

10 KEYS FOR DOING BUSINESS IN BELARUS

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The high degree of unawareness among the majority of western countries about Belarus (middle-sized Eastern European country, counting about 10 million inhabitants) is probably hiding one of the best business environments in its region. Being the main frontier of the Eurasian Economic Community customs union with the European Union, Belarus is the access gate to a market with over 200 million potential consumers. Thanks to its integration with Russia and Kazakhstan, the goods crossing its customs can arrive to Central Asia and the Russian Far East without having to overcome any significant trade barriers.

According to the World Bank's international index "Doing Business 2014", Belarus ranks in the highest position of its history as regards its potential to carry out profitable businesses activity. Out of 185 countries, Belarus occupies the 15th position in "starting a business" (Spain, for example, is ranked 142), the 3rd in "registering property", the 13th in enforcing contracts and the 30th in dealing with construction permits.

The relative lack of competitors and the gradual opening of the country's markets make it a place to exploit the competitive advantages and attractiveness of the products and services of Spanish companies. Their still marginal presence increases through success stories like those of Kelme, Duro Felguera or WinPassion.

Below we offer 10 basic insider tips for the foreign entrepreneurs willing to target this market, where there is so much to be done:

1. Look for direct or indirect partners with access to privileged information and contacts at the governmental level: getting along with the establishment is essential in Belarus, since more than 55% of this country's business sector still belongs to the State. The Government exercises its power predictably and in accordance with the Law, but very firmly. A successful strategy involves offering incentives (partnership, commissions on a sales basis, etc.) to people who enjoy the trust of the authorities: that will allow us to accelerate the problem solving and to access very centralized levers to enter the markets.

2. Don't leave all the procedures in the hands of a third party: the Belarusian business people appreciate very much the visit of direct representatives of the foreign enterprises that address them with commercial purposes. Sitting face to face in order to negotiate with your future clients will bring added value, because there are not many foreign companies proceeding that way.

3. Appoint a permanent representative in the region: as is the case in Russia, the presence and the personal relations are absolutely essential. It's very useful to have a close delegation, which your clients can address in their own language in order to solve the day-to-day issues of your business cooperation and to discuss the specific characteristics of their orders.



4. Create a friendly environment conducive to potential trade agreements: the Belarusian entrepreneurs appreciate and feel in debt with the demonstrations of interest and the formal presents. It's very common to invite potential clients to lunch, as well as offering them typical products of the foreign company's country of origin (wine, souvenirs, etc.). Spain is a country that the Belarusian regard as an exotic holiday destination, so in case of important operations to create joint ventures or to close transactions of significant value, any invitation to the other party in the negotiation to visit the country will be received with enthusiasm.

5. Don't forget to cultivate the already established business relationship: once the first sales have already taken place, it's important to visit periodically every client (directly or through your representative in the region), in order to present possible maintenance services about the acquired goods, exclusive information, commercial offers and new products. Those visits not only help to keep personal and commercial relations smooth, but also tend to conduct to new sources of income.

6. Take advantage of the investment privileges in the Belarusian free economic zones, ecologic agriculture and secondary cities: Belarus offers very interesting investment opportunities and put at the disposal of the foreign investor important advisory and supporting bodies. Today this country is a growing reference for foreign capital, because of its program of privatizations and its plentiful productive and commercial niches to exploit. If you want to take on the Russian and Kazakhstan markets, Belarus is the most affordable option and also the geographically closest to the European Union, willing to establish productive infrastructure and enter our products into these huge markets without confronting cumbersome customs procedures and without paying tariffs. If, in addition to all that, our production is placed on free economic zones, in secondary cities or can be classified as ecologic agriculture, we will enjoy very interesting tax and strategic advantages.

7. Enjoy stable framework and investment protection: in regard to investment projects, Belarus has a stable Government and signed agreements to secure any form of foreign investment, strengthened by its membership of the International Convention on the Settlement of Investment Disputes (ICSID). This is evidenced by the incoming capital from countries as diverse as Britain, Austria, Holland, Germany, Lithuania, Israel or China in sectors such as pharmaceuticals, new technologies, automotive, agriculture, food production, chemical industry or construction.

8. Dissociate the often distrustful character of the Russian from the affability of the Belarusian: unlike in Russia where initial positions of mistrust are very common, the Belarusian entrepreneur is usually more affable in his dealings with foreigners, maybe due to the fact that there are still not many foreigners coming to the country to do business. Thus, the relatively weak competition also manifests itself in a warmest treatment to the visitor.

9. Adapting your product to the market is indispensable: the language used for business in Belarus is Russian, since only a small fraction of the population uses Belarusian and

English skills aren't common. Don't overlook the importance of presenting commercial offers and information materials (catalogs, web...) in Russian language.

Likewise, upon identifying a potential distributor, it is not uncommon that they will prompt changes in format (packaging, presentation...) and marketing strategies for your product. In these cases it is convenient to listen to the advice of partners with experience in the local market.

10. Take advantage of the willingness of your Belarusian importer to create competitive and cost advantages in sales across the whole Customs Union: in most cases, unlike what usually happens in Russia, Belarus importers offer more frequently to handle the logistics and the product certification, usually in exchange of territorial exclusivity or commercial benefits (discounts, promotions, etc.). As a product certified in Belarus also offers the opportunity to export to Russia and Kazakhstan, starting an expansion strategy in the three markets through Belarus could save you a lot of money and consolidate your positions by using the most affordable tactic. For that reason, it is advisable not to rush to obtain the necessary certifications and expect to find an importer and/or distributor to take care of it or share your expenses.

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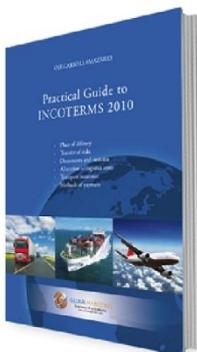


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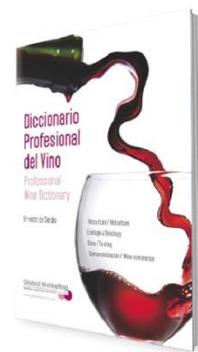
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