee and the Executive

With a certain degree of convention, exports of domestic media products - newspapers, magazines, radio programmes, television programmes - could be counted in intellectual property export statistics. But for the time being, this is not the case, and the focus here is on scientific and innovative developments. As for exports of communication, computer and information services, the High-Tech Park and the Ministry of Communications and Informatisation are responsible for their increase. The "main objective is to increase exports of new types of services - telecommunications, computer, engineering, banking, financial, and other commercial and business services".<sup>116</sup> . We have to assume that the export of media and information services at the level of policy documents is included in "other commercial and business services" in Belarus. In such a case, it makes sense to find them in other parts of the National Programme of Export Development of the Republic of Belarus for 2011-2015. But it is not easy to do so, as this document says practically nothing about it directly. Only indirect hints of what might have been.

For example, the description of export development issues of the Belleprom concern notes that international companies are strengthening their position in the markets of developed countries by increasing their investment in advertising, which is virtually impossible for unknown brand owners, let alone individual producers, to enter developed markets. Therefore, in order to develop new regions, it is necessary to actively participate in a wide variety of promotional activities. In our opinion, domestic and foreign mass media could be an effective and professional assistant in organising and carrying out such actions. But their role in the outlined plan to increase the export production of the concern is not considered.

It is already in the plans of the Belarusian Ministry of Education to establish

itself in the Middle East and Southeast Asia market, including through an active information and advertising campaign. The Ministry is rightly suggesting that "an active information campaign and the positioning of Belarus, first and foremost, in the Internet as a supplier of quality educational services and innovative technologies will become an important means of promoting exports of educational services"<sup>117</sup>. It is clear that domestic media can also play an important role in such an information campaign.

One of the main activities for exporting services of the Belarusian Ministry of Health is the formation of informational openness of the market of medical services, organization of advertising campaigns to create a favourable image and psychological trust to the Belarusian health care system. And in these processes, the role of the media sphere can and should be decisive.

The Minsk City Executive Committee has set a target of increasing the share of services in total exports by 2015 through the development of new types of information and communication services. One of the tools to achieve this goal is the use of regional mass media. The Grodno regional executive committee has identified the development of auxiliary mechanisms to promote goods in foreign markets as one of the main areas of foreign economic activities until 2015, including increasing the recognition and attractiveness of Grodno brands, which, it seems to us, is almost impossible without the active involvement of the media. And in order to expand the geography of the region's foreign economic activities in the coming years, it is planned to further develop interregional relations, coverage of which is becoming one of the most important areas of work for Belarusian regional journalists of international affairs today.

Measures to increase the export potential of the Gomel Region include the optimisation of product distribution networks and the promotion of other companies' products through the use of modern means of communication, in which the media should play an important role. Further development of interregional relations and the formation of an effective information infrastructure to increase export potential are also planned in the Mogilev Region.

<sup>119</sup>In Brest region, the main directions of development of foreign trade in goods



until 2015 include the strengthening of international and regional cooperation with the regions of Russia, Ukraine, other neighbouring countries and beyond, the implementation of bilateral agreements, further development of contacts within the cross-border association "Euroregion Bug", "improvement of export information support, advertising and exhibition and fair activities"<sup>118</sup> , and organisation of "information support to economic entities

The export policy of Vitebsk region envisages the development of industrial co-operation, creation of joint ventures to implement a wide range of export-oriented projects by maintaining and developing strategic partnerships with foreign regions that have stable ties with the administrations of cities and districts of the region for the coming years. The creation of a system of wide information support for the development of domestic IT-industry and increasing its attractiveness on domestic and foreign markets is seen as one of the tasks in the High Technology Park, the solution of which would help to attract export orders for software product development and "increase foreign currency revenues to the republic"<sup>120</sup> .

As we can see, all these examples taken from the National Programme of Export Development of the Republic of Belarus for 2011-2015 quite eloquently illustrate the conclusion that life itself forces one to take into account the specifics of the media sphere in the conditions of the modern information society even when solving such tasks as developing the country's export potential. However, this is still being done in various Belarusian ministries, departments, concerns, and territorial administration bodies in a rather fragmented and haphazard manner. This is due to the lack of a basic strategy for the media sector itself to develop exports and promote media and information developments both in the domestic and foreign markets.

As noted above, there was practically no need for such a strategy before May 2013, as there were no forecast indicators of export growth for organisations within the system of the Ministry of Information of the Republic of Belarus. The stimulating role of these indicators lies in the fact that republican public administration bodies should develop measures to achieve the approved export forecast indicators, which in turn should be linked "with measures to intensify bilateral economic relations, export

diversification and channels to promote domestic goods and services in foreign markets within a set timeframe. The measures should also mandatorily update and spell out specific projects planned for the modernisation of existing and the creation of new export-oriented production facilities"<sup>121</sup> .

Given these circumstances, it is an obvious fact that today, in order to develop export processes in the Belarusian media sphere, it is necessary to carry out a set of preparatory works that would include: organising market research; assessing the available creative and technical potential; developing a draft programme of scientific and applied research focused on implementation in market conditions, defining the true needs in the development and renewal of the domestic media sphere; considering the possibilities of introducing new At the same time, when forming the geographical structure of media exports, it is necessary to take into account the factor of globalisation of the modern information space, which dictates its own conditions: "Domestic media products may only be of interest to consumers on world markets if they are brought closer to the stereotypes of the worldview of foreign consumers"<sup>122</sup> . So far, "in the conditions of the openness of the country's information space and competition from foreign information products, the quality and popularity of the Belarusian national content remain insufficient"<sup>123</sup> , which may lead to a decrease or even loss of competitiveness of domestic information and communication technologies and information resources.

Therefore, today it is important to understand that the export potential of media and information products created by Belarusian journalists can become real in the long term only if all media actors are ready to conduct an innovative policy aimed at developing, using, and selling media products in the global information market. A policy that will require a serious adjustment of the activities of editorial teams towards the development of their creative, marketing, production, and sales functions. It is appropriate to recall here that "innovation in the broad sense is understood as the profitable use of innovations in the form of new technologies, types of products and services, organizational, technical and socio-economic solutions of industrial, financial, commercial, administrative or other nature"<sup>124</sup> . In other words, innovation

policy in world practice is implemented through the introduction of four main types of innovations: 1) process; 2) product; 3) organisational; and 4) marketing. For the media sphere, in our view, this means the following.

