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EVALUATION OF IMPORTS OF THE REPUBLIC OF BELARUS

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Abstract: The article analyses the development of imports in the Republic of Belarus in dynamics and geographically, as well as by type of goods and services. The methodological basis of the study consists of analysis, synthesis, geographical systematisation, statistical methods, economic and statistical comparisons.

As the analysis showed imports provide a significant share of GDP of the Republic of Belarus. Belarus was a net importer of goods, because the share of goods was significant in imports and averaged 88.6% of the total imports for 2012-2018.

The article reveals that the Belarusian imports has a lack of geographical and commodity diversification. Goods imports had raw material orientation. Poor geographical diversification indicate significant dependence of the Republic of Belarus on deliveries from foreign countries, primarily from the Russian Federation

Key Words: foreign trade, imports, goods imports, service imports, Belarus, evaluation, structure, geography, diversification.

JEL classification: F10, F13, F17. UDC: 339.562(476)

1. Introduction

Modern international business is characterised by increased economic integration in the world [6], expansion of world economic relations [5,19], entering foreign markets of business entities [8], expanding indebtedness in international financial markets [21], etc. In these conditions, imports are important, since these ensure the country's economic development, including State budget revenue generation [20], foreign exchange inflows, providing of the national market with necessary goods and services, improving performance of business entities.

2. Analysis of publications

Numerous studies are devoted to study of foreign trade development in different countries: the countries of Visegrad Four [9], Russia [12, 14, 22], ^{China} [1, 13], Poland and Ukraine [10], etc. Belarusian scientists are also actively studying foreign trade development [2, 3, 4, 11, 15].

The study of foreign trade of Belarus includes numerous special legislation reflecting the specific features of the foreign trade activities in the Republic of Belarus: Laws of the Republic of Belarus "On State Regulation of Foreign Trade Activity" (No. 347-Z of November 25, 2004), "On Measures to Protect the Economic Interests of the Republic of Belarus in the Implementation of Foreign Merchandise Trade" (No. 346- Z of November 25, 2004), Decrees of the President of the Republic of Belarus "On State regulation of Foreign Trade Activity" (No. 124 of April 5, 2016), "On Some Issues of Customs Regulation" (No. 319 of July 18, 2011), etc.

3. The purpose of the article

The purpose of this study is to evaluate the current state and to find the main characteristics of imports of the Republic of Belarus.

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4. Research methodology

The methodological basis of the study consists of analysis, synthesis, geographical systematisation, statistical methods, economic and statistical comparisons. The study covers the years 2012-2018. Indicators in value terms are given in current prices. The paper provides summary data on the dynamics and significance of Belarusian imports according to the World Bank data (the volumes and growth rates of imports, the shares of import in GDP of Belarus, the shares of goods imports in total imports).

Based on the official indicators of the National Statistical Committee of the Republic of Belarus, the authors conducted a comparative analysis of the dynamics and structure of imports of the Republic of Belarus by main types of goods and services, geographical distribution of imports by major countries.

5. Obtained results and discussion

Imports are important for economic development of the Republic of Belarus, as these provide a significant share of GDP. According to the World Bank database [23], the largest share of imports of goods and services in Belarus' GDP was in 2012 and amounted to 74.3%; over the next two years, it reduced to 55.7%. Since 2015, this indicator began to increase and reached 69.1% of GDP in 2018. Such high rates testify the significant share of imports in Belarus' GDP [23]. The share of imports in Belarus' GDP exceeded the share of exports in 2013, 2014 and 2016 [7].

Table 1 shows the dynamics of imports in the Republic of Belarus for 2012-2018. From 2013 to 2016, a significant drop in imports was observed. In particular, imports decreased by USD 18.888 billion (by 38.7%). In 2017-2018 there was intensification of foreign trade. Imports increased by USD 11.331 billion (by 37.9%).

