



ЦЭНТР НОВЫХ ІДЭЙ

ABBA



Belarusian Business Abroad

Research Results Briefly, Wave 1

November 2023



Research Methodology

- Online survey of 102 entrepreneurs from Belarus conducting business in EU countries. Recruitment through ABBA's channels and partners.
- Focus group and focused interviews on the topic "Financial needs of Belarusian entrepreneurs abroad". Total number of participants - 5 individuals.

Data collection period:
from September 27th to October 17th, 2023.

Research Team

Association of Belarusian Business Abroad (ABBA) is responsible for coordinating the research project and promoting its outcomes, including among the governments of EU countries. ABBA is the only membership association of Belarusian businesses abroad with an established advocacy structure in the EU.

Center for Social and Economic Research (CASE) provides expertise in preparing research instruments (surveys and focus group scenarios) and developing recommendations based on collected data. CASE is the largest and most authoritative economic research center in Central-Eastern Europe.

Center for New Ideas (CNI) handles the collection and analysis of data in the project. It is an independent think tank established in Minsk, Belarus in 2012. CNI's mission is to assist Belarusian society and the state in building a more open, flourishing, and sustainable Belarus.

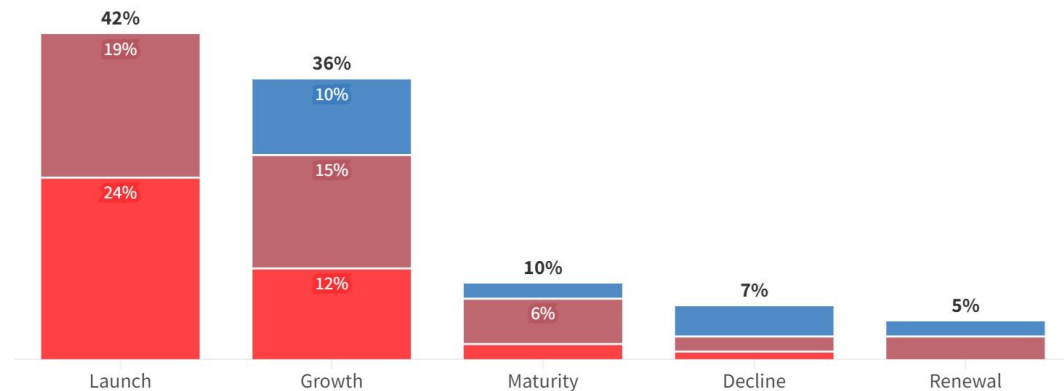
Portrait of Research Participants

The research reached a sample of micro, small, and medium-sized enterprises founded by Belarusian citizens that are in the startup or growth stage in the markets of EU countries.

How would you describe the current stage of development of your business in the European Union?

How long has your business/self-employment been outside Belarus?

■ up to 1 year (38% in the sample) ■ from 1 to 3 years (44%) ■ 3 years or more (18%)

