Association of Belarusian Business Abroad

CASE – Centrum Analiz Społeczno-Ekonomicznych
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This paper is prepared within a EU funded project titled "Support to Belarusian businesses in exile and Association of Belarusian Business Abroad (ABBA) Capacity Development". Any statement presented in the report reflects solely the authors' views and does not imply a position of the European Commission.

ABBA – Association of Belarusian Business Abroad is the biggest association of Belarusian business abroad bringing together 120 members from 11 countries from the EU, USA and Canada. ABBA's goal is to integrate, protect the interests and develop the legal and ethical businesses of entrepreneurs with Belarusian roots for the development of New Belarus as an independent democratic country.

CASE – Center for Social and Economic Research is an independent, non-profit research institute founded on the idea that research-based policy-making is vital for the economic welfare of societies. Established in Warsaw in 1991, CASE today is recognised as the top think tank in Central and Eastern Europe and is one of the most highly regarded think tanks internationally. CASE carries out policy-oriented research and development assistance projects, specialising in the areas of: 1) Fiscal, monetary and financial policies; 2) Sustainable development policies; and 3) Trade, innovation and productivity policies.

KEY FACTS

8,623

companies with Belarusian shareholders are registered in the EU in total (excl. self-employed persons) (at least)

75%

of businesses with Belarusian origin in the EU are registered in Poland

63%

of Belarusian companies in the EU were registered in 2020-2023

19,400

jobs created by companies with Belarusian shareholders (excl. self-employed persons) in the EU (at least)

21,300

self-employed Belarusians are registered in the EU (at least) (as of Aug '23)

47%

of Belarusians in the EU have entrepreneurial potential: 18% have a company or registered self-employment, 29% are going to start businesses

152,277

is the estimated total number of Belarusians with long-term residence permits in the EU (as of Aug '23)

66%

of Belarusian businesses express 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

15%

of surveyed Belarusian entrepreneurs are willing to relocate back to Belarus after democratic elections in the country take place

93%

is the share of surveyed Belarusian companies in the EU that have at least 50% Belarusian staff

Introduction

The private sector was the key driver behind the protests following the unfair presidential election in Belarus in August 2020, and faced a harsh government response in the aftermath, leading to the first wave of business migration from Belarus. The political crisis affected many Belarusian private businesses in various sectors, as well as the self-employed. According to a survey conducted in October-November 2021, the political crisis led to financial losses for more than 60% of the businesses surveyed.[1] Factors with a negative impact on domestic business development included: risk of inspections, closures, and arrests; reluctance to pay taxes to the regime; falling demand; lack of opportunities for growth; the psychological state of employees; and deteriorating access to finance, credit and investment. The survey indicated that back in 2021, about 62% of company representatives were considering moving their businesses abroad, and about a third of them indicated that they had already partially relocated their business.[2]

Subsequently, following the Russian invasion of Ukraine on 24 February 2022, the private sector experienced further pressure to relocate from Belarus due to the challenges related to the newly imposed economic sanctions against Belarus. These challenges included: i) the toxicity of Belarusian export-oriented companies, including those in the IT industry, resulting in the loss of western clients and higher operational expenses for existing contracts; ii) significant restrictions related to the Belarusian banking sector that made international payments and settlements to and from Belarus increasingly difficult, risky and expensive; iii) the looming threat of sanctions, posing a material risk to businesses; iv) western companies implementing supply boycotts against Belarus, leading to a fall in imports, supply chain disruptions, and inflated logistics expenditures; and v) increasing uncertainty and business costs due to the instability of the Belarusian rouble exchange rate and the reduced purchasing power of consumers in Belarus.

Deterioration in the business climate and restrictions against sole proprietorship led to business closures in Belarus. In 2023, the number of sole proprietorships in the country dropped by over 10,200 (-3.9%).[3] This seems to be the cumulative effect of entrepreneurial emigration from Belarus and the introduction of stricter rules for sole proprietorship in Belarus, aiming to stimulate registrations of micro-firms instead.[4] However, the total number of firms in Belarus in 2023 (excluding sole proprietorship) increased by less than 4,100 (+2.8%). Obviously, some of the former self-employed persons left Belarus, contributing to the growth in

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[1] Survey conducted by Imaguru Startup Hub and Coordination Council, covering 154 companies (the survey is no longer publicly available).