**Process innovation** implementation of a system of innovation creative technologies: in this case - by using the potential of the international segment of national journalism, taking into account the current features of the development of the global information space. **Product innovation** - updating existing media products and creating new ones with export potential: in this case, by creating joint media projects with foreign partners, as well as external economic applications of existing Belarusian publications. **Organizational innovations** - optimization of organizational forms of activity of existing media enterprises and creation of new ones, initially based on innovative principles: in this case - by creating structures of foreign economic activity in editorial teams, synthesizing the creative potential of international journalism and commercial opportunities of foreign advertising. **Marketing innovations** - implementation of innovative technologies of promotion and sales of Belarusian media products on foreign information markets: in this case, through active use of available Internet resources and business cooperation with profile foreign partners.

That is why the priority in the renewal of the Belarusian media industry with a view to exporting its products and services should be the development of an innovation policy, the key component of which should be the development of international journalism in Belarus, which has the innovation and integration potential due to its specific nature, the implementation of which can create prerequisites for process, product, organizational and marketing innovation in the media sphere and, accordingly, the actualization of

In 2013, the Belarusian government "sees the potential to triple our exports to new and non-traditional markets. This will allow us to add at least \$1 billion to our exports.<sup>125</sup> . The Belarusian media industry, innovation development of which is now an urgent need, is expected to contribute to the attainment of the goal. All the more so because "we need new goods and services <...> the new economy is an accelerated

development of sectors based on local resources"<sup>126</sup>, to which we are entitled to include media and information resources.

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## Chapter 8

### **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 activities 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 for ensuring sustainable economic growth in the country.

The development of Belarus' export potential and the balancing of foreign trade have taken on special significance in the current environment, "as foreign demand for Belarusian products

The surplus of foreign trade in goods and services contributes to financial stability at the macro level and is a major factor of production capacity utilisation, sustaining high levels of employment and ensuring dynamic growth of the economy. At the same time, a positive balance of foreign trade operations in goods and services ensures financial stability at the macro level, conditioning such basic parameters of the country's economic security as official foreign exchange reserves, gross and public external debt, the national currency exchange rate, and state budget revenues"<sup>127</sup>.

The major global challenges and trends that have had a significant impact on Belarusian exports in recent years are: 1) rising global competition in the markets for goods and services, capital and technology; 2) tightening access to raw materials, energy, water, food and transport corridors; 3) the increasing role of innovative economic growth and export expansion, while traditional factors of national economic development have been gaining importance. Under these conditions, according to the Belarusian head of state, "diversification of exports and finding new markets is a matter of paramount importance, the survival of our country"<sup>128</sup>.

That is why, having completed, on the whole, the formation at the state level of a system of stimulation and support of exports based on international practice, 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. This is understandable: in the situation of post-crisis development of world trade, the development vector aimed at "increasing science-intensive and high-tech products in the structure of exports and diversifying supplies to new markets" is objectively relevant for countries such as Belarus.<sup>129</sup> .

An effective tool for achieving the outlined objectives in this area is the implementation of a multi-vector foreign economic policy, which maintains foreign trade contacts with most foreign countries and actively participates in international integration processes. The following facts are telling in this respect: "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 of the 174 States with which our country has established diplomatic relations"<sup>130</sup> . As of the beginning of 2016, there were 46 embassies, 4 embassy branches, 2 trade offices missions, 35 consular offices of foreign states, 16 representative offices of international organisations, and 86 foreign embassies accredited in Minsk from Moscow, Vilnius, Warsaw and Kiev.

These facts show that Belarus has considerable potential, both in terms of strengthening mutually beneficial ties with its traditional economic partners and developing new markets, and in terms of diversifying its exports as one of the conditions for stable economic development and improved living standards of its citizens. It is well known that Belarusian export products number over a thousand names, and the main products supplied to foreign markets include petroleum products, potash and nitrogen fertilizers, rolled metal products and metal cord, tautos, trucks, buses, refrigerators and freezers, chemical fibres and yarns, caprolactam, tyres, timber and wood products, furniture, clothes, footwear, dairy and meat products, sugar. This list is complemented by a wide range of sophisticated technical products with "stable demand in foreign markets: agricultural machinery, trolleybuses and trams, road-building machinery, technological and electronic equipment, gas cookers, washing machines, microelectronic products and optical instruments"<sup>131</sup> .

Nevertheless, the results of 2015 showed that Belarus now requires further concentration of efforts to increase exports and find new markets: "The situation confirms the need for a more dynamic shift in the centre of gravity in export policy from traditional markets to other areas of geographical and product diversification of export flows. Qualitatively new innovative goods and services are needed"<sup>132</sup>. In this regard, the Belarusian government has set a goal to "make the best use of existing agreements and developments with all the countries, paying special attention to those with which a programme of joint actions has been elaborated at the highest and highest levels"<sup>133</sup>.

Back in 2014, almost fifty countries were identified as promising new 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>134</sup>. To fulfil this promising task, "our country's embassies in Australia, Ecuador, Mongolia, Pakistan, Qatar" were opened in the same year<sup>135</sup>.

However, in 2014, Belarus faced serious external challenges related to the decline in global oil prices and exported oil products, devaluation of the Russian ruble, and escalation of the situation in Ukraine. As a result, exports of goods to Russia fell by almost one and a half billion dollars. Although partially offsetting these losses was an increase in Belarusian supplies to Europe, Asia, America and Africa by almost one billion dollars, the total volume of exports from Belarus to new promising markets was only 84% of the level of 2013.

This situation was the subject of serious consideration at a meeting of the Presidium of the Council of Ministers in February 2015, during which

<sup>136</sup>The government drew attention to the main problems in diversifying and increasing exports - the lack of an effective pricing strategy of Belarusian manufacturers and

issues with quality and service of machinery - and formulated specific measures to boost operations in non-CIS markets using such tools as "aggressive marketing, participation in tenders, creation of assembly facilities wherever possible, establishment of industrial cooperation, creation of distribution network entities, service development with the

In order to take additional measures to tap new foreign markets, high-level Belarusian officials were assigned specific countries and regions, and the Ministry of Foreign Affairs was designated as the coordinating body for export diversification and expansion, tasked to "directly interact with officials assigned to countries and regions"<sup>137</sup>. The following countries have already been named as promising new markets for Belarusian exports for 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. Singapore. 28. Togo. 29. Tunisia. 30. Uruguay. 31. Philippines. 32. Croatia. 33. Montenegro. 34. Chile. 35. Sri Lanka.

