

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.

TSHIKOMB A-CHAAL BRANDON

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

from war, and associated famine and disease. Malnutrition affects approximately two thirds of the country's population.^[5]

Agriculture is the mainstay of the economy, accounting for 57.9% of GDP in 1997. In 1996, agriculture employed 66% of the work force.

Rich in minerals, the Democratic Republic of the Congo has a difficult history of predatory mineral extraction, which has been at the heart of many struggles within the country for many decades, but particularly in the 1990s. The economy of the third largest country in Africa relies heavily on mining. However, much economic activity occurs in the informal sector and is not reflected in GDP data.

In 2006 Transparency International ranked the Democratic Republic of the Congo 156 out of 163 countries in the Corruption Perception Index, tying Bangladesh, Chad, and Sudan with a 2.0 rating.^[7] President Joseph Kabila established the Commission of Repression of Economic Crimes upon his ascension to power in 2001.^[8]

The conflicts in the DRC were over water, minerals, and other resources. Political agendas have worsened the economy because very few people are benefiting in times of crisis while they let the people they are leading suffer. Made worse because of national and international corporations which are corrupt. The corporations allow the fighting for resources to continue simply because they continue to benefit from it. Many deaths are the result of not having basic needs which shows how the economy affects its people who are also treated like slaves. There have been lots of refugees since the fighting in 1998 which doesn't help the poverty issue in the country. Taxes are not used for they are supposed to be used for because of those corrupt leaders fulfilling their own objectives instead of the country's needs. The DRC is consistently rated the lowest on the UN Human Development Index.

Economic history

Before Leopold

Portuguese traders showed up around the 1480s and found that the people would be good slaves which led them to stopping any political power that could stop the slave trade. They traded weapons for the slaves which led to anarchy all across the nation.