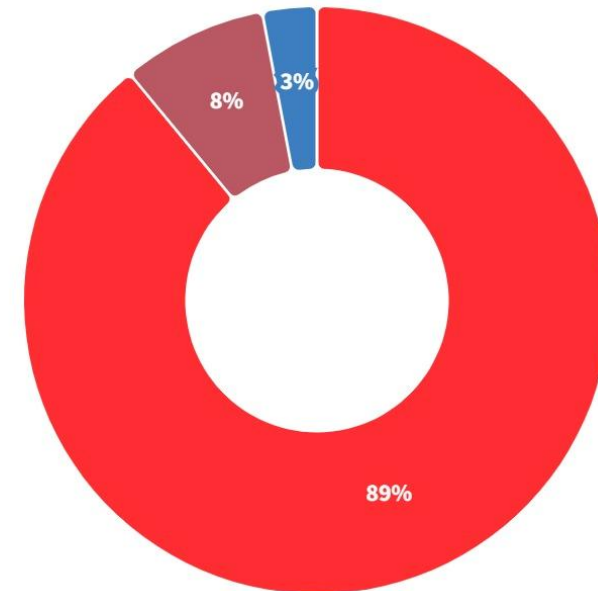


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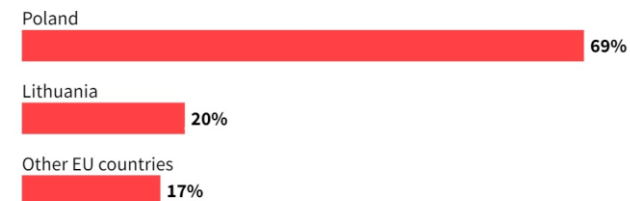
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Enterprise size

- Micro-enterprises (0-9 employees)
- Small enterprises (10-49 employees)
- Medium-sized enterprises (50-249 employees)



Countries where business is (goint to be) registered



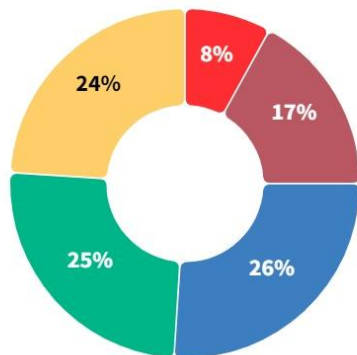
* The sum exceeds 100%, as 5 respondents indicated more than one country

43% of respondents relocated their business from Belarus, and the rest either started or are starting it from scratch.

Not only entrepreneurs have Belarusian citizenship. For 93% of those who have employees, at least half of them are also Belarusians.

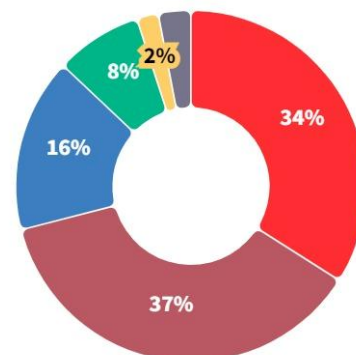
How business in the EU is connected with experience in Belarus

- They are planning to start a new business outside Belarus
- They conduct business outside of Belarus, but part of the business remains in the country
- They conduct business outside of Belarus, which was completely moved out of the country
- They conduct business outside Belarus, but they have never conducted it in the country
- They conduct business outside Belarus, which is different from the one they conducted in the country



How many Belarusians are among the employees

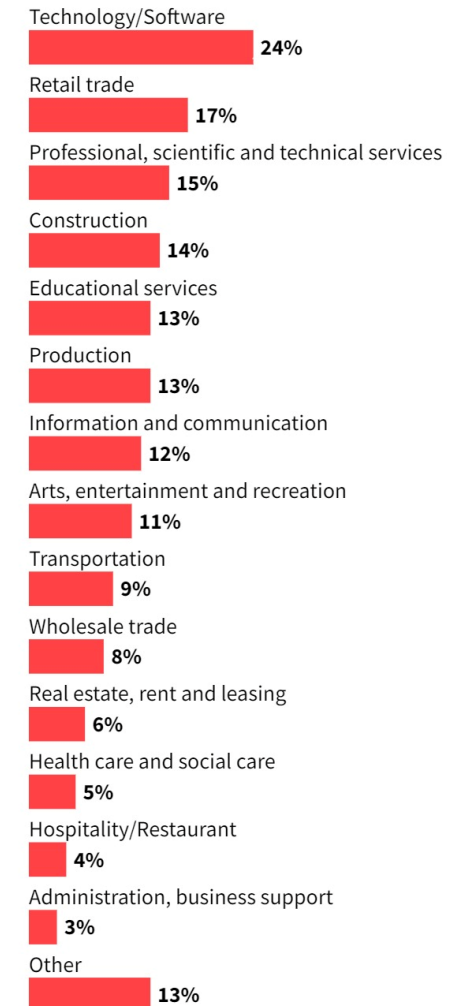
- No employees (working alone)
- All or almost all
- Most of it
- About 50/50
- A smaller part
- There are (almost) none