Nevertheless, the macroeconomic situation in Belarus continued to develop in the first quarter of 2015 amid a narrowing of the main export markets. The volume of Belarusian exports in goods and services fell by almost a quarter in the first two months. "The biggest challenges and difficulties were faced by industrial enterprises, primarily in the machine-building sector"<sup>138</sup>. Therefore, as early as April 2015, a proposal was made at government level that the centre of gravity in export policy should be shifted more dynamically from the Russian market to other destinations. The need for accelerated geographical as well as commodity diversification of export flows was emphasised, and this was supported by serious arguments. Specifically, despite an overall drop in export volumes in January and February 2015, Belarusian exports to Asian countries grew by \$106.7 million. In some countries, such as India, Australia, Indonesia, Vietnam, the United States, and Bulgaria, the target was exceeded two to three times.

In order to give a strict systematic approach to this area of the state's strategic



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

The first item in the document is "approval of the National Programme of Support and Development of Exports of the Republic of Belarus for 2016-2020."<sup>139</sup> . Further, it says it is necessary to develop a support plan for Belarusian exporters and implement the decisions of the Eurasian Intergovernmental Council on the joint development of exports of goods and services to third countries. At the same time, "special attention will be paid to export diversification"<sup>140</sup> in the following ratio: Eurasian Economic Union market - 37.3 percent; European Union market - 35.2 percent; other countries' markets - 27.5 percent.

In the longer term - by 2020, as follows from Directive No. 3 "On Priority Areas for Strengthening the Economic Security of the State", updated in late January 2016, it is envisaged to ensure a systematic diversification of Belarusian exports to achieve an equal distribution of supplies from Belarus between the markets already mentioned above in the ratio: one-third to 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 Belarus' economic growth depending on the growth of individual trading partner countries"<sup>141</sup> . In this context, the objective is to find and implement new forms and methods to promote Belarusian goods, works and services in traditional and new markets, and to expand international cooperation by creating long-term alliances of various types - joint ventures outside Belarus, franchise, license and leasing agreements - to develop advanced technologies, manufacture new products and accompany their sale with related services. One of the priorities is to develop cooperation between leading Belarusian manufacturers and multinational corporations, so as to facilitate access to the distribution network of transnational corporations for the manufacturing of modern technology, equipment, patents and other new products.

The emergence of these policy documents at the beginning of 2016 was largely

dictated by the fact that overall in 2015, the foreign trade turnover of Belarusian goods dropped by almost a quarter to nearly \$57 billion. Belarusian exports dropped by an even bigger amount - 26 percent - to \$26.7 billion. At that, with the countries of the Commonwealth of Independent States "exports fell by 33.3% to \$14.1 billion"<sup>142</sup>, with the countries outside the CIS - by 15.8% - to \$12.6 billion, including those of the European Union - 19.4% - to almost \$8.6 billion.

Belarus sees the way out of this situation in the implementation of an effective investment and innovation policy based on the implementation of a number of landmark concrete projects. The first is the implementation of joint investment projects within the framework of interregional Sino-Belarusian cooperation, where the flagship project is the development of the Sino-Belarusian Industrial Park Great Stone. Second, the implementation of investment projects under the 2016 State Investment Programme, where special attention will be paid to the construction of engineering infrastructure facilities at the Belarusian nuclear power plant. Third, improving the efficiency of economic development of Belarusian regions by deepening their specialization and developing industries that use local raw materials and resources, organizing industrial sites equipped with engineering and transport infrastructure to implement industrial projects with the establishment of new enterprises. Fourth, attraction of foreign investments for the 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 the implementation of an effective export policy is noticeably increasing in modern conditions. This can be explained by the serious problems they have faced recently. For example, in January-November 2015, the Vitebsk Region managed to export only 54.6 percent of its goods compared to 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 taken. In particular, in the first 11 months of 2015, Vitebsk Region's products were shipped to the markets of eight countries - India, Cameroon, the Republic of Korea, Kuwait, Luxembourg, Nigeria, Saudi Arabia, and Montenegro. In another eight countries - Kyrgyzstan,

Azerbaijan, Georgia, Uzbekistan, Lithuania, Poland, the United Arab Emirates, and Mongolia - Vitebsk exports recovered their positions last year in the form of new supplies of milk powder, whey, lubricating oil additives, door sheets, and veterinary drugs. In addition, "interregional contacts with the Pskov, Chelyabinsk, Rostov, Sverdlovsk, Kaluga, Lipetsk, Smolensk and Moscow regions of Russia, Slovakia, the Czech Republic and Latvia were significantly "intensified"<sup>143</sup> . In total, the geography of the region's exports has already expanded to 77 countries.

As for the Grodno Region, it still remains extremely dependent on the Russian market. In particular, nearly 97 percent of the region's meat and dairy products were exported there in 2015. But the contours of geographical and commodity diversification of exports are already outlined here: "In 2015, for the first time, supplies from the Grodno Region were made to Afghanistan, Syria, Palestine, Iraq and Croatia. Exports to far-abroad countries almost doubled, and to the US by 10%."<sup>144</sup> .

In the first ten months of 2015, the export supplies of the Brest Region's economic entities dropped by almost 29 percent. The region plans to drastically change this negative trend "through geographic and commodity diversification of exports, by increasing exports of science-intensive and innovative goods, deepening interregional cooperation, and improving export infrastructure."<sup>145</sup> . In particular, work with the People's Republic of China, where the region's enterprises have already significantly increased their export volumes in 2015, by 1.7 times, will be significantly strengthened. At the same time, "the city of Xiaogan can become a springboard on which the Chinese market as a whole can be developed"<sup>146</sup> .