	Imports				
Period	Billion USD	Growth rates, %	Share in GDP, %	Share of goods imports, %	
2012	48.810	99.4	74.3	92.2	
2013	46.436	95.1	61.5	88.6	
2014	43.908	94.6	55.7	87.9	
2015	32.690	74.5	57.9	86.6	
2016	29.922	91.5	62.7	85.6	
2017	34.436	115.1	66.6	92.0	
2018	41.253	119.8	69.1	87.0	

Table 1. Dynamics of Imports of the Republic of Belarus

Source: own study based on [23]

The share of goods remained significant in imports. The share of goods imports averaged 88.6% of the total imports for 2012-2018. The share ranged from 92.2% (maximum value) in 2012 to 85.6% (minimum value) in 2016. In 2018, the share of goods imports amounted to 87.0% of total imports. In addition, it should be noted that the balance of foreign trade in goods during 2000-2018 had a negative value (with the exception of 2012). This indicates that Belarus was a net importer of goods.

Table 2 shows comparative data on product groups of imports of the Republic of Belarus for 2012 and 2018 [17, 18]. The structure of goods imports has undergone some changes. Despite the changes that have occurred, imports have retained raw material orientation.

The share of the following product groups decreased: mineral products (by 9.9%), metals and products from them (by 0.2%), and wood, pulp and paper products (by 0.2%). There was an increase in the shares of all other product groups, namely, chemical products (by 1.9%), machinery, equipment and vehicles (by 1.3%), food products and agricultural commodities (by 3.6%), textiles and textile products (by 0.4%), and other goods (by 3.1%).

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Table 2. Structure of Goods Imports of the Republic of Belarus						
	Goods imports					
Product groups	2012		2018			
	Million USD	Share, %	Million USD	Share, %		
Mineral products	18,283.3	39.4	11,350.4	29.5		
Chemical products	5,707.7	12.3	5,449.0	14.2		
Machinery, equipment and vehicles	10,626.6	22.9	9,291.8	24.2		
Food products and agricultural commodities	3,619.5	7.8	4,373.6	11.4		
Metals and products from them	4,686.8	10.1	3,810.6	9.9		
Wood, pulp and paper products	1,020.9	2.2	783.1	2.0		
Textiles and textile products	1,206.5	2.6	1,161.7	3.0		
Others	1,252.9	2.7	2,220.9	5.8		
Total	46,404.4	100.0	38,441.1	100.0		

Source: own study based on [17, 18].

The geographical structure of the goods imports of the Republic of Belarus indicates poor geographical diversification. With regard to the geography of goods imports into the Republic of Belarus (see Figure 1) the largest part of goods was delivered from the CIS countries (63.21%) and the EU (18.56%). The share of goods imports from APEC amounted to 11.16% and from other countries 7.07%. The main importing countries were the Russian Federation (58.84%), China (8.22%), Germany (4.81%), Ukraine (3.65%), Poland (3.14%), and Italy (2.05%). This situation may indicate a significant dependence of the Republic of Belarus on deliveries from foreign countries, primarily from the Russian Federation.

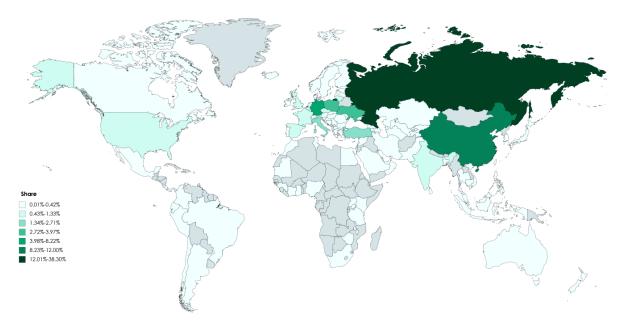


Figure 1. Geographical Structure of Goods Imports into the Republic of Belarus (2018) Source: own study based on [17, 18]

As for foreign trade in services of the Republic of Belarus, in contrast to trade in goods, the balance of foreign trade in services was positive during 2000-2018 [16]. Moreover, there was a steady upward trend in this indicator from USD 460.5 million in 2000 to USD 3.422.8 million in 2018 [16].

Table 3 and Figure 2 show comparative indicators of service imports of the Republic of Belarus by main types of services for 2012 and for 2018. Thus, in 2018, the following services had the

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largest share in the imports into the Republic of Belarus: transport services (34.0%), travel (19.6%), and construction services (18.6%).

 Table 3 Structure of Service Imports of the Republic of Belarus

	Convice imports of the Republic of Belafus				
	Service imports				
Services groups	2012		2018		
	Million USD	Share, %	Million USD	Share, %	
Transport services	1,475.4	36.5	1,831.9	34.0	
Freight transportation	1,153.2	28.5	1,452.5	26.9	
Passenger transportation	159.1	3.9	100.9	1.9	
Other transport services	156.9	3.9	273.4	5.1	
Travel	788.6	19.5	1,057.8	19.6	
Telecommunications, computer, and information	207.9	5.1	294.6	5.5	
services	207.9	5.1	294.0	5.5	
Telecommunications services	143.5	3.5	148.5	2.8	
Computer services	55.9	1.4	134.6	2.5	
Construction services	637.0	15.8	1,004.9	18.6	
Manufacturing services on physical inputs	15.0	0.4	6.8	0.1	
Maintenance and repair services	60.3	1.5	119.1	2.2	
Personal and cultural services	28.4	0.7	31.3	0.6	
Government goods and services	5.1	0.1	6.7	0.1	
Financial services	203.1	5.0	278.2	5.2	
Charges for the use of intellectual property	106.8	2.6	178.6	3.3	
Insurance and pension services	51.4	1.3	26.9	0.5	
Other business services	464.1	11.5	557.9	10.3	
Total	4,043.1	100.0	5,394.7	100.0	

Source: own study based on [17, 18]

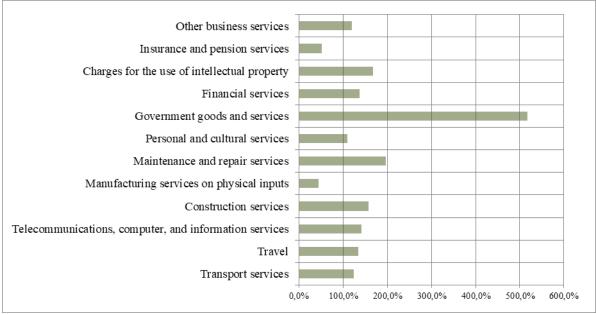


Figure 2. The growth rates of Belarus' services imports in 2018 compared to 2012 *Source: own study based on the [17, 18]*

Changes in services imports were associated with an increase in the following types of services imports: government goods and services (by 417.6%), repair and maintenance services (by 97.5%), charges for the use of intellectual property (by 67.2%), construction services (by 57.8%), telecommunication, computer and information services (by 41.7%), financial services (by 37.0%), travel (by 34.1%), transport services (by 24.2%), personal and cultural services (by 10.2%), and other business services (by 20.2%). At the same time, the following types of services imports decreased: manufacturing services on physical inputs (by 54.7%), and insurance and pension services (by 47.7%).

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The geography of services imports has changed more significantly. The share of imports from the CIS countries increased by 7.7% and amounted to 39.0%, the share of imports from non-CIS countries amounted to 61.0% in 2018.

6. Conclusions

The analysis of imports in 2012-2018 allows the following conclusions:

1) Imports decreased from 2012 to 2016. In 2016-2018 there was an increase in imports indicators.

2) Imports in goods had a significant share in the structure of imports. At the same time, there have been poor diversifications of products and geographical destination.

3) Government goods and services increased significantly in 2018 compared to 2012.

4) The Belarusian imports has a lack of geographical and commodity diversification.

Today the Republic of Belarus implements an import substitution policy. The policy involves expanding the share of providing the domestic market with domestic goods and the development of competitive national production.

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