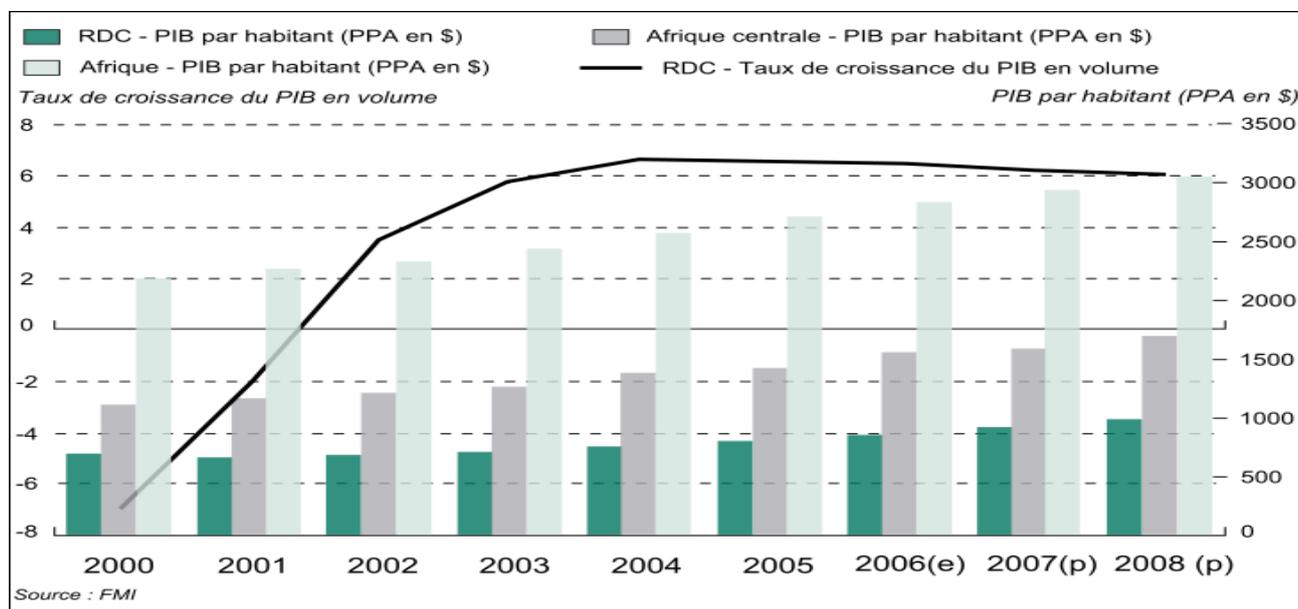
After Leopold

Forced labor was important for the rural sector. The corporations that dominated the economy were mostly owned by Belgium, but British capital also played an important role. Independence caused the Congo to become the most industrialized country in Sub-Saharan Africa, after South Africa. 1950s was a period of rising income and expectations. Called the best public health system in Africa, huge wealth disparity. The Belgian companies favored workers in certain areas more and exported them to work in different areas and they took away opportunities from other people. The favored groups also got better education and were able to secure jobs to people in the same ethnic group which caused tensions to rise. In 1960 there were only 16 university graduates out of 20 million people in the country. Belgium still had economic power and independence gave little opportunity for improvement. «no elite, no trouble», «before independence = after

independence», When the Belgians left they left nobody in the country with the skills to run the government or the economy. Before independence there were just 3 out of 5000 government jobs held by Congolese people.

Special Economic Zone

The DRC is embarking on the establishment of special economic zones (SEZ) to encourage the revival of its industry. The first SEZ was planned to come into being in 2012 in N’Sele, a commune of Kinshasa, and will focus on agro-industries. The Congolese authorities also planned to open another zone dedicated to mining (Katanga) and a third dedicated to cement (in the Bas-Congo).^[14] There are three phases to the program that each have their own objectives. Phase I was the precursor to the actual investment in the Special Economic Zone where policymakers agreed to the framework, the framework was studied for its establishment, and to predict the potential market demand for the land. Stage one of Phase II involved submitting laws for the Special Economic Zone, finding good sites for businesses, and currently there is an effort to help the government attract foreign investment. Stage two of Phase II hasn’t been started yet and it involves assisting the government in creating framework for the country, creating an overall plan for the site, figuring out what the environmental impact of the project will be, and guessing how much it will cost and what the return can be made on the investment. Phase III involves the World Bank creating a transaction phase that will keep everything competitive. The program is looking for options to hand over the program to the World Bank which could be very beneficial for the western part of the country.



Sectors

Agriculture

Agriculture in the Democratic Republic of the Congo is an industry in the country of the Democratic Republic of the Congo that has plenty of potential.

Overview

The agricultural sector supports two-thirds of the population. Agricultural production has stagnated since independence. The principal crops are cassava, yams,

plantains, rice, and maize. The country is not drought-prone but is handicapped by a poor internal transportation system, which impedes the development of an effective national urban food-supply system.

Crops

Congolese farmer.

Land under annual or perennial crops constitutes only 3.5 percent of the total land area. Agriculture is divided into two basic sectors: subsistence, which employs the vast majority of the work force, and commercial, which is export-oriented and conducted on plantations. Subsistence farming involves four million families on plots averaging 1.6 hectares (four acres), usually a little larger in savanna areas than in the rain forest.^[1]

Subsistence farmers produce mainly manioc, corn, tubers, and sorghum. In 2004, food-crop production included manioc, 14,950,000 tons; sugarcane, 1,787,000 tons; corn, 1,155,000 tons; peanuts, 364,000 tons; and rice, 315,000 tons. In 2004, plantains totalled 1,199,000 tons; sweet potatoes, 224,500 tons; bananas, 313,000 tons; yams, 84,000 tons; and pineapples, 193,000 tons.^[1] Domestic food production is insufficient to meet the country's needs, and many basic food products have to be imported.

Exports

The production of cash crops was severely disrupted by the wave of civil disorder that engulfed the country between 1960 and 1967, and production fell again after many small foreign-owned plantations were nationalized in 1973–74. By the mid-1990s, the production of the DRC's principal cash crops (coffee, rubber, palm oil, cocoa, tea) was mostly back in private hands. Commercial farmers number some 300,000, with holdings between 12 and 250 hectares (30 and 618 acres).

Coffee

Coffee is the DRC's third most important export (after copper and crude oil) and is the leading agricultural export. An estimated 33,000 tons were produced in 2004 (down from an average of 97,000 tons during 1989–91); 80 percent of production comes from the provinces of Haut Zaire, Equateur, and Kivu.

10–15 percent of production is arabica coffee, the vast majority being robusta; coffee exports are mostly sold to Italy, France, Belgium, and Switzerland. The collapse of the International Coffee Agreement in 1989 quickly led to a doubling of exports by the former Zaire, whereupon the surplus entering the world market drove down prices rapidly.

Rubber[edit]

Rubber is the fourth most important export cash crop. The plantation crop has been slowly recovering from nationalization. Some plantations are now^[when?] replanting for the first time in over 20 years.

Forestry

See also: Deforestation in the Democratic Republic of the Congo

Forests cover 60 percent of the total land area. There are vast timber resources, and commercial development of the country's 61 million hectares (150 million acres) of exploitable wooded area is only beginning. The Mayumbe area of Bas-Congo was once the major center of timber exploitation, but forests in this area were nearly

depleted. The more extensive forest regions of the central cuvette and of the Ubangi River valley have increasingly been tapped.

Roundwood removals were estimated at 72,170,000 m³ in 2003, about 95 percent for fuel. Some 14 species are presently being harvested. Exports of forest products in 2003 totalled \$25.7 million. Foreign capital is necessary in order for forestry to expand, and the government recognizes that changes in tax structure and export procedures will be needed to facilitate economic growth.

ОЛЕКСАНДР БЕЛОЗЬОРОВ

Науковий керівник:

К.е.н., доц. Ліщинський І. О.

ПЕРЕОРІЄНТАЦІЯ МІЖНАРОДНОЇ ТОРГІВЛІ УКРАЇНИ З РИНКІВ КРАЇН МИТНОГО СОЮЗУ НА РИНКИ ЄС

Тема розриву зв'язків з Митним Союзом і посилення економічних зв'язків з Європейським Союзом є актуальна сьогодні, через те що, незважаючи на політичні проблеми, Україна веде торгівлю з членами Митного Союзу.

Угода про Асоціацію з Європейським Союзом – це угода про створення вільної зони торгівлі, які України зараз утворила з Росією, Білорусією та Казахстаном, та зможе утворити в майбутньому. Митний Союз – організація, де домінує один партнер. Підтримці зв'язків з Митним Союзом, Україна втратить можливість приєднатися до ЄС та створити інші угоди про вільну торгівлю. При співпраці з Митним Союзом, країна втрачає всі права на самостійні переговори. Вони повинні вестись від імені Митного Союзу, де 57% голосів має Росія. Зважаючи на це, існує вірогідність того, що Україна втратить можливість самостійно вести і укладати будь які договори, та відстоювати свої інтереси на переговорах.

Середньозважене мито в Україні становить близько 6%. У Митному Союзі воно складає 9%, тобто співпраці з Митним Союзом, Україна повинна збільшити мито на імпорт з країн, які не входять до Митного Союзу, з якими Україна веде активну торгівлю (Польща, Німеччина). Угода з Європейським Союзом лише зменшує митні ставки при торгівлі з її членами. Підвищення мита дуже важливе, через те що, при піднятті ставок дорожчають усі імпортовані продукти, від одягу до автомобілів, а також продукція, яка застосовується у виробництві на експорт.

Щодо ринків збуту, ведення міжнародної торгівлі з Митним Союзом гарантує продаж українських товарів до країн Митного Союзу, за більш вигідними умовами. Угода з Європейським Союзом не зупинить цієї торгівлі. У випадку співпраці з Європейським Союзом, Україна може виходити на нові ринки більшості країн світу, особливо після запровадження стандартів ЄС (на заміну колишніх ГОСТів). Приведення товарів до вимог ЄС покращить виробництво у якісному напрямку, чого саме і потребує Україна сьогодні.