[2] Ibid.

[3] Belstat, Основные социально-экономические показатели по Республике Беларусь, областям и городу Минску в январе-декабре 2023 г., January 2024, link: https://www.belstat.gov.by/upload/iblock/f07/5y6qwwy471kmoqkzat61z28quadmtu2b.pdf

[4] The authorities have been running their anti-sole proprietorship campaign since 2021, with the aim of deteriorating the conditions for individual entrepreneurs to conduct business, ultimately aiming to limit their numbers. For example, from 17 August 2021, no sole proprietorship could be registered in Minsk due to so-called “technical reasons”. These technical issues persist to this day. Consequently, this should be perceived as a form of political repression against the private sector.

entrepreneurial activity by Belarusians in the EU after 2020.

We are observing two types of business activities by Belarusians in the EU: businesses with Belarusian shareholders, and self-employed Belarusian citizens.

The goal of the report is to estimate the entrepreneurial activity of Belarusians in the EU, and to provide updated information on:

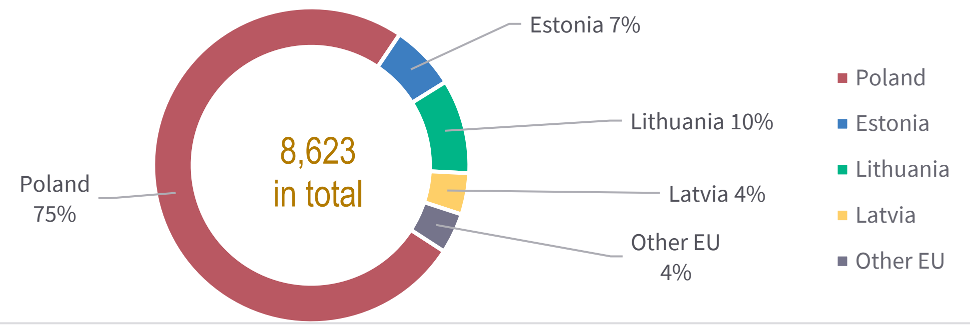
- the number of businesses with Belarusian origin in the EU as of January 2024
- the structure of these businesses, sectors of their activities, and estimated number of employees
- the key problems faced by these businesses
- the number of individual Belarusian entrepreneurs in the EU and their key characteristics
- Belarusian businesses in Lithuania and the number of economically active Belarusians in Lithuania (as a special focus of this edition of Belarus Business Barometer).

The report is structured as follows: Section 2 presents the total number of Belarusian enterprises in the EU, their dynamics and economic impact on the host countries, and the key problems these businesses face. Section 3 covers the number of Belarusians in the EU, and estimates the number of them who are self-employed. Section 4 describes the Belarusian identity of the relocated businesspeople, and their willingness to return to Belarus. Section 5 provides more detailed information on Belarusian entrepreneurs in Lithuania. The Annex explains definitions, research methods and data sources.

Belarusian Enterprises in the EU

We estimate that at least 8,623 businesses with Belarusian shareholders are registered in the EU (excluding self-employment). Most of them are registered in Poland (75%), while the Baltic states together account for another 21% of all businesses with Belarusian origin (Figure 1). Poland, Estonia, Lithuania and Latvia are the four key EU destination countries for Belarusian entrepreneurs.

Figure 1. Total number of companies with Belarusian shareholders in the EU, as of Jan 2024



