

# SECTION 1

## MODERN TRENDS IN DEVELOPMENT OF INTERNATIONAL ECONOMY

*Egorova, H., Kukhta, H.*  
*Research supervisor: T. Bergel*  
BSEU (Minsk)

### GLOBAL ECONOMIC INTEGRATION AND COFFEE PRODUCTION

Throughout history, coffee has been a widely accepted beverage and its popularity grew due to its highly stimulating effects. It is the global third most consumed drink after water and tea. Conceding only to oil, coffee is the world's second most traded commodity, with about half a trillion cups drunk per year.

Coffee production is not the only use of coffee beans; they also provide caffeine for beverages (Coca-Cola, Red Bull), pharmaceuticals, and cosmetics.

This article makes an attempt to underline the world coffee trade, examine the contribution of the International Coffee Organization (ICO) into the development of coffee production and quality; analyze the coffee market in Belarus.

During four-year period, the amounts coffee production fluctuate, while its export (and re-export) gradually becomes higher, because today coffee demand is strong in many countries, particularly in traditional markets (Canada, EU, Japan, Norway, Switzerland, USA) but the biggest potential is in emerging markets (Algeria, Australia, Russia, South Korea, Turkey, others) and coffee exporting countries. Coffee import in Belarus is not high in comparison with other transition economies.

Nowadays there are about 65 firms selling coffee, and about 17 of them are a part of transnational corporations.

In order to evaluate the situation at the Belarusian coffee market, we made an experiment by visiting the most popular stores and supermarkets and collecting the information about the prices, brands and types of coffee on the shelves. One more task of the research is to find out transnational companies selling coffee in Belarus.

The main intergovernmental organization for coffee, bringing together exporting and importing governments to tackle the challenges facing the world coffee sector through international cooperation, is the ICO.

Members of an organization represent 95% of world coffee production and 83% of world consumption.

The ICO's mission is to strengthen the global coffee sector and promote its sustainable expansion in a market-based environment for the betterment of all participants in the coffee sector.

But Belarus is not the part of this organization.

That is why one more objective of the article is to show the opportunities for Belarus to enter the ICO and if it is necessary.

***Shashuro, A.***

***Research supervisors: T. Bergel, J. Vashkevich***

**BSEU (Minsk)**

#### ROPEC: NEW OIL COALITION

Brent crude prices have declined over 10 percent this year, and down around 70 percent over the last 18 months, hitting the budgets of oil-dependent nations, such as Nigeria and Azerbaijan, which have sought assistance from the International Monetary Fund. That means a new oil crisis. But Russia has played a master stroke in this crisis by taking the lead in forming a new cartel. Nevertheless, it's a move that could spell geopolitical disaster.

The meeting between Russia, Qatar, Saudi Arabia and Venezuela on 16 February 2016 was the first step. Until the current oil crisis, Saudi Arabia called the crude oil price shots; however, its clout has been weakening in the aftermath of the massive price drop with the emergence of US shale. The smaller OPEC nations have been calling for a production cut to support prices, but the last OPEC meeting in December 2015 ended without any agreement.