Minsk Region is planning to increase exports of goods by more than five percent in 2016 "through the implementation of investment projects for the technical re-equipment and reconstruction of production facilities in order to improve the quality and competitiveness of products and intensify marketing activities"<sup>147</sup> . In particular, the increase in exports is to be ensured by: Gromin LLC, completing construction of a plastic packaging plant; Onega Plus LLC, completing construction of a raw crisps plant; Evipack Industries LLC, putting into operation a new technological line for production of packaging equipment; Adani Technologies CJSC, planning to put into

operation a plant for production of high-tech and radiographic equipment for industrial and special applications. OJSC Dzerzhinsky Agrocomplex plans to develop new markets in Armenia, Azerbaijan, Georgia, Kazakhstan, Moldova, Turkmenistan, Uzbekistan and Ukraine by expanding the range of products supplied. Increased export of services in the form of increased transportation between the countries of the European Union, Central Asia, Azerbaijan and Mongolia is included in specific plans of such transport enterprises of the Minsk region as Big-Trade LLC, Belspetsagrotrans LLC, Proliv JLLC and Intertransavto LLC.

The task to find and implement new forms and methods of promoting Belarusian goods, works and services in traditional and new markets for Belarusian industries of the real sector, where the demand for innovation and an effective innovation policy aimed at creating an innovation-oriented economy, is no less urgent. And in a number of sectors, this objective is already being realistically achieved. In particular, the Ministry of Industry of the Republic of Belarus, which includes several hundred enterprises, including 135 - mechanical engineering and metalworking, more than 60 - radio engineering, 16 - electrical engineering, 10 - opto-mechanical, 8 - metallurgical, 5 - instrument-making, 4 - electronic industry.

It is clear that in a highly competitive marketplace where there is intense competition for markets and consumers on virtually every continent, building a strategy for winning new markets is both difficult and time-consuming. It is clear that before entering a particular market, it should be thoroughly researched and all options for action should be considered. It is clear that it is important to link the marketing departments of companies with potential markets and consumers, understanding the decisive role of marketers in the formation of orders to engineering departments, which, in turn, based on consumer demands and analysis of the competitive environment, must create new engineering products.

The Belarusian Ministry of Industry considers several priority export diversification areas: "The main direction is the countries of South-East Asia, India, Pakistan and China. <...> The second priority direction is Latin American countries. And the third direction is Africa.<sup>148</sup> . What is being done concretely to address these

challenges is evidenced by the facts. In particular, in the first 10 months of 2015, the products of the enterprises of the Ministry of Industry have appeared in the markets of 12 countries where they were not exported before: Ireland, Montenegro, the Democratic People's Republic of Korea, Nepal, Zimbabwe, Mauritania, Tanzania, Sierra Leone, Equatorial Guinea, Colombia, Chile, New Zealand. A further 27 countries experienced an increase in exports compared with 2014. These include Armenia, Belgium, Germany, Spain, the Netherlands, the UK, Vietnam, Thailand, Israel, China, Tunisia, Canada, Cuba and Australia. In total, "enterprises of the Ministry of Industry exported their products to 102 countries in 2015"<sup>149</sup> .

It goes without saying that each company chooses its own strategy to diversify its export supplies. For example, in 2015, the geography of foreign trade partners of Belarusian Automobile Plant included 42 countries, and the top ten included: Russia, the United Kingdom, Kyrgyzstan, Mongolia, Bulgaria, Serbia, Vietnam, Iran, Italy, and Kazakhstan. In addition, "in 2015, the number of new consumer countries of BELAZ products on the African continent also expanded. A large batch of equipment was put into operation in Zimbabwe <...>, wheeled bulldozers BELAZ-78231 are now operating in Morocco"<sup>150</sup> . And Minsk Automobile Plant came out on top in terms of sales of new trucks over 3.5 tonnes GVW in Ukraine in 2015. The statistics here are as follows. A total of over 900 new trucks were registered in Ukraine, including 294 of the MAZ brand, up 43.4 per cent on 2014 sales. As for the competitors, the "number two brand in Ukraine is Scania: last year the Swedes managed to sell 137 trucks. In third place is MAN with 85 vehicles"<sup>151</sup> .

Gomselmash has its own geography of export diversification, with Russia's regions playing a significant role. In particular, in 2015, for the first time, farmers of the Samara and Tula regions, as well as the Krasnodar and Stavropol regions, were able to get acquainted with the advantages of the KZS-1624.1 grain harvesters. The first ten units of "Palesse" machinery were sent to the Leningrad region. The first KZS-1218-29 combine harvester was sold to Kaliningrad Oblast. With the help of Gomselmash representative office in the Czech Republic, the first samples of machinery were sent to Spain, Hungary and Turkey. Palesse machines have appeared

in Pakistan and Thailand. In 2016, "the presence of Gomselmash machines is expected in Egypt, Azerbaijan, the Republic of South Africa, Tajikistan, Georgia, Serbia and Germany."<sup>152</sup> .

The cooperation between the Belarusian holding Amkodor and the China International Investment Property Management Corporation CITIC Construction CO, LTD on the production of export-oriented products may turn out to be effective. In January 2016, the parties signed a memorandum "on the construction of the Amkodor Mash special machinery plant in the village of Kolodishchi, Minsk District"<sup>153</sup> .

The Belarusian Production and Trade Concern of Forestry, Woodworking, Pulp and Paper Industry, which unites 46 large enterprises of various forms of ownership, should also ensure the growth of export potential. Today, the concern's enterprises export their products to 52 countries, and the share of export in the total volume of their production is already 56,4%. Nevertheless, together with the Ministry of Foreign Affairs of the Republic of Belarus, the Concern has already developed and started implementing an action plan to develop foreign trade, foreign economic and investment cooperation for 2016, the main objective of which is to increase the export volume of the Concern's enterprises. The task of increasing exports "will be solved through the search and development of new foreign markets, including through the development of product distribution networks, commodity and geographic diversification of the export structure, reaching a strategic level of relations with dynamically developing countries"<sup>154</sup> .

The diversification of exports will be aimed at a flexible combination of several main vectors: first, the development of cooperation and specialisation in the Eurasian Economic Union based on the deepening of economic relations, primarily with Russia; second, ensuring partner relations with the European Union countries, taking into account the possible accession of the Republic of Belarus to the World Trade Organization, primarily with Slovakia, Poland, Bulgaria, Romania, Hungary; third, expanding the presence of the Concern's enterprises in unconventional markets. <...> The priority markets for the expansion of the Concern's exports in 2016 are Turkey, Iran, Pakistan, Spain, Italy, France, China, and Egypt.<sup>155</sup> .