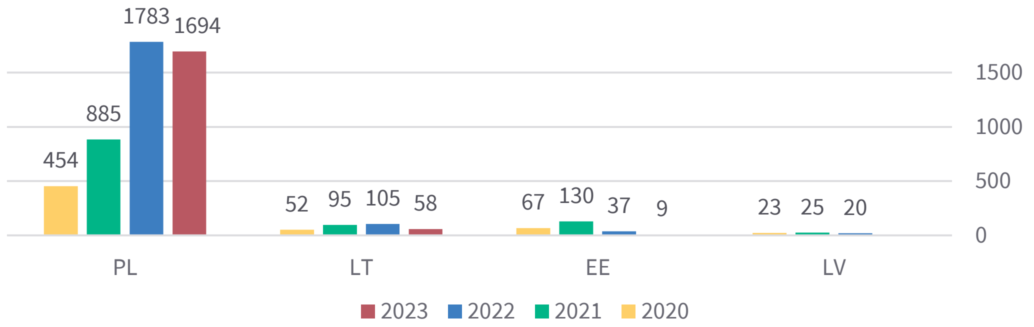
Source: open-source databases

The share of Belarusian businesses operating in EU countries other than Poland, Estonia, Lithuania and Latvia is estimated to be 4%. We assume that the share of Belarusian businesses in the EU countries other than Poland, Estonia, Lithuania and Latvia in the total number of Belarusian businesses in the EU is equal to the respective other countries' share of the total number of Belarusian immigrants in the EU as a whole. By using Eurostat's data for first residence permits in the EU in 2020-2022, we estimate that the share of companies in these other countries in the number of companies in the whole of the EU is 4%.[5]

[5] The reference point is the share of initial residence permits for Belarusian citizens issued by EU countries apart from Poland, Estonia, Lithuania and Latvia. The average share of other countries in initial resident permits in 2020-2022 was only 4.13%. Source: https://ec.europa.eu/eurostat/databrowser/view/MIGR_RESFIRST__custom_7596052/default/table?lang=en (accessed on February 2024).

The number of new business registrations in the four key countries was at a record high in 2022, with Poland remaining the key destination for new Belarusian businesses (Figure 2). New business registrations in 2023 decreased in each of the four key countries. In Lithuania and Estonia in particular the number of registrations declined significantly compared to both 2022 and 2021.

Figure 2. Number of new business registrations with Belarusian shareholders in Poland, Lithuania, Estonia, Latvia in 2020-2023



Source: open-source databases

Businesses with Belarusian capital in the four analysed countries are mostly operating in retail and wholesale trade, transport, construction, IT, and other services sectors. The top three sections of the economy with the highest number of enterprises in Poland are retail and wholesale trade, transport, and construction. For Lithuania and Latvia, retail and wholesale trade along with the repair of motor vehicles (NACE Section G) is the leading section. The leading section in Estonia is information and communication (NACE Section J). See Table 1 below for more details.

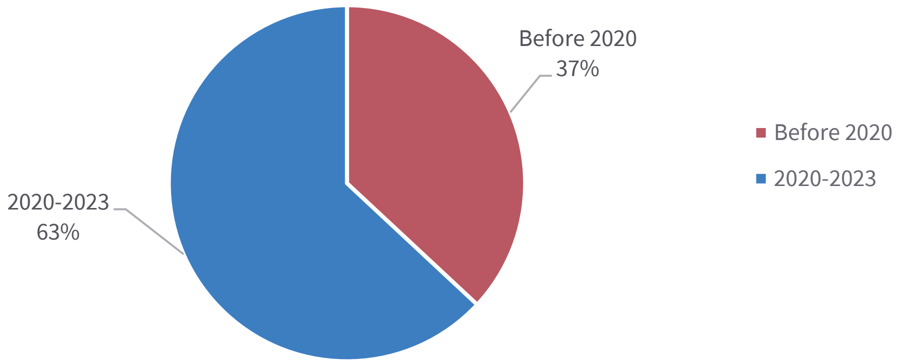
Table 1. Distribution of firms with Belarusian shareholders by NACE sections in Poland, Lithuania, Estonia, and Latvia

Sections	Poland	Lithuania	Estonia	Latvia
Wholesale and retail trade; including the repair of motor vehicles and motorcycles (NACE Section G)	25%	34%	35%	31%
Transporting and storage (NACE Section H)	21%	17%	3%	6%
Construction (NACE Section F)	16%	9%	2%	5%
Information and communication (NACE Section J)	9%	7%	36%	7%
Professional, scientific and technical activities (NACE Section M)	5%	10%	10%	6%
Manufacturing (NACE Section C)	2%	2%	3%	6%
Other sections	22%	21%	11%	39%

Source: own calculation based on open-source databases

The Belarusian enterprises in the four analysed countries are predominantly micro and small firms with up to 50 employees. The majority of businesses (63%) were registered after 2020 (Figure 3). The survey of Belarusian companies in the EU in September–October 2023 indicated that 78% of all surveyed **enterprises** refer to their business as a business at an early stage of development: either the start of the company's life cycle (42% of those surveyed), or the development stage (36%).[6]

