

3. Location. Belarus is situated in Eastern Europe, within an easy reach from the big business centers of Europe and the U.S.A.

4. Governmental support. The Belarusian government supports the companies, operating in the sphere of IT. On May 3, 2001, the President of the Republic of Belarus issued the Decree No. 237 which created preferential economic conditions for the association of companies operating in the field of IT applications production and export. This created a legislative basis for the functioning of the offshore programming zone. Preferential taxation considerably reduces costs of software development for Belarusian companies.

Making good use of these competitive advantages Belarus can greatly benefit from outsourcing.

*А.С. Порядин*  
БГЭУ (Минск)

**ECONOMIC CONSEQUENCES OF CURRENCY INTEGRATION  
BETWEEN BELARUS AND RUSSIA  
ЭКОНОМИЧЕСКИЕ ПОСЛЕДСТВИЯ ВАЛЮТНОЙ  
ИНТЕГРАЦИИ РЕСПУБЛИКИ БЕЛАРУСЬ И РОССИЙСКОЙ  
ФЕДЕРАЦИИ**

Основной задачей работы явилось рассмотрение экономических результатов интеграционного процесса между Республикой Беларусь и Российской Федерацией. В ходе анализа была подчеркнута эффективность введения единой денежной единицы на территории двух стран, а также даны некоторые рекомендации по интенсификации данного процесса.

After the collapse of the USSR Belarus was oriented to the economic and political integration with Russia. In 1996 the Agreement on creation of the Community of Russia and Belarus was signed; one year later the Community was transformed into the Union. Within context of the integration process development on November 30, 2000 the state agreements "On Introduction of the Single Currency and Creation of the Common Emission Center of the Union State" and "On Measures on Making Conditions for the Introduction of the Single Currency" were signed. But the attempts to implement the above agreements practically have shown that Belarus' economy is not ready for the introduction of Russian rouble. And now the question is postponed till January 1, 2006. This situation caused by a long unification process of customs, tax, price and monetary policy.

The transition to the currency of that country with which the Republic of Belarus has the most advanced foreign economic relations will be optimum at the present stage. Certainly, it is the Russian Federation which share in foreign trade of the Republic of Belarus is 55—60 percent.

Focusing on the positive opportunities opened by the introduction of the single currency for the Republic of Belarus, it is possible to determine the following:

- import of a lower inflation (in Belarus it would drop from current 19,9 % to Russian level of 10 %);
- alignment of the prices resulting in rapprochement of a wage level;
- increase of mutual trade, decrease of barter exchange;
- transition to the Russian tax rates, which are lower than the Belorussian ones;
- intensification of investment streams in the industry resulting in optimization of manufacturing;
- increase of competitiveness of Belorussian production;
- reduction of costs of currency exchange.

Liberalization of currency regulation system is also a significant result of integration which will deprive the Republic of Belarus an opportunity to use an independent monetary policy as a tool for production and employment stabilization.

Relations between the Russian Federation and the Republic of Belarus will be more effective and mutually advantageous if they are based on the following principles: equal economic and administrative-legal conditions for the activity of economic entities of both countries and also general rules of reporting and of control of economic activities; non-discriminatory mode for small and middle business in both countries in the field of access to state resources, property and information; absence of customs barriers for the goods manufactured by both countries; the market competition is an optimum means for reduction of prices and improvement of quality of goods and services; equal access to national stock markets, which are mechanisms of rational use of resources, of directing the capital into effective production.

Implementation of the above stated principles of economic integration, effective cooperation in the sphere of production, trade, investments of the capital is possible with observance of fundamental rights and liberties of the person, availability of developed democratic institutions and supremacy of the law.

At present the main task is to analyze all possible economic consequences of introduction of the single currency as the continuity of integration is more important, than its speed.