All these plans can only become a reality if the enterprises of the Concern develop the production capacities of already implemented investment projects of export-oriented productions and expand the range of their products, as well as create new export-oriented economic entities. The Belarusian wallpaper holding, which is part of the Bellesbumprom Concern, is already demonstrating interesting experience in this regard.

The holding company incorporates four enterprises: UP Gomeloboy, UP Minsk Wallpaper Factory, Dobrush Paper Factory Hero of Labor, and Belkarton branch. In 2015, these enterprises increased exports of cardboard and paper products by 44 percent, exceeding the figure of six million dollars. Export of paper and cardboard increased even more - by 80 percent - to 8.6 thousand tons. It is noteworthy that in 2015, the main recipients of cardboard and paper products of Belarusian Wallpapers 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 productions. In particular, the largest volume of export deliveries in 2015 came from the branch of Belarusian Wallpaper - Dobrush Paper Factory "Hero of Labor", where "in 2014, the paper-making machine was modernized. This allowed us to significantly expand the range of products and increase production volumes by half."<sup>156</sup> . Now another investment project is being implemented at this factory - the construction of a plant to produce coated and uncoated cardboard with a capacity of 200 thousand tonnes per year. The project is scheduled for completion in 2017. Having mastered the production of coated and uncoated cardboard, Belarusian producers will not only reduce imports of the product from the Commonwealth of Independent States and the European Union, but also ensure the growth in exports.

As we can see, Bellesbumprom has experience in the development of export-oriented enterprises. And it is ready to share it with other participants of this segment of the Belarusian economy. This is evidenced, in particular, by the fact that in January 2016, at the initiative of the Concern, the Association of Furniture and Wood Processing Industries was established in 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>157</sup> .

The Belarusian construction sector is among those segments of the 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% <...> and exports of services by 46%"<sup>158</sup> . And in 2015, export targets for construction, engineering and architectural services were met to the tune of one billion dollars. Nevertheless, in 2016, the Belarusian builders have been tasked to further increase exports of goods and services by focusing on the quality of work and deadlines in line with contractual obligations, as well as to "coordinate work on cost optimization, cost reduction and introduction of new technologies. Enterprises need to ensure the application of best international practices in construction"<sup>159</sup> .

The development strategy of the Belarusian construction industry envisages several ways to meet this challenge. First, through new technologies. An example: the Gomelglass enterprise, where modernisation in terms of industrial glass processing is nearing completion. By the end of the six months the adjusting and launching of energy efficient glass production line is to be completed there which will enable production of about 4 million square meters of such glass at the first stage with the possibility of increasing its amount up to 8 million square meters. And we already have preliminary contracts to supply this glass for export. Besides, the high export potential of the Belarusian glass is proved by facts like these. We have already signed contracts to export 8.5 million square meters to Germany and Poland, and 13 million square meters to Ukraine, as well as small amounts to Turkey and Italy.

The next export item for Belarusian builders is cement. It is known that its domestic consumption is not more than four million tons a year, while production only by dry method is 6.6 million tons. In 2016, supplies of Belarusian cement to Europe will increase by 500 thousand tons and exports to Russia will reach 1.2 million tons. It is also encouraging to see the export potential of Belarusian crushed stone, which is already being worked on with Poland and Lithuania. Specifically, "in January 2016 alone, crushed stone was loaded as much as during the entire first quarter of last



year"<sup>160</sup> .

The second direction is the diversification of foreign markets, where it is primarily a question of expanding the Russian regional markets. A good example is the Kaluga region, where the Belarusian company MAPID is building the Malinovka residential complex on the north-eastern outskirts of Kaluga. It consists of five apartment buildings with landscaped and landscaped areas, roads, car parks, sets of small architectural forms, a beautiful park with a pond, walking paths and pavilions. A 9-storey 3-sectional house with 188 flats and a 19-storey 1-sectional house with 126 flats have already been built in the neighbourhood. Two 19-storey 1-section buildings with 126 flats and one 19-storey building with 106 flats are nearing completion. The cooperation will continue with "construction of another residential complex on a - nearby site, Malinovka 2, consisting of five buildings with 698 flats. A Belarusian developer, Vesta LLC, was granted permission to build the Vesnushki housing estate in the Pravoberezhnye district of Kaluga. In August 2015, we laid the first stone in the foundation of the first house. There will be seven in total, the total area of flats will be 42968 square metres, and the number of flats will be 920. VESTA has also launched another project - the Annenki residential complex"<sup>161</sup> . There is also an interesting experience of cooperation in the construction sector between builders of Belarus and Moscow. Back in 2014, the Russians ensured the creation of the Moscow Yard improvement project on Independence Avenue in the Belarusian capital. "In 2015, the Minchans completed a reciprocal project: the "Minsk Yard" landscaping facility in Southern Administrative District of Moscow along Borisovskiye Prudy Street"<sup>162</sup> . It is quite possible that Belarusian builders will appear in other Russian regions in 2016. For example, opportunities for participation of Belarusian construction organizations "in the complex programme development of the transport system of the Chechen Republic have already been discussed. In particular, there has been talk about the reconstruction and construction of transport infrastructure facilities: airports, railway stations, and logistics centres"<sup>163</sup> .

At the beginning of 2016, Belarus established the construction holding Belstroycentre, which "included 18 of our enterprises with a total workforce of about

35,000 people"<sup>164</sup> , indicating a major boost in the industry's efforts to enter new markets.

