**Geographical location**

The Republic of Belarus is situated in the central part of the European continent. The country territory is compact. Her area of 207.6 km², length from north to south — 560 km, from west to east — 600 km.

Among the 50 European states of Belarus is located at the 13th place in the occupied territories and the 14th — in terms of population. The share of country accounts for 2.1% of the area and 1.3 % of the population of the Europe accordingly. Belarus is comparable by area with countries such as Britain and Romania, in quantity of population — with Belgium, Greece, Hungary, Portugal and Czech Republic.

Belarus is a landlocked country and has no way out to sea. The nearest sea ports of neighboring countries are Kaliningrad, Gdansk, Ventspils, Klaipeda, which are located at the distance of 250-350 km from the border of Belarus.

Belarus is a member of the Commonwealth of Independent States (CIS) and is located at the junction of two major interstate associations — the Commonwealth and the European Union (EU). In the north, east and south the border passes by the CIS countries — Russia and Ukraine, in the west and northwest with the EU member states — Poland, Lithuania, Latvia (*Figure 1.1*). This creates favorable conditions for cooperation with the CIS countries and the EU.

The country has an advantageous economic and geographical position, lying on the intersection of the shortest transportation routes from Central Russia to Western Europe and the Baltic Sea to the Black Sea. Two trans-European corridors — № 2, № 9 pass through the country. The first one goes in the direction «West — East», its length within Belarus — 610 km, the second — «North — South» with a length of 457 km.
1. Overview

The energy transit from Russia to Western Europe is provided through Belarus. The country traversed by the main oil and gas pipelines (pipeline the «Yamal — Western Europe» and the «Druzhba» pipeline) and heavy-duty power lines pass through the country.

The territory of Belarus is crossed by the transcontinental railway road, which runs from the Pacific to the Atlantic oceans. It represents the shortest path from the dynamic-developing Asia-Pacific region to one of the world’s major economic centers — the European Union.

Natural conditions

The surface of Belarus as a whole is flat. It is characterized by alternation of elevated, flat and low-lying spaces, with swamps and lakes. The main features of the present topography is largely due to the continental icing.

The country climate is moderately continental with Atlantic cyclones. Winters are mild, with prolonged thaws, summer — moderately warm. The average January air temperature in the southwest -4,4 °C and in the north-east of -8 °C; in July, -17.0 and 18,8 °C respectively. The average annual rainfall varies from 550 mm in the south to 700 mm in the uplands median strip. The western transfer of air masses is dominated in Belarus.

The predominant soils are turf-podzolic, peat and alluvial ones. The regulation of the water regime is often required for agricultural use.

As part of the natural vegetation forests are dominated, which alternate with meadow and marsh zones. The main forest tree is the pine. Pine forests cover more than half of the total forested area. The animal world is represented mainly by the species of mixed forest, there are also taiga and steppe species.

The territory of Belarus is a watershed for the basins of the Baltic and Black Seas. Totally in the country, there are 20,8 thousand rivers, the total length of 90.6 thousand km and 10,8 thousand lakes.

The territory of Belarus has a rather high level of conservation of natural complexes. The share of those which are in a natural or near natural state, is 2/3 of the total area of the country. There are large regions (Lake District, Polesie) with conservation of large areas of natural ecosystems — forest, marsh, meadow, which have not only national but also the European importance for conservation of biological and landscape diversity.

The mixture of forests and lakes with rugged relief, which is characteristic of the natural complexes of Belarus, creates favorable conditions for development of ecological tourism. But especially valuable in this respect is the northern part of the country where such combinations are the most numerous.

In the depths of Belarus deposits of various minerals have been found. Especially large reserves are presented in potash and rock salt, and ground and mineral waters, which are of high quality. The country also has large reserves of mineral building materials and peat. In addition, industrial value provides such minerals as oil, brown coal, combustible slates, iron ore, and some others.

However, Belarus has not enough their own hydrocarbons. Therefore, oil and natural gas are imported from abroad.

Socio-economic development

In the 2000’s (except 2009) the economic development of Belarus was carried out rapidly. After the recession of 1990-ies, in 2003 the pre-crisis level of 1990 GDP was made. Subsequently, the pace of annual growth amounted to 8.6 — 10.2% (Figure 1.2). In 2009, due to the influence of global financial and economic crisis the country’s GDP has remained almost at the level of the previous year, its growth reached only 0.2%.
In 2000-ies, the growth of investments in fixed assets was carried out by faster pace. In absolute terms, they increased over the past 9 years in 3 times; in relative terms — in 1.6 times, with 20% of GDP in 2000 to 31% — in 2009. Such an investment share is close to the optimal value.

In the GDP structure the basic value belongs to the sphere of goods production. In 2009 its share was 44.7% (Figure 1.3). The share of services was 41.2%.

Industry plays the leading role in production sphere. It forms the fourth of GDP. Four industries yield in its internal structure almost 4/5 of production — fuel (about a quarter), mechanical engineering and metalworking (the fifth part), food (almost the sixth part), also chemical and petrochemical (approximately the eighth part) (Fig. 1.4).

In agriculture, crop production predominates in Belarus — 55%, cattle breeding is 45%. The area of 0.90 hectares of agricultural land relates on one inhabitant, 0.57 hectares of this land are arable.

The transport network of the country includes 5,5 thousand km of trunk railways, 85.7 thousand miles of automobile public roads, including 74.3 thousand km of firm covering. Density of rail transport network is 2.6 km/100 km², the automobile network — 35.8 km/100 km². Belarus has also 7.4 thousand km of gas main lines, about 3 thousand km of pipelines, 1.1 thousand km of oil product pipes. The length of the airways is more than 5 thousand km.

The economy of Belarus has enough marked export orientation. The share of exports of goods and services in the second
half of 2000’s. was stable at a high of 60-61% of GDP and only in a crisis in 2009 has decreased to 51%.

Petrochemical products are dominated in the export structure, share of which is almost 2 times higher than the production of any of the other sectors (Figure 1.5). Relatively high parameters are notable also for MPChinery, chemical industry, metallurgy and food industries, which form together half of the exports.

In the commodity structure of imports mineral products dominate, which amounts to exist more than a third of its total value (Figure 1.6). Mainly it is oil and natural gas import are from Russia. In 2008 it amounted to 21.5 million tons and 21.1 billion m³ respectively. The fourth part of the imported products accounted for MPChinery, equipment and transport means, and about one in eight — of metals and their products, as well as chemical-metal products.

To reduce dependence on external energy supplies the Belarus energy development program is planning to increase the share of local fuels in the fuel balance from 16.5 to 25% to 2012. Such an increase must be reached due to increased consumption of peat, crop residues, as well as production of brown coal and combustible slates. In addition, it is planned to build nuclear power station.

The main foreign trade partners of Belarus exports are countries of the EU and the CIS. The share of exports in 2008 in the EU counters accounted for 46%, that is 2% higher than in the CIS counters, in Russia it was 32%. Petroleum products are dominated in production supplying to the EU, these countries received 97% of their total exports. In cost terms, they are approximately 80% of exports to the EU from Belarus. Engineering products, chemical and food processing industry products are dominated in export structure of the goods to CIS countries.

Among individual countries, the main trade partner of Belarus stands for Russia.
Its share is 32% of exports and 60% for imports.

According to estimates by the International Monetary Fund (IMF), the economic model existing in Belarus looks competitive. The volume of GDP per capita in the country, which is calculated on the base of indicator of the purchasing power parity, amounted $12.7 thousand in 2009. This is the second figure in the CIS after Russia, it is also lower compared to the neighboring EU countries, such as Poland, Lithuania, Latvia. According to IMF forecasts, if in Belarus the current economic growth of GDP per capita preserves, purchasing power parity in the country will be higher than in Latvia and nearly matched with Russia and Lithuania by 2015.

Population

The population of Belarus up to the date of 01.01.2010 amounted to 9 480 000 people. Its average density — 46 people/km². The share of urban population accounts for 74.5%, rural — for 25.5%. 52% of urban population and 39% of the total population live in big and large cities with the population more than 250 thousand people.

Since 1993 depopulation has been observed in the country. Its total number during this period reduced to 755 thousand people. And the reduction was only at the expense of rural residents.

During the last three years in the demographic situation positive changes manifest. In particular, it has been an increase in birth rate at a relatively stable level of mortality and a slight increase in life expectancy (Table 1.1). Accordingly, the rate of negative population growth also reduced. If in 2005 it was at level of (-5.2) per 1 thousand of the population, in 2009 it was (-2.7). Also infant mortality reduced significantly — in 1.5 times over the last five years. This indicator in Belarus is the lowest among CIS countries and it is close to the level of economically developed countries.

To preserve and promote positive changes in the demographic situation, to pass from a declining population to its stabilization and growth, the country will implement a package of measures on family, tax, housing, health and social welfare, aimed at creating efficient incentives to increase birth rate, to improve health and to reduce mortality of the population.

In the dynamics of the age structure of population of Belarus it has observed an increase in the proportion of people whose age is elder than working age with a decrease in number of children and adolescents (Figure 1.7). In 2009 the proportion of older persons exceeded the same of youngsters in 1.4 times. The share of working-age population remains generally stable.

The country remains at relatively low level of registered unemployment. The corresponding figure at the end of 2009 amounted to 0.9% of the economically active population.

The population of Belarus is characterized by high educational level. At the beginning of 2009 the share of workers with general secondary, vocational, specialized secondary and higher education was, 96.6%, including 23.8% persons with higher education. In
due course the number of students in higher education establishments increases. At the beginning of 2009/2010 academic year, their number was 430,4 thousand people or 445 students per 10 thousand of population.

For integrated assessment of life quality it can be used such indicator as an index of human potential development, applied in the UN. Based on this index Belarus with stability is reckoned with the group of countries with high human potential development. In 2009, the country took the 68th place among 182 countries in the world and first among the CIS countries in this rank.

Table 1.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Birth rate</th>
<th>Infant mortality</th>
<th>natural mortality</th>
<th>Natural increase in</th>
<th>life expectancy at birth, years</th>
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<tbody>
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<td>2005</td>
<td>9.3</td>
<td>14.5</td>
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<td>-5.2</td>
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<td>2006</td>
<td>9.9</td>
<td>14.2</td>
<td>6.1</td>
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<td>10.7</td>
<td>13.7</td>
<td>5.2</td>
<td>-3.0</td>
<td>70.3</td>
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<tr>
<td>2008</td>
<td>11.1</td>
<td>13.8</td>
<td>4.5</td>
<td>-2.7</td>
<td>70.5</td>
</tr>
<tr>
<td>2009</td>
<td>11.5</td>
<td>14.2</td>
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</tr>
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Figure 1.7 – Dynamics of age structure of Belarus population for 2005-2009