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Industries



* The amount exceeds 100%, as several options could be selected

Portrait of Research Participants

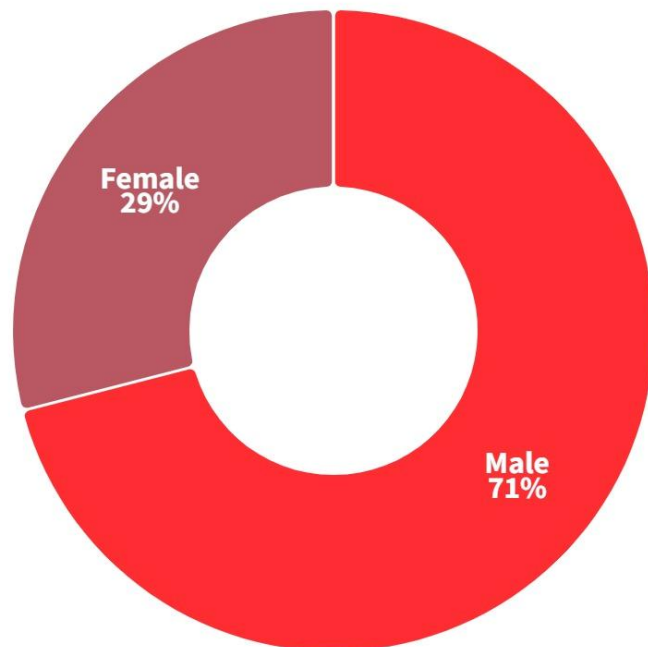


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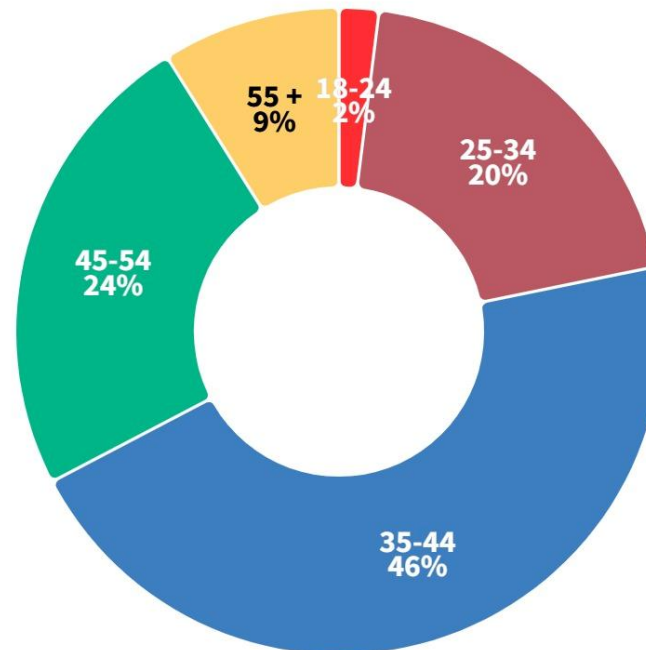
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The survey questions were mainly answered by business owners (91%) - individuals primarily aged up to 54 years old, with higher education. There are noticeably fewer women than men.