Figure 3. Company structure according to the registration date



Source: open-source databases

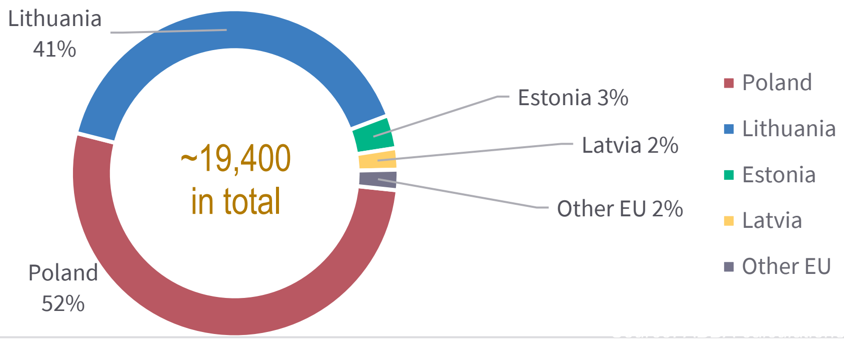
47% of the Belarusian enterprises in the EU are businesses that have relocated from Belarus, while for 27% of businesses it is their first experience of entrepreneurship. The survey of Belarusian owners of firms in the EU conducted in September-October 2023 shows that 47% of businesses relocated from Belarus either completely (28%) or partially (19%). The majority either started their business from scratch, meaning it was their first experience of entrepreneurship (27%), or they had a business in a different sector in Belarus (26%). Although it is more common for smaller firms to fully relocate, there are also cases of owners of large Belarusian firms leaving Belarus and selling or closing their companies in order to avoid the potential consequences of sanctions or political repressions.[7]

[6] https://www.case-research.eu/files/?id_plik=7877

[7] For example, Wargaming, Flo, Gurtam, and other large IT companies: https://devby.io/news/gurtam-akveo-vse.

We estimate that enterprises with Belarusian shareholders in the EU have created at least 19,400 jobs (excluding self-employment). This estimate embraces two types of investment by Belarusian business in the EU: i) jobs due to the relocation of larger firms via national investment promotion agencies in Poland and Lithuania (mostly in the IT industry), and ii) new jobs created by micro and small enterprises with Belarusian capital (self-employment not included). The number of new jobs for large companies comes from official data on a pipeline of investment projects by Belarusian investors in 2020–2023 (available for Poland[8] and Lithuania[9]). New jobs created by micro and small businesses were calculated for each country based on the available statistics.[10] The results were compared to the average number of jobs created by micro and small enterprises in total in Poland, Estonia, Lithuania and Latvia.[11] The findings show that most of the employment was generated in Poland (52%), while businesses in Poland together with those in Lithuania accounted for 93% of all jobs created by enterprises with Belarusian shareholders.

Figure 4. Number of jobs created by companies with Belarusian shareholders in the EU, as of Aug 2023



Source: ABBA calculations

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[8] https://www.paih.gov.pl/20230117/kolejny_rekordowy_rok_dla_paih /

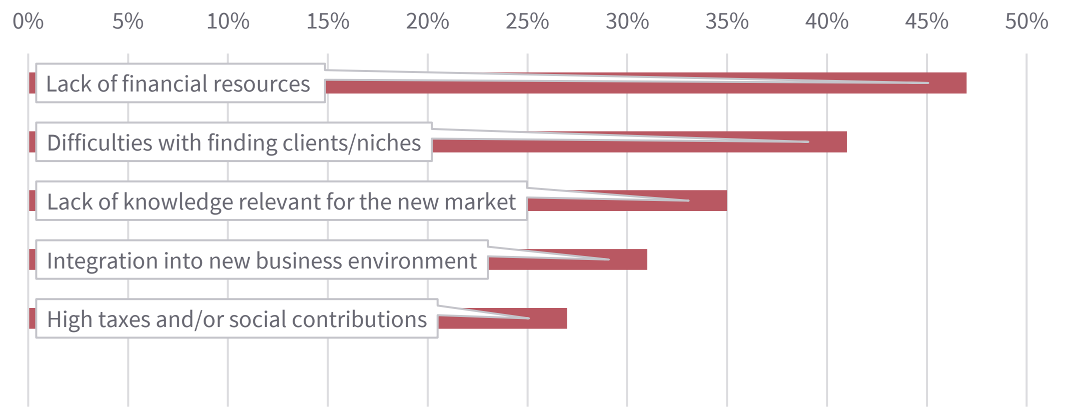
[9] Data taken from the presentation by Karolis Žemaitis, Vice-Minister of Economy and Innovation of Lithuania presented at the Belarusian Business Forum in Vilnius on 26 April 2023. The data are consistent with number of employees in large Belarusian IT companies in Lithuania: https://news.zerkalo.io/economics/46503.html.

