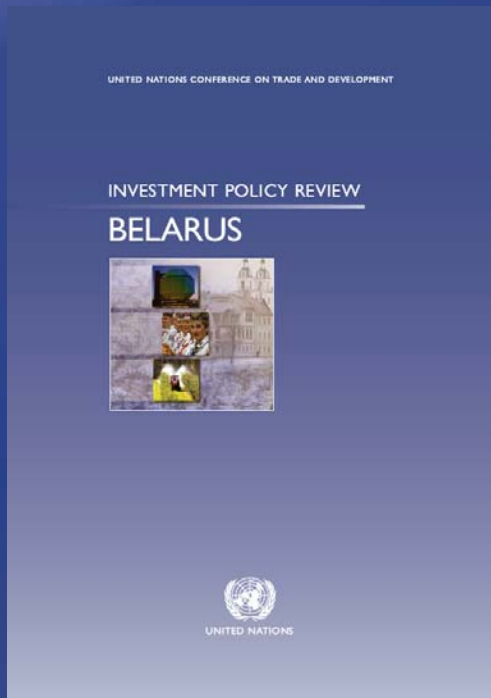




# Investment Policy Review Belarus



James Zhan  
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Division on Investment and Enterprise  
Geneva, 27 April 2010



## New policies...

- Belarus offers investors many opportunities
- But unstable past policies affected FDI
- Since 2007 - a new direction
  - Business registration streamlined
  - Golden share rule abolished
  - Tax system simplified for SMEs
  - New Incentives to attract investment





# ...and increasing FDI inflows

FDI inflows to Belarus  
(Millions of dollars)





# ...but private investment, including FDI, remains low

- ❑ Belarus received less FDI than other CIS countries
- ❑ Private sector represents 25% of GDP (CIS average above 65%)
- ❑ SMEs represent 8% of GDP (CIS average 26 to 65%)



# A strategy to attract increased FDI and support SME development

1. Improve FDI-specific regulations
  2. Improve the general investment climate
  3. Remove obstacles to SME development
  4. Adopt policies to foster SME development through FDI
- 



# 1. Improve FDI-specific regulations

- ❑ Update the Investment Code
- ❑ Harmonize the investment legislation
- ❑ Introduce facilitation support for the regions






## 2. Improve the general investment climate

- ❑ Review the licensing requirements
- ❑ Improve fiscal competitiveness
- ❑ Revise the wage classification system
- ❑ Streamline land zoning and allocation
- ❑ Strengthen the competition regime



## 3. Remove obstacles to SME development

- Lower taxes on SMEs
  - Remove price limitations
  - Reduce the administrative burden on SMEs
  - Revise the reporting requirements
- 





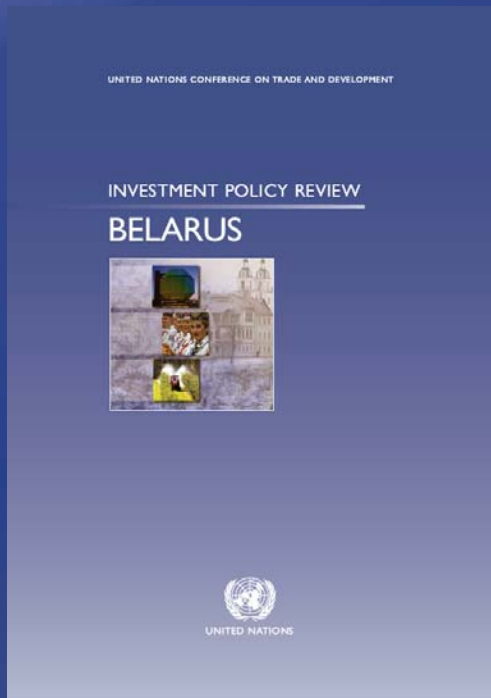
## 4. Adopt policies to foster SME development through FDI

- ❑ Strengthen the investment promotion agency
- ❑ Support entrepreneurship development
- ❑ Design specific linkages programmes





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