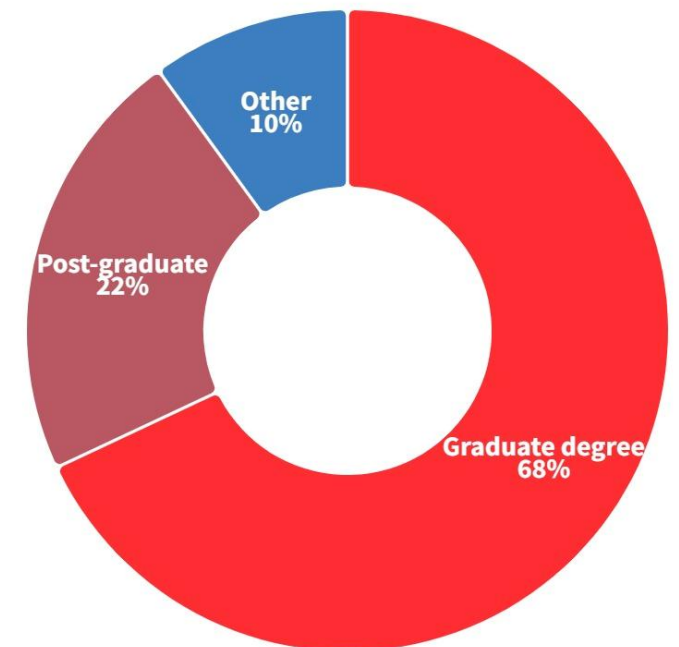
Gender



Age



Education level



The Current State of Business (Q3 2023)



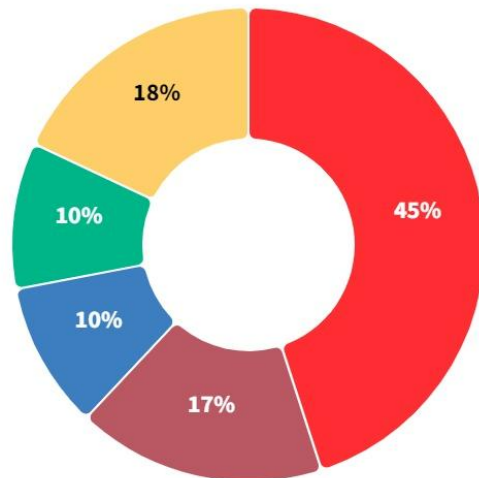
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The third quarter of 2023 was overall positive for the reached sample of entrepreneurs. The product and team development saw the most successful advancements.

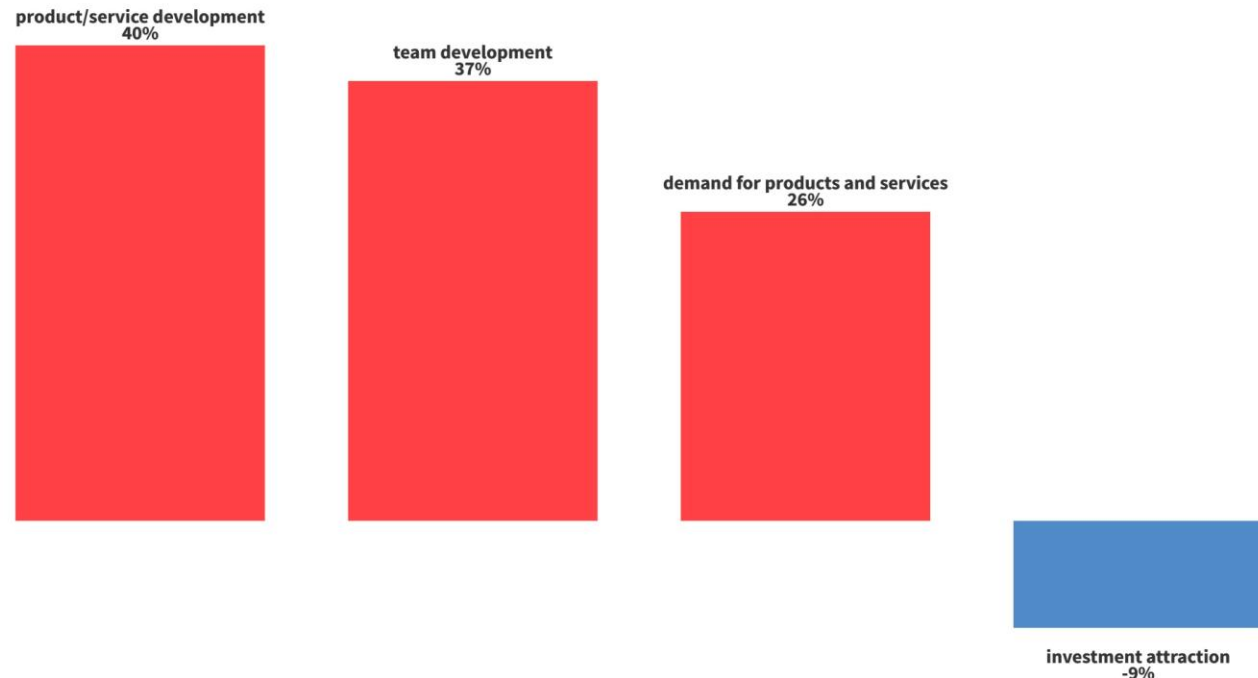
In general, how do you assess the results of your business in the last quarter (Q3 2023) compared to the previous one (Q2 2023)?

- Improvement
- No change, with the current strategy being growth/preservation
- Deterioration
- No changes, while the current strategy is survival
- Hard to answer / can't compare



How would you rate ... in the last quarter compared to the previous quarter?

The difference between the proportion of responses "better in the last quarter than the previous" and the proportion of responses "worse than the previous" is shown

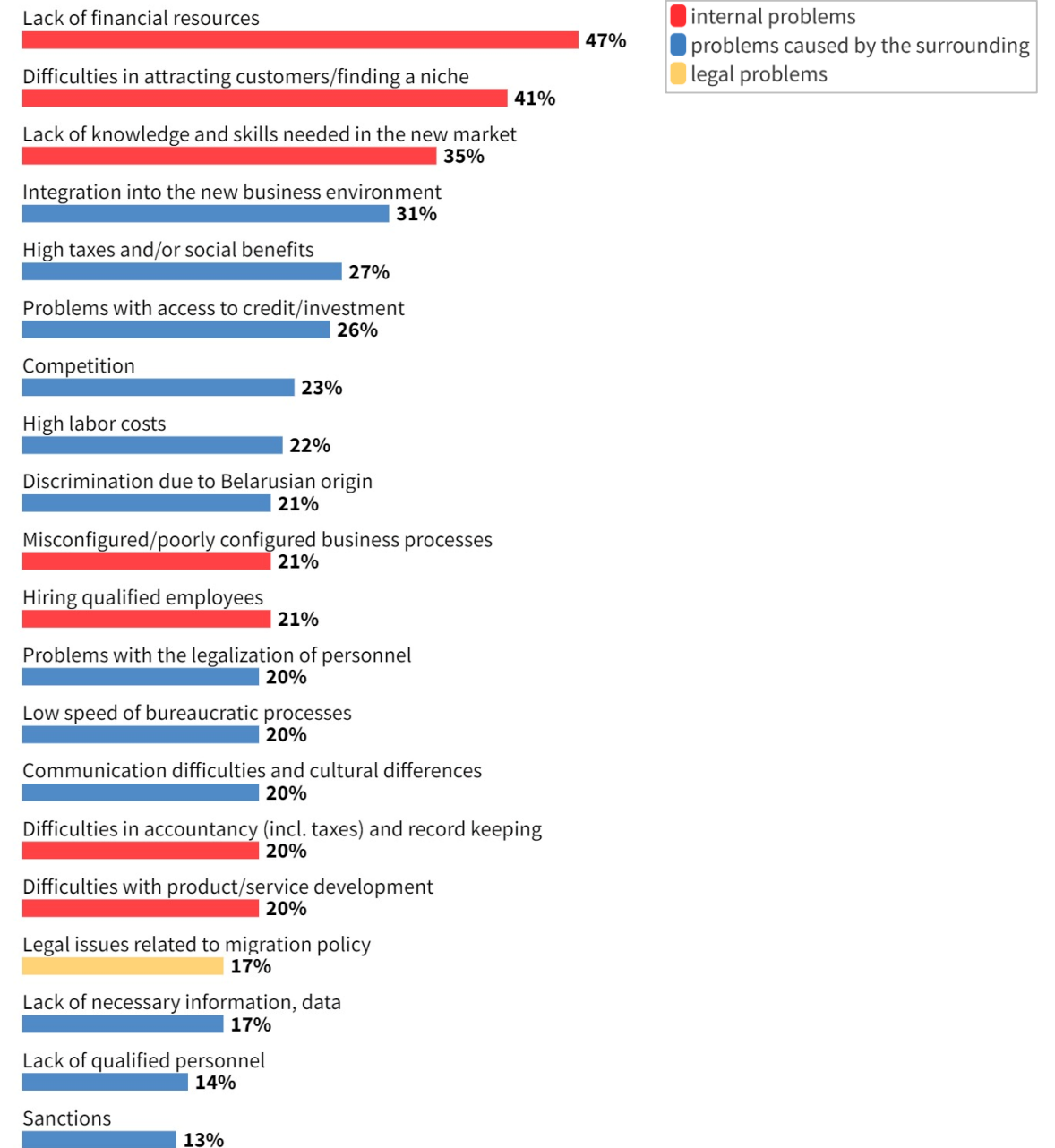


The Current State of Business (Q3 2023)

The most common problems faced by Belarusian entrepreneurs while developing their businesses in the EU during the third quarter of 2023 were: lack of financial resources; difficulties in attracting clients/finding a niche; lack of knowledge and skills required in the new market; integration into a new business environment; high taxes.

Top 20 Business Problems (Q3 2023)

The list consists of answers to three questions. One could choose several options



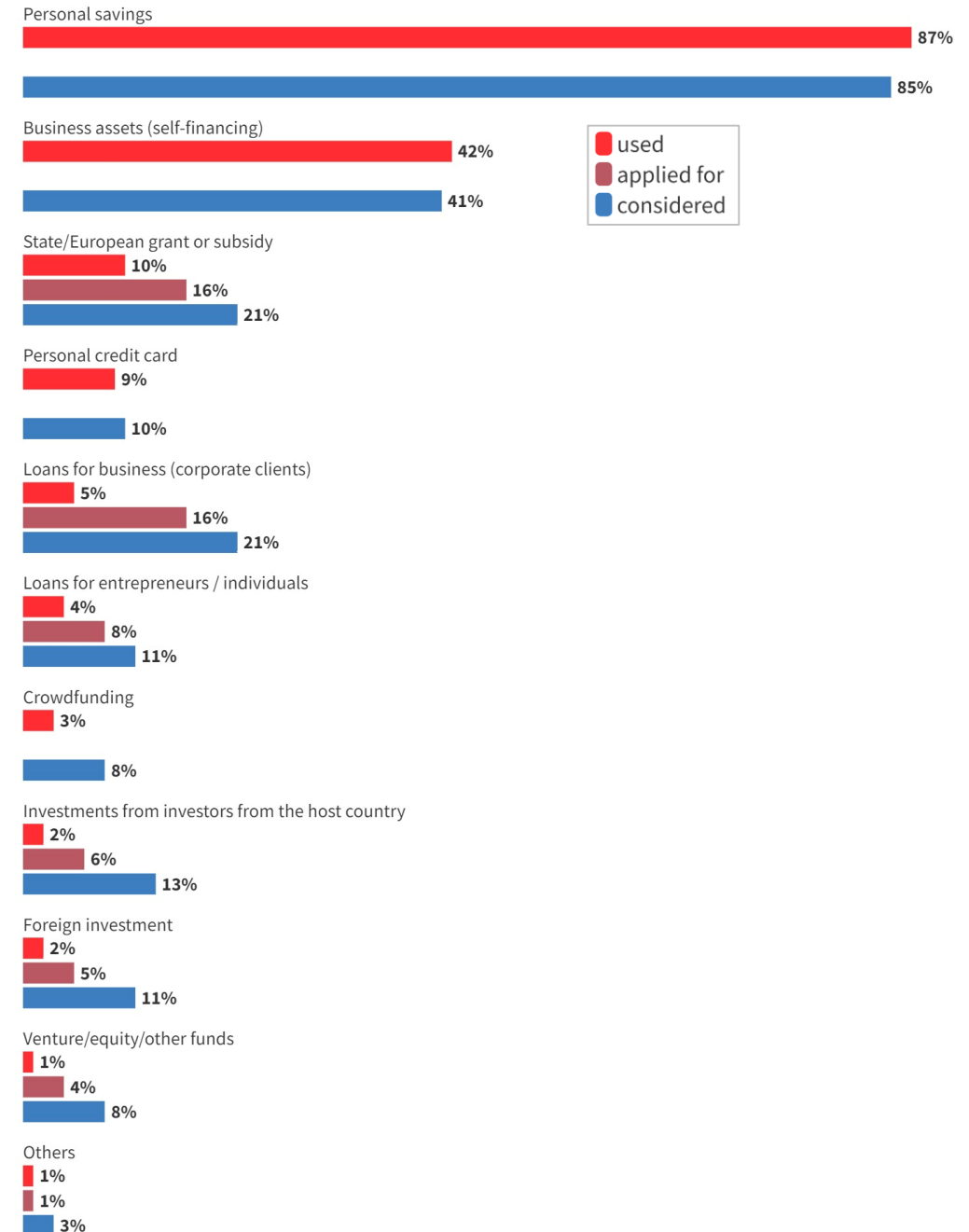
External Financing

Belarusian entrepreneurs of the surveyed group are developing their businesses in the EU using personal savings and income from entrepreneurship.

Over the last three years, 38% have applied for external financing, with 22% successfully acquiring it, often in the form of grants or subsidies.

74% of respondents express a demand for external financing now. In most cases, it is limited to €50,000.

