



Ministry of Economy  
of the Republic of Belarus

# **Innovative entrepreneurship in the Republic of Belarus: condition, problems and prospects of development**

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# Innovative entrepreneurship assumes:



carrying out science-design (technological) work under the orders or in a view to marketing scientific and technical products



rendering engineering services in maintenance of implementation of scientific and technical activity results (prototypes, technologies) into production



small-lot manufacturing the products made on the basis of scientific and technical activity results



combination of three mentioned directions of activity

# **The problems which are slowing down development of small innovative entrepreneurship sector in the Republic of Belarus**

- **insufficient number of scientific and technical developments having business potential;**
- **insufficient number of specialists in the sphere of national projects management;**
- **lack of a competitive environment and as result the flat demand on innovations in the public sector of economy;**
- **general backwardness of market infrastructure;**
- **rather difficult environment for innovative development (mentality of the population, insufficient innovative and entrepreneurial culture, lack of traditions of an innovative entrepreneurship, low prestige of intellectual activities)**

## Dynamics of small innovative entrepreneurship sector development

	1999 г.	2001 г.	2002 г.	2003 г.	2004 г.	2005 г.	2006 г.	2007 г.	2015 г.
<b>Total quantity of small enterprises (SE)</b>	26787	25404	26849	28490	31014	33094	37660	51240	105047
<b>On branch "Science and scientific services"</b>	<b>503</b>	<b>348</b>	<b>317</b>	<b>266</b>	<b>275</b>	<b>274</b>	<b>268</b>	<b>274</b>	<b>123</b>
<b>In % to total quantity of SE</b>	1,9	1,4	1,2	0,9	0,9	0,8	0,7	0,5	0,1
<b>Number of employees in SE, thousands of people</b>	326,9	291,5	308,6	348,9	370,4	404,6	423,8	456,2	762,8
<b>On branch "Science and scientific services", thousands of people</b>	<b>5,7</b>	<b>2,8</b>	<b>2,5</b>	<b>1,9</b>	<b>2,0</b>	<b>2,6</b>	<b>3,0</b>	<b>3,6</b>	<b>1,8</b>
<b>In % to number of employees in SE</b>	1,7	1,0	0,8	0,6	0,6	0,6	0,7	0,8	0,2

	2010.	2011 г.	2013 г.	2014 г.	2015 г.
<b>Small organizations</b>	52	53	52	44	76
<b>Micro organizations</b>	152	133	125	103	47
<b>Total</b>	<b>204</b>	<b>185</b>	<b>178</b>	<b>147</b>	<b>123</b>
<b>In % to total quantity of SE</b>	0,24	0,21	0,16	0,13	0,12

## **Tendencies of small innovative entrepreneurship sector development**

- **it is complete, generally, forming of regulatory framework in the field of scientific and technical activities;**
- **startup movement gained considerable distribution and development – initiative activities of persons and legal entities for the organization and holding actions directed to involving the various categories of citizens, first of all youth, into entrepreneurial and innovative activities;**
- **public attention to problems of innovative development of the country amplified**

## Dynamics of startup movement development in the Republic of Belarus

No	Indicators	2012	2013	2014	2015	2016 (first six months)	Total
1	Quantity of startup actions	167	157	123	171	108	726
2	Total number of startup actions participants	8 100	4 179	4 866	15 168	7 245	39 558
3	Quantity of business projects considered	917	706	767	1 464	472	4 326
4	Quantity of business projects financed	35	11	5	22	8	81
5	Number of startup actions organizers	5	6	11	11	13	



# Tools of innovative entrepreneurship government support



# Direct tools of stimulating an innovative entrepreneurship

Decree of the Belarus President  
on 07.08.2012 № 357

«About order of forming and  
using the innovative funds  
assets»

*It provides concentration of assets for accomplishment of assets for significant innovative projects (financing of innovative projects at the expense of innovative funds assets)*

Decree of the Belarus President  
on 20.05.2013 № 229

«About some measures on  
stimulating the innovative  
projects realization»

*It provides rendering the state financial support to subjects of small innovative entrepreneurship on early phase of innovative projects realization in the form of innovative vouchers and grants*

Decree of the Belarus President  
on 25.03.2008 № 174

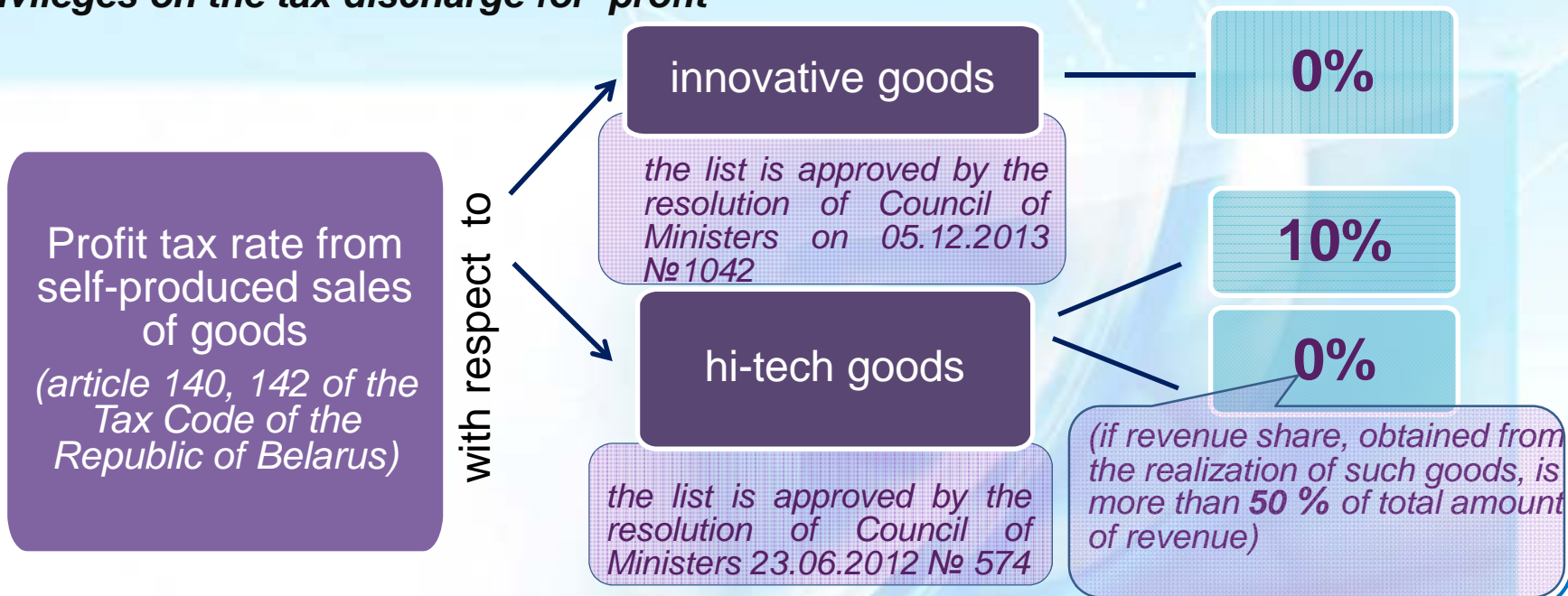
«About Belarus innovative  
fund activities enhancement»

*Belarus innovative fund grants loans under 0,5 refunding rates of Belarus national bank for innovative projects realization, works on development and production organization*



# Indirect tools of stimulating an innovative entrepreneurship

## 1. Privileges on the tax discharge for profit



2. **Inclusion in structure of the costs**, considered in case of taxation, of expenses on research, design and technological works using **the raising coefficient to 1,5 inclusive** (point 2.7 article 130 of the Tax Code of the Republic of Belarus).

3. **Using the raising coefficient in the range from 1 to 3 for calculation of the depreciation charges** for fixed asset objects used in case of implementation of scientific and technical activities (point 25 of the instruction on an order of fixed assets and intangible assets depreciation, approved by the resolution of Ministry of Economy, Ministry of Finance, Ministry of Architecture and Construction 27.02.2009 N 37/18/6).

# **Prospects of small innovative entrepreneurship sector development**

- the forced forming of infrastructure for support of scientific, technical and innovative activities;**
- attraction of external financial resources and international technical assistance projects realization;**
- startup movement development in «breadth» и «deep into»**

# Contact information

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**Thanks for your attention!**