[10] Available statistics on key economic indicators from open data portal Okredo (www.okredo.com; see Annex 1 for methodology) show that the average number of jobs per firm with Belarusian capital is 2.1 for Lithuania and 1.1 for Latvia. For Estonia and other EU countries, we assume the same level as for Latvia, and for Poland the same level as for Lithuania.

[11] In 2022, the average number of people employed by SMEs in Poland was 3.1 per enterprise, in Lithuania 3.3, in Latvia 4.4, in Estonia 4.3, and in the EU on average 3.4 (Source: www.statista.com).

The most common problems faced by Belarusian entrepreneurs developing their businesses in the surveyed EU countries are: lack of financial resources; difficulties in attracting clients and finding niches; insufficient knowledge and skills necessary for the new market; integration into the new business environment; and high taxes or social contributions (Figure 5). The survey of Belarusian entrepreneurs indicates that almost every second businessperson (47%) has insufficient financial resources for developing the business; 41% struggle with access to clients and finding niches; and one in three (35%) need more relevant knowledge for the new markets they are operating in. These findings are in line with the empirical evidence from various countries that access to finance is usually a significant growth constraint for small and medium-sized enterprises.[12]

Figure 5. Top-5 issues for Belarusian business in the EU, %



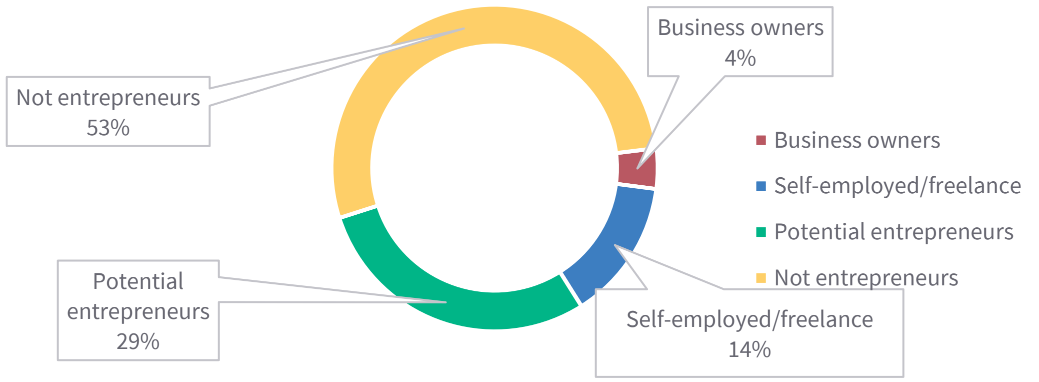
Source: Survey of Belarusian business in the EU, October'23

[12] See, for instance, Beck, T. and Demirgüç-Kunt, A. (2006) Small and medium-size enterprises: access to finance as a growth constraint, Journal of Banking & Finance, 30, and European Central Bank (2023) Survey on the access to finance of enterprises in the euro area. April 2023 to September 2023.

Self-employed Belarusians in the EU

Belarusian immigrants in the EU are relatively risk-tolerant, and this characteristic has a positive impact on their entrepreneurial potential. Both historical evidence and empirical research show that the entrepreneurial potential of immigrants is high, which makes them not only "job takers" but also "job creators".[13] Migrants have a personality-based self-selection driver, and in particular a propensity for risk-taking that increases their tolerance of the risk of starting and running a business.[14] In the case of Belarusian immigrants in the EU, they often left their home country after participating in street protests or supporting the protests in various ways.[15] We reckon that Belarusian immigrants in the EU tend to have relatively high risk tolerance, which corresponds with easier entrepreneurial decision making, meaning they find it easier to take decisions concerning the starting and running of businesses abroad in various legal forms.