Financial sources for the last three years



External Financing

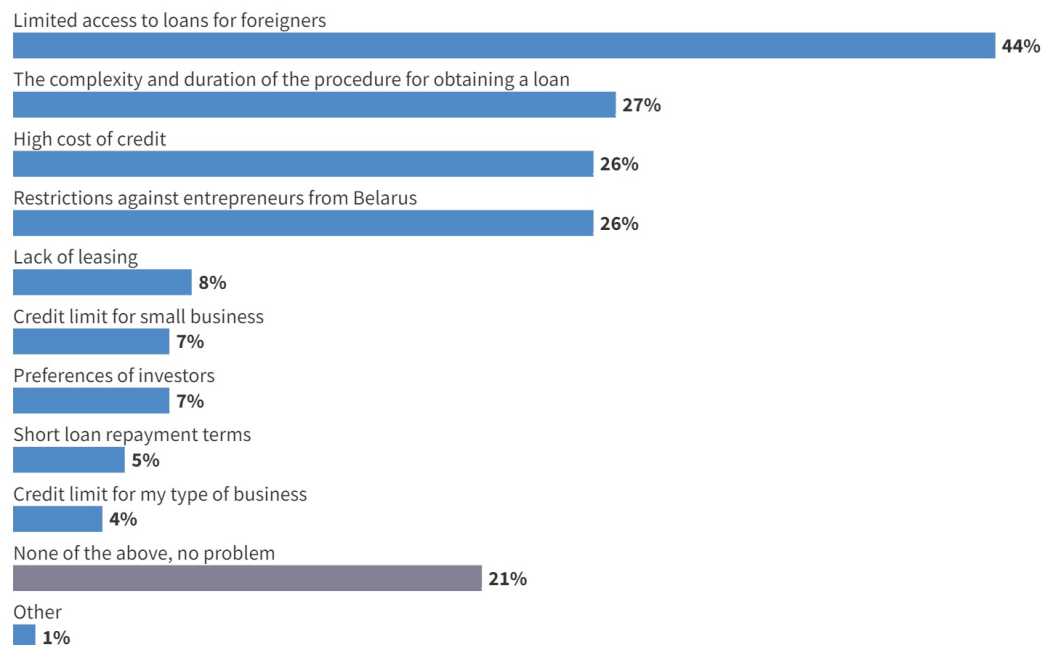


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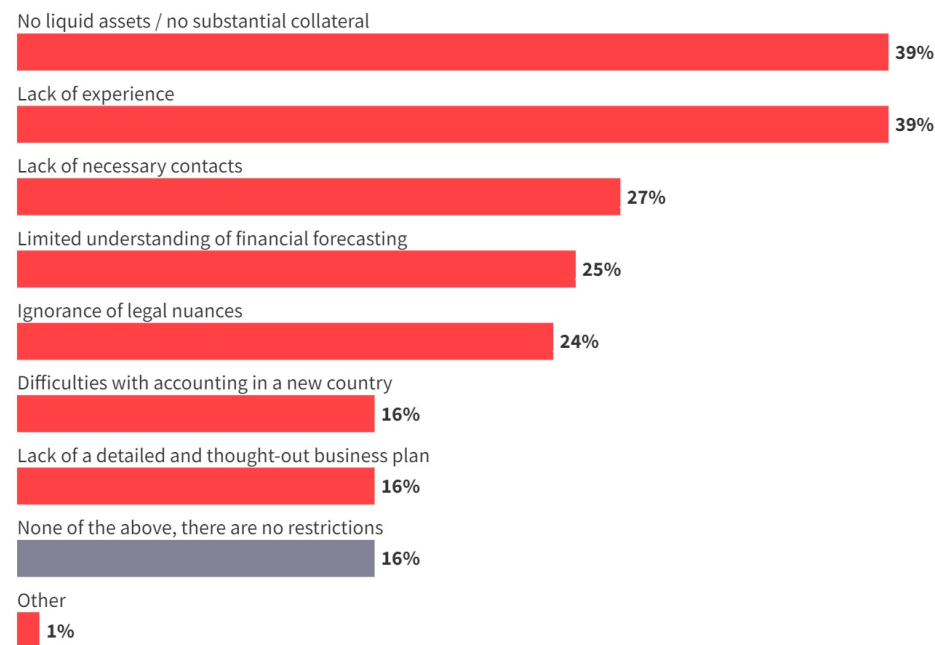
The main barriers to obtaining financing in the EU for Belarusian entrepreneurs are: limited access to loans for foreigners, lack of liquid assets and/or substantial collateral, and lack of experience.

Which of the following problems of the financial market are relevant for you today?



N=73

Are there any restrictions within your company that prevent you from attracting financing for your business?



N=75

Plans to return home



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Two out of three respondents (66%) expressed their intention to participate in one way or another in the development of the economy of Belarus - if the current political and economic conditions change for the better. However, only 15% stated their desire to return for permanent residence.

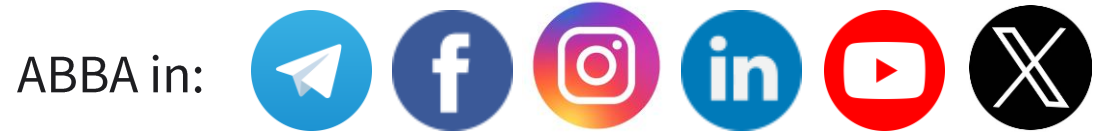
If the current political and economic situation in Belarus changes for the better, do you plan to return yourself and/or return your business fully or partially to the country?

You can choose several answer options



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CASE website: case-research.eu



CNI website: newideas.center