Against the backdrop of Belarus's strong export diversification campaign, it is important that the demands to take additional measures to promote and advertise Belarusian products at the April 2015 meeting of the Belarusian Council of Ministers are not overshadowed.<sup>165</sup> In particular, it was suggested at that time that expert groups of representatives of exporting organizations should be formed to study visits to countries whose markets are promising for exports, additional measures should be taken to intensify the work of bilateral intergovernmental commissions, committees and councils in the sphere of foreign economic activities, and the need to "encourage the use of active marketing methods and publication of relevant materials in specialized print media, materials about the expo

This task was very timely, as it is a fact that in 2015 the presence of Belarusian content in the global information space increased markedly. This is evidenced, in particular, by the activity of the Belarusian diplomatic corps in the foreign media. **January:** interview by S. Sukhorenko, head of the Belarusian diplomatic mission to Armenia, to the Armenian News agency. **February:** a press conference by Minister of Foreign Affairs V. Makei on the results of his visit to Syria, an interview by Deputy Foreign Minister V. Rybakov to the South Korean newspaper Zhongan Ilbo, an article by the Belarusian ambassador to Finland A. Ostrovsky in Ostrovski - in Baltic Rim Economies, and an interview with the head of the Belarusian diplomatic mission to Kazakhstan A. Nichkasov - in the magazine Mangi El. **March** - interview of Deputy Minister of Foreign Affairs A. Guryanov to the Lithuanian newspaper Verslo Zinios, Ambassador Extraordinary and Plenipotentiary of Belarus to Poland A. Averyanov to the magazine Baltic Rim Economies. In Ukraine, V. Velichko - to the information agency Svyat elit, in Mongolia - to the newspapers Soembo and Zuuny Mede, in Ukraine - to the newspaper Verslo Zinios. In Mongolia, he was represented by S. Chepurny to "Soobo" and "Zouou Meade" newspapers, in Ukraine. Belarus - Russia", in Egypt and Algeria (concurrently) - S. Rachkova - Algerian newspaper "Al-Shaab". **April** - interviews of First Deputy Foreign Minister A. Mikhnevich to the Lithuanian

newspaper Lietuvos Žines, Deputy Foreign Minister E. Kupčina to the Hungarian newspaper Magyar Hirlap, A. The first deputy minister of foreign affairs E. Kupčynaŭ - to the Hungarian newspaper Magyar Hirlap, A. Guryanŭ - to the Estonian newspaper Delovye Vedomosti, I. Petrishenka - to the program From First Person of Russian Public Television and the newspaper Soiuznoe Veche, A. Nichkasov - to the news agency Kazinform, the head of the Belarusian diplomatic mission in the Czech Republic V. Markovich - to the periodical Parviz Naviny. Markovich, head of the Belarusian diplomatic mission to the Czech Republic, to the periodical Parlamentni Listy. **May** - article by V. Makei in the British magazine Forced Migration Review; interview by V. Makei to the American newspaper The Washington Post. E. Mayakay - to the American newspaper The Washington Post; E. Kupčina - to the Slovenian newspaper The Slovenia Times; A. Korol, Ambassador Extraordinary and Plenipotentiary of Belarus to Lithuania - to the Lithuanian edition Express-week; in Israel - to V. Skvortsov - to the portal Israel in Persons. **July** - interviews with V. Makei to Russia-24 TV channel, V. Rybakov to Russian news agency TASS and Russian service of UN Radio, I. Petrishenko to Rossiyskaya Gazeta, joint article by Ambassador Extraordinary and Plenipotentiary of Belarus to Austria V. Voronetsky and Armenian ambassadors to Armenia and Belarus. Voronetsky and the Ambassadors of Armenia, Kazakhstan, Kyrgyzstan and Russia in Austria - in Die Presse. **August:** interview of V. Skvortsov to the portal Israel in Persons **September:** interview of Ambassador Extraordinary and Plenipotentiary of Belarus to Latvia M. Dolgopolova to the Latvian newspaper Business Vesti. September, interviews with M. Dolgopolova, Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Latvia, to the Latvian newspaper Biznesa Vesti. **October** - interviews with V. Makei to the newspaper Kommersant, A. Mikhnevich to the information and analytical portal of the Union State, and S. Rachkov to the Middle East News Agency. **December** - interview with I. Nazaruk, Ambassador Extraordinary and Plenipotentiary of the Republic of Belarus to Armenia, to the news agency ArmInfo; S. Rachkov to the Egyptian magazine Diplomacy<sup>166</sup> .

It is thought that this interesting media experience of the Belarusian diplomats

should be reflected and further developed in 2016 in the publications of representatives of Belarusian regional as well as sectoral structures with the most active participation and support of representatives of the international segment of Belarusian national journalism.

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## Chapter 9

### The Belarusian advertising market: segments and trends

In February 2017, a meeting of the board of the Ministry of Information of the Republic of Belarus considered the results of the country's information and media industry units in the past year. It noted that "2016 consolidated the negative trend of falling subscriptions to state periodicals. The local press <...> is also declining in circulation. We need to take effective steps to maintain and increase readership"<sup>167</sup>. The Belarusian government's very specific demand was also voiced there - to take comprehensive measures to restore the volumes of the advertising market, so that "advertising revenues grow, i.e. we should focus on effective work with advertisers, and not just sit around and wait for subsidies. Advertising should be dealt with"<sup>168</sup>.

Statistics show that the crisis phenomena in Belarusian advertising began to be observed as early as 2015, when, for the first time since 2009, a negative trend was observed, with the profitability of the Belarusian advertising market falling by 40 per cent at once. At that time, "the decline in advertising budgets had the greatest impact on the television and print advertising markets due to the high cost of the one and the low efficiency of the other in the face of alternative sources of information"<sup>169</sup>. To be absolutely accurate, television and print media companies lost up to half of their advertising budgets at that time, forcing them to suspend a number of projects. The markets for Internet and related mobile advertising suffered least of all in those circumstances.

The following figures are also interesting: between 2010 and 2015, the number of business entities engaged in the production and placement of advertisements in Belarus increased by half. At the end of 2015, there were already 744 of them. Nevertheless, in the same year 2015, "budgets for advertising of food products decreased by 9%, for advertising of cosmetics, perfumes, other industrial goods - by 16%, retailers reduced their advertising budgets by 17%, and advertising of shoes and leather goods fell by half"<sup>170</sup>. All these facts testify to the obvious conclusion: the Belarusian advertising market is experiencing a serious crisis that requires all

stakeholders to work out coordinated measures to overcome it.

Apparently, the main anti-crisis document in these conditions should be the Concept of development of the Belarusian advertising market for 2017-2020, which is still being agreed by the interested structures, but in many ways it differs from similar documents created earlier. The thing is that the previous Concept of development of the advertising market in the Republic of Belarus for the period until 2014 was developed from the beginning to the end by the state bodies. This time, the initiative to formulate the concept was handed over to the expert community in order to eventually "liberalize the Belarusian advertising market and optimize and simplify administrative procedures, taking into account contractual relations"<sup>171</sup> of the Republic of Belarus with the Eurasian Economic Union. It should be assumed that this time the proposals of the advertising market participants themselves will actually be taken into account in the final document.

For instance, the Association of Advertising Organizations (ARO), which brings together 25 companies representing more than 50 Belarusian organizations in the field of advertising, marketing and communications, has prepared its strategic proposals to the new concept. In particular, the association proposes to intensify and stimulate marketing activities of local producers in key domestic industries, which include pharmaceuticals, dairy products, confectionery and chocolate, beer, cosmetics and household chemicals, meat and sausage products.

The draft of the Association of Communication and Marketing Agencies (ACMA) of Belarus included priority issues aimed at simplifying and liberalising advertising legislation and attracting investment to the industry. Among them are: lifting the ban on the use of images of people in beer and low-alcohol beverages advertising and the inclusion of non-alcoholic beer in the list of allowed for advertising without restrictions; permission to use sponsorship for social advertising and mentioning sponsors in it; permission to put ads on the sides of public transport; development of guidelines for tenders to enterprises of various forms of ownership with the status of a normative legal act and the formation of unified criteria for advertising. The ACMA's proposal to increase the number of "unfinished construction

sites, undeveloped territories and building facades"<sup>172</sup> and to provide equal access to such sites for market participants is also noteworthy.

The ultimate goal of the new Concept for the Development of the Belarusian Advertising Market for 2017-2020 is, above all, to outline realistic ways of increasing the return on all segments of this market in the current environment, among which TV, online and outdoor advertising are among the most promising in Belarus.

**TV advertising** in Belarus has traditionally been the most effective and sought-after segment of the advertising market. This is despite the fact that the Belarusian legislation limits the time of placement and distribution of advertisements on TV and regulates the time of interruption of programmes with advertisements. There are also requirements that limit the sound level of advertising messages. In addition, television is one of the most expensive sources of advertising, and there is no downward trend in the cost of advertising. Nevertheless, "since about 80% of the Belarusian population watches television on a daily basis, the effectiveness of television advertising is high, so in the future, television will play a leading role in the Belarusian advertising market"<sup>173</sup>.

It should be noted in this regard that the share of TV advertising in the structure of the Belarusian advertising market has fluctuated considerably over the years, but this has not prevented it from consistently retaining its leading position. Thus, "in the first half of 2009, TV advertising accounted for 32 percent"<sup>174</sup>. In 2013, television already accounted for 55 per cent of advertising. Even in 2015, which was a particularly difficult year for state television channels, when "we couldn't help but feel the loss of the lion's share of advertising money, so we left some entertainment programmes for later"<sup>175</sup>, when the advertising market almost halved, nevertheless "television advertising occupied 50 percent of the advertising market"<sup>176</sup>.

Television continued to be the main advertising medium in Belarus in 2016, where it was the most mass and most consumed media with an average daily reach of 72.2 per cent of the audience and an average daily viewing time of 3 hours 46 minutes. Moreover, "since the third quarter of 2016, the Belarusian TV advertising market has entered a sustained growth trend"<sup>177</sup>. Perhaps this positive trend was influenced by the

trends that were observed in the Belarusian TV advertising market. One of them was the fact that there was a change in the leader in the budgetary product categories. In the first nine months of 2016, trade organisations came out on top among advertisers, with TV advertising spending in roubles rising by 44 per cent year-on-year, pushing medicines advertising into second place. Some other categories of advertisers also saw good growth in the volume of TV advertising. The tea and coffee segment showed a five per cent increase. Advertisements for banking and financial services have increased by 20%, cosmetics and perfumes by 60% and carbonated beverages by 11%. Mobile Internet access services also increased in terms of TV advertising.

Nevertheless, statistics show that in terms of TV advertising expenditures per capita Belarus continues to lag behind all neighbouring countries. In particular, this figure is six times higher in Russia and one and a half times higher in Kazakhstan. This means that "regardless of the current economic situation, the television advertising market in Belarus has growth potential. Depending on the indicator taken, the growth potential over the next 2-3 years is between 20% and 40%"<sup>178</sup>. Of course, a lot in this respect will depend on the extent to which expectations for the recovery of the Belarusian economy come true. As you know, the forecasts of the Belarusian government presuppose a slowdown of inflation, stabilization of the exchange rate, growth of the gross domestic product, incomes of the population and revival of the consumer market. All these factors cannot but affect advertisers. Indeed, they will revive demand for their products, which will create opportunities for sustainable and predictable planning and advertising campaigns. As a result, the impact of economic factors, combined with changes in pricing policies, could lead to an increase in the Belarusian TV advertising segment of 12-16 percent in 2017.

It should also be noted that the prospects for increasing the volume of television advertising in Belarus will in no small measure depend on the pace of development of its direct competitors. It is no secret that "new forms of video content distribution are emerging as an alternative to the most mass communication channel - television. The audience of interactive television providers is expanding. <...> Mobile TV content viewing services are developing"<sup>179</sup>.



All of these observations suggest that although television has not abandoned its leading position in the Belarusian advertising market, its best years are already in the past. Yes, television still maintains the growth of advertising investments, but they will be much smaller. We must not forget here the growing influence of the Internet, thanks to which television is also increasingly losing its novelty, and with it a part of its target audience, which is increasingly switching to the global network, making it the fastest-growing segment of the modern advertising market.

Indeed, one of the main trends in the development of today's global advertising market is the strengthening of the position **of online advertising**. This is due to the fact that today the internet as a whole, although it remains the second-largest media by volume after TV, the gap is rapidly narrowing. What's more, in 2017 the internet is set to become the largest media investment in the world's top 12 advertising markets, which together account for 28 percent of global advertising spend. Suffice it to say that the global web is already the largest media in Australia, Canada, Denmark, the Netherlands, Norway, Sweden, the UK. And in 2017, judging by the rate of development, China, Finland, Germany, Ireland and New Zealand should join them.

Internet advertising has been growing rapidly in Belarus in recent years, although in 2009 this segment was not even singled out separately in the structure of the Belarusian advertising market, but was modestly mentioned in the general concept of "other advertising". However, in 2014, Belarus, together with Slovenia and Ireland, became one of the top three countries in Europe in terms of the growth rate of the Internet advertising market. For the sake of objectivity, it should be noted that although investments in Belarusian Internet advertising per user are growing year by year, nevertheless, "they are still very small compared to other European countries. In 2014, the figure for Belarus was \$4.0. By comparison, in Russia, even during the crisis, this figure is \$36.2."<sup>180</sup> .

The growth trends of Internet advertising in Belarus can be explained by the fact that the global network in general as a tool for advertising shows good efficiency, and in conditions of market instability serves as the best choice for advertising communication, as it is one of the most effective advertising media in terms of

cost/benefit ratio. In other words, the active development of Internet advertising in the Belarusian economic situation is due to the growing activity and volume of the Internet audience, and the low cost of placing or distributing such advertising compared to other media. An eloquent illustration of this conclusion can be seen in the results of 2015, when the Belarusian media market as a whole declined by 35 percent, and in monetary terms, the total market shrank from \$116.3 million in 2014 to \$75.9 million.

In these conditions, the dynamics of the Internet advertising market remained quite optimistic: "While in 2010 the share of the Internet in total advertising spending was only 8%, now this figure has increased to 22% and continues to grow. In total, Internet advertising grew by 16% in 2015 (by comparison, in 2014 growth was 28%, in 2013 - 52%), which in monetary terms amounts to \$16.7 million"<sup>181</sup>. As a result, spending on Internet advertising in Belarus has already steadily moved into second place in terms of volume after television. But, while in 2010 TV advertising expenditures outpaced Internet advertising by eight times, in 2016 they are only 2.7 times higher. And the forecasts here are: "The advertising market in Belarus will only grow by 2% in 2017. A slight market recovery will be felt mainly by electronic media - TV channels and online resources, which claim a significant share of advertisers' money"<sup>182</sup>.

For Belarus, the positive growth dynamics of online advertising is also important for other reasons, among which is the topic of promotion of Belarusian export products abroad. The Concept of Advertising Market Development in the Republic of Belarus until 2014 noted that "a serious problem is the situation when most domestic producers underestimate the importance of advertising for the promotion of goods and increase in turnover: advertising campaigns are not planned, advertising is done spontaneously, low-cost types of advertising - <...> on the Internet are not used enough, advertising efficiency is not analyzed"<sup>183</sup>. It seems that little has changed over the years, because even today, at meetings of the Belarusian government the following words are constantly heard: "the work on export information support deserves the most careful attention. <sup>186</sup>It is necessary to introduce the newest technologies to disseminate information about export potential of Belarus and its achievements"<sup>184</sup>; that "the most

efficient tool in the struggle for the market is not administrative measures, but the high quality of domestic products, a wide assortment and competitive price, as well as competent positioning and advertising of goods at the market"<sup>185</sup> ; that it is time to strengthen the work "on informational support of export, introduction of the newest technologies into the daily practice". One may believe that the development of internet advertising in Belarus will contribute to the solution of all these issues.

As for **outdoor advertising**, it is one of the most effective and sought-after types of advertising in the Republic of Belarus. This can be explained by the fact that it is most accessible to consumers and for this reason it is already considered to be a promising direction, and also has a significant impact on the development of socio-economic infrastructure of settlements, their artistic and architectural design. Undoubtedly, its development is of great importance for the formation of a full-fledged external environment for the residents of Belarus, the preservation of its natural components and historical and cultural heritage.

Back in the first half of 2009, the share of outdoor advertising in the structure of the Belarusian advertising market was 20 per cent, lagging behind television by 12 per cent. At that time, there were 'more than 33,000 parties to outdoor advertising'<sup>187</sup> . And already at that time, the task was set at all levels to increase the volume of outdoor advertising by domestic producers in order to promote goods on the market and increase the turnover of goods. In particular, to create an environment of openness and transparency in this segment of the advertising market in all Belarusian regions and in the capital city, regional concepts for outdoor advertising were approved, city and district plans for outdoor advertising, which contained operational information about prospective locations of outdoor advertising.

These measures have yielded results. By 2015, already "about 80 percent of outdoor advertising spaces in Belarus"<sup>188</sup> started to be sold through auctions, which largely minimized the corruption component. In 2014, outdoor advertising already occupied 25 per cent of the advertising market, almost doubling local budget revenues. "This was due to the fact that the local executive and administrative authorities were given the right to independently set the fee for outdoor advertising, as well as to apply

decreasing and increasing coefficients to such fees"<sup>189</sup> .

In addition, at the regional level, it has become an opinion that outdoor advertising, being a relatively inexpensive media, not only plays an important role in the distribution of socially significant information and festive decoration of the city, but also is an information resource, without which it is impossible to hold major international events in any field - championships, Olympiads, forums, conferences; it is also considered one of the important factors in the attractiveness of the investment climate of the region and promotion of its tourist potentiality Understanding the relevance of this issue has led, for example, to the appearance in March 2016 of the Concept of development of outdoor advertising in Minsk for 2016 - 2020, which is already a serious approach to a systemic understanding of the problems faced in this area. In particular, this document draws attention to the need to change the surface image technologies of static advertising media to electronic screens - "digital billboards", "the advantage of which is the absence of production and installation of advertising images, which allows to optimize the cost of production, installation (dismantling) of the advertising cloth, transportation costs and special equipment, installation materials and mountings, disposal of the vinyl sheet..."<sup>190</sup> .

For the dynamic development of all kinds of outdoor advertising in the Belarusian capital, it was decided here, among other things: to selectively place non-standard large-format image advertising constructions, designed primarily to promote domestic brands; to give preference to elements of street furniture, combined with outdoor advertising that meet the needs of the citizens in the field of landscaping, as well as advertising structures, which can be built in a payphone, Internet kiosk, kiosks for press, theatre tickets, sightseeing tours, etc. Besides, it is planned to place billboards promoting the city's tourist potential in Minsk's twin cities. "It will help attract more guests from other countries to the Belarusian capital. <...> Letters requesting the placement of such advertising posters have already been sent to the city halls of Tbilisi, Riga and St. Petersburg"<sup>191</sup> . In general, Belarus is planning to liberalise the outdoor

advertising market considerably in 2017-2019. Here, "a list of advertising structures has already been determined and removed from the licensing procedure: signboards containing a limited amount of information, outdoor commercial equipment combined with advertising, and ATMs"<sup>192</sup>. In addition, "in Belarus it is proposed to abolish the approval of outdoor advertising"<sup>193</sup> in terms of its content. This would be a highly anticipated solution.

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