Figure 7. Entrepreneurial potential of Belarusian immigrants



Source: Survey of Belarusian immigrants, February'23

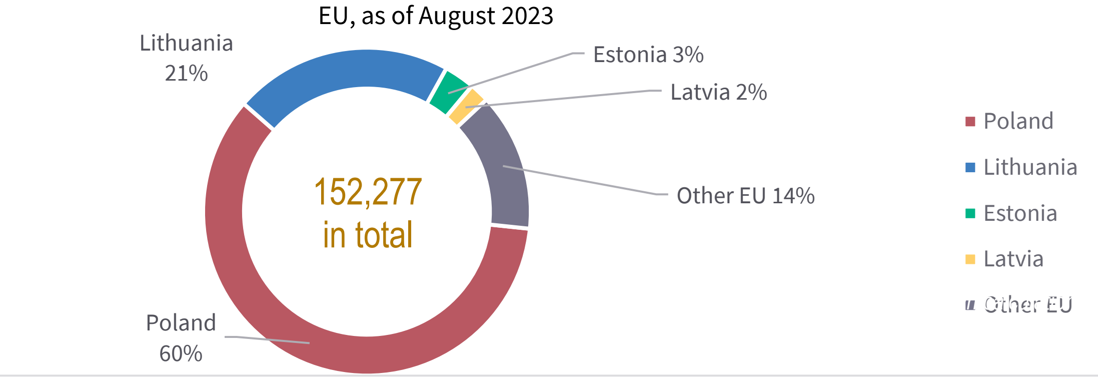
According to the survey of the Belarusian diaspora in February 2023, 18% of these immigrants can be treated as active entrepreneurs: 4% of surveyed adults are business owners employing staff, and 14% are self-employed or freelancers (Figure 7). However, another 29% are potential entrepreneurs (planning to start a business in the next three years, including 9% already taking some steps), while 53% do not see themselves as entrepreneurs, and have no intention of becoming such. This distribution turned out to be similar to the results of a survey conducted among the population of Belarus in 2021 as part of the Global Entrepreneurship Monitor (GEM).[16] According to the latter, 19% of the population of Belarus

[13] See Jaeger et al. (2010), Direct evidence on risk attitudes and migration. The Review of Economics and Statistics, v.92.
[14] Vandor P. (2021), Why Immigrants Are More Likely to Become Entrepreneurs. Harvard Business Review, August, 2021.
[15] For instance, many businesses or businessowners in Belarus supported the national strike on 26 October 2020 and experienced economic pressure from the authorities in response to that strike.
[16] Our results cannot be compared directly with the GEM results due to methodological differences; GEM results are used as a benchmark of entrepreneurial engagement for Belarus in 2021 and for the key host countries in 2023.

aged 18-65 years were classified as entrepreneurs (at different stages of entrepreneurial activity, including 5.5% as owners of an established business), and 30% as potential entrepreneurs.[17] The GEM results for the key host countries in 2023 are as follows: in Poland 11.4% of the adult population are classified as entrepreneurs (including 9.8% – owners of an established business); in Lithuania there are 21% of entrepreneurs (including 8.3% – owners of an established business); and in Latvia 26.5% of the adult population are classified as entrepreneurs (including 12.3% – owners of an established business).

The total number of Belarusians with residence permits in the EU is estimated to be at least 152,000 as of August 2023. This number embraces persons with all types of residence permits allowing for employment in the host country, such as permanent residence permits, temporary residence permits, long-term EU residence permits, temporary protection, refugee status, and humanitarian stay (visas not included[18]). There have been two large waves of immigration from Belarus in the past several years: after the start of the political crisis in August 2020, and after the outbreak of the mass-scale war in Ukraine on 24 February 2022. Based on the statistics provided by national authorities,[19] we can see that the key countries chosen by Belarusians as their main destination are Poland (60%) and Lithuania (21%). From May 2022, Latvia and Estonia limited Belarusians' access to their countries by introducing stricter visa requirements, and almost stopped issