

privatization program has stalled, while corruption remains widespread and governance weak. Government interference in the private sector...casts doubt over the authorities' commitment to market-oriented reforms.» The Economist Intelligence Unit reports that the «poor investment climate, including annulments of some earlier sales, continues to deter many Western investors. Between 2001 and 2004 the government privatized less than 60 of the 480-odd enterprises scheduled for sale.» Foreign investors may not purchase agricultural or forest land. The IMF reports that both residents and non-residents may hold foreign exchange accounts, but approval is required in some cases. Payments and transfers require supporting documentation and approval of the National if they exceed specified amounts. Nearly all capital transactions require approval by or registration with the National Bank of Moldova.

There are no official barriers to founding foreign banks or branches in Moldova. The central bank has increased the minimum capital requirement, which is expected to contribute to consolidation in the banking sector.

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FOREIGN TRADE OF BELARUS

The EU is Belarus' second main trade partner with almost a one third share in the country's overall trade. Russia is Belarus' most important trading partner and absorbs almost half of Belarus' international trade. The EU-Belarus bilateral trade in goods has been growing steadily over the past years.

Belarus' exports to the EU are dominated by mineral fuels. Other product categories – such as chemicals, agricultural products, machinery and textiles – all form a much lower share. The EU exports mainly machinery, transport equipment and chemicals to Belarus.

The EU has also introduced an Outward Processing Trade regime for Belarus. This regime provides for additional import quota amounts for textiles and clothing manufacturers within the European Union so they can produce garments in Belarus that will return to the EU after processing.

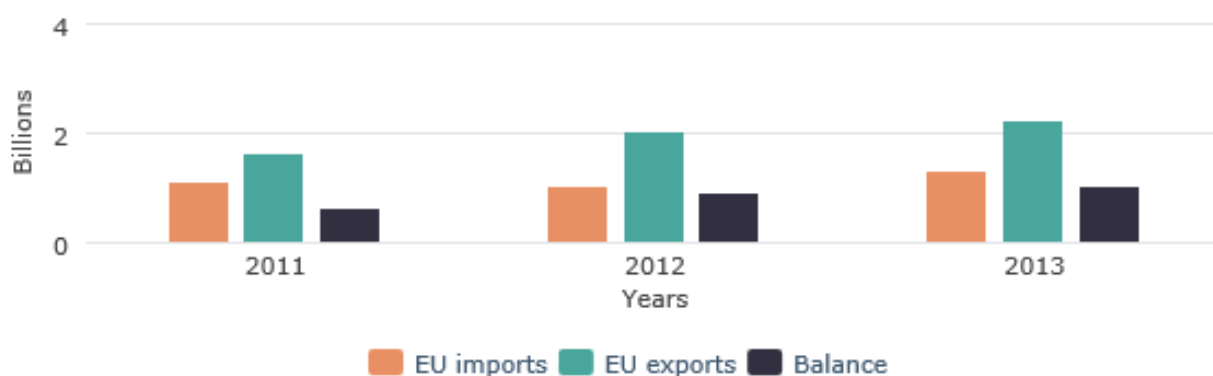


Fig. 1. EU-Belarus «trade in goods» statistics

The structure of the industry have identified a high degree of openness of the economy of the Republic of Belarus, its focus on foreign markets. More than 50 percent of goods produced in the country are delivered for export.

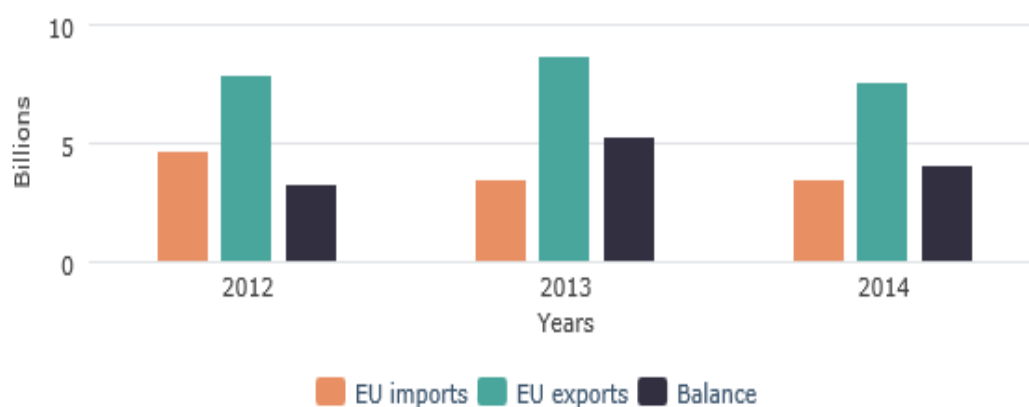


Fig. 2. EU-Belarus «trade in service» statistics

The trends of foreign trade in goods of the Republic of Belarus is presented in the following table.

Among the major export commodities of Belarus are oil products and oil, potash and nitrogen fertilizers, metal products, trucks, tractors, chemical fibers and yarns, tires, dairy and meat products, sugar. Belarus mainly imports energy resources (oil and natural gas), raw materials and components (metals and metal products, raw materials for chemical industry, machine parts) manufacturing equipment. Today Belarus has trade relations with more than 180 countries around the world. Russian Federation is the major trade partner of the Republic of Belarus, it accounts for more than 40 percent of export and more than a half of volume of import. The European Union is the second largest trade partner of the Republic of Belarus, it accounts more than 30 percent of export and one fifth of import. The main partner in the EU are Great Britain, Netherlands, Germany, Lithuania, Italy, Poland, Latvia, Belgium, Czech Republic. In the foreign trade of Belarus with the CIS countries after Russia, Ukraine occupies the second place, Kazakhstan – the third. There is a positive dynamic in cooperation with the traditional partners in Latin America such as Brazil, Venezuela and Ecuador, and in Asia, notably with China, India, Indonesia and Turkey. More than 50 percent of the total Belarusian export of services makes up

transport services, reflecting favorable geographical position of the Republic of Belarus. Among the major export position, there are IT and construction services.

Attraction and effective use of investments is one of the main priorities of the state investment policy of Belarus, which is implemented by The Ministry of Foreign Affairs of the Republic of Belarus together with the Belarusian diplomatic institutions assists in attraction of foreign investments in the economy of the country and creation of a favorable investment image of Belarus abroad.

All sectors of our economy are open to foreign investments, except the production of weapons, narcotics and toxic substances. Foreign investors may set up companies in Belarus with any amount of foreign investments in any legal form, as well as their representative offices.

All necessary legal conditions have been created for foreign investors in Belarus. All investors are guaranteed equal, without discrimination, protection of rights and legitimate interests, regardless of ownership and national status. Guarantees to foreign investors are also provided in the framework of bilateral agreements between Belarus and other countries.

The country established a system of incentives, privileges and preferences for investment activities. Special legal regimes can be applied to investors in free economic zones, small and medium-sized cities, rural areas, the Park of High Technologies, the Chinese-Belarusian industrial park «Great Stone», etc.

The legislation provides for the possibility of concluding the investment contract with the Republic of Belarus – it allows the investor to get legal guarantees to protect their capital and benefits for realization of the investment project.

The reforms aimed at liberalizing the economy and improving the investment attractiveness are gaining momentum in the country.

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ECONOMY OF THE DEMOCATIC REPUBLIC OF THE CONGO

Sparsely populated in relation to its area, the Democratic Republic of the Congo is home to a vast potential of natural resources and mineral wealth. Its untapped deposits of raw minerals are estimated to be worth in excess of US\$24 trillion. Despite this, the economy has declined drastically since the mid-1980s.^[4]

At the time of its independence in 1960, the Democratic Republic of the Congo was the second most industrialized country in Africa after South Africa. It boasted a thriving mining sector and its agriculture sector was relatively productive.^[4] Since then, corruption, war and political instability have been a severe detriment to further growth, today leaving DRC with a GDP per capita among the

Economic Implications of Conflicts

The two recent conflicts (the First and Second Congo Wars), which began in 1996, have dramatically reduced national output and government revenue, have increased external debt, and have resulted in deaths of more than five million people