

## **THE INTERNATIONAL TRADE IN THE REPUBLIC OF BELARUS: MODERN TENDENCIES AND WAYS OF ITS DEVELOPMENT**

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Trade is a basic economic concept involving the buying and selling, or exchanging, goods and/or services between people or countries. Trade can take place within an economy between producers and consumers. [1, c.39]

The international trade is the traditional and most advanced form of the international economic relations. It helps to explain what competitive production it is possible to make in a particular country or region, where the company can organize effective manufacture of products. International trade allows countries to expand markets for both goods and services that may not have been available to it. It is the reason why consumers can pick between a German, American, or Japanese car. The results of international trade are greater competition in the market and, therefore, more competitive prices which gives a cheaper product to the consumer. According to the statistics, each country devotes about 80% of all trade to the international economic relations. [2, c.213]

The international trade plays an important role in every country's economy because it helps any society to be involved in the world development process. The balance of trade influences a country's gross domestic product (GDP) and impacts the public's perception of the health of the economy. Also the development of the international trade opens up new markets for sellers and increases country's productivity as workers make the goods and services both for their country and for the whole world. [1, c.401]

One of the most important prerequisites for successful systemic transformation of economics is the integration of the Republic of Belarus into the world economy, primarily through the development of international trade. The process of the country's economy integration into the system of world economic relations makes it necessary to ensure the growth of positive dynamics and balance of international trade, which is a key factor in the stabilization and development of the national economy at its present stage.

The combination of free competition and state regulation ensures the dynamic development of international trade in the Republic of Belarus. The main directions of state regulation are changes in the size of exports and imports; changes in the structure of foreign trade; changes of export and import price ratio; as well as providing the country with necessary resources for its development (raw materials, energy, etc.).

The most important export products in Belarus include potash and nitrogen fertilizers, metal products, trucks, tractors, chemical fibers and threads, tires, dairy and meat products, to name just a few. The Republic of Belarus imports oil, natural gas, coal, electricity, ferrous metals, passenger cars, vegetable oil, medicine, etc.

According to the customs statistics, the volume of international trade in 2019 accounted for \$71.4 million (correspondingly exports - \$32.2 billion, imports - \$39.2 billion). The turnover of international trade in goods was 99.9% (exports - 97.1%, imports – 102.3%) in 2018. Exports of goods in physical terms decreased by 0.4%, while imports increased by 4.3% in 2019 as well as the average export prices decreased by 2.5% and import prices - by 1.9%.[3]

In addition, we must point out that trade within the CIS countries made up \$43.3 billion (60.6% of total turnover) and increased by 1% while trade outside the CIS countries shrank by 1.9% to \$28.1 billion. The balance of international trade turnover was negative and accounted for \$6.9 billion in 2019 while this balance in 2018 was negative and accounted for \$5 billion. Meanwhile, analyzing the balance of international trade turnover within the CIS countries we have found out that it was also negative in 2019 and accounted for \$4.8 billion when in 2018 it was negative as well and totaled \$5.6 billion. The international trade balance outside the CIS countries was negative in 2019 and came to \$2.1 billion but in 2018 it was positive and accounted for \$ 577.6 million. [3]

The main trading partners of the Republic of Belarus are Russia, Ukraine, China, Germany, the UK, Poland, Lithuania, the Netherlands and many other countries. However, the Russian Federation has the largest share in the foreign trade of the Republic of Belarus which is \$35.4 billion (including exports – \$13.5 billion, imports - \$21.9). [3]

Therefore, a special attention should be paid to trade relations between the Republic of Belarus and the Russian Federation. It is the main trading partner of the Republic of Belarus, the most important supplier of energy resources and raw materials for industry and the buyer of the main part of Belarusian industrial and agricultural products. The reason for the imbalance between exports and imports is that Belarus exports raw materials and energy from Russia which then become products exported to other countries. In this situation, the dependence of the economy of Belarus on its Eastern neighbor becomes much greater than its share in the trade turnover.

Despite the fact that the Republic of Belarus has the necessary production capacity, personnel and scientific potential, it sells limited volumes of products on foreign markets and doesn't receive the necessary foreign exchange funds.

Thus, the main modern tendencies and ways of development of foreign trade of the Republic of Belarus should be as follows:

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implementation of state import substitution programs (substitution of imported goods for similar ones produced within the country) and support programs for export-oriented and science intensive branches (especially those industries that account for the largest share of imports, namely machinery, equipment and vehicles, chemical industry, etc.);

development of the positive investment climate to attract foreign investors;

improving intergovernmental cooperation;

cooperation with international organizations;

creation of free economic zones on the territory of the country in order to attract foreign investment;

improving customs and tariff regulation;

development of tourism and services.

In conclusion, we must admit that the international trade is the most important factor in the social and economic development of the Republic of Belarus. These ways of development will eventually strengthen our position on foreign markets and improve the image of the country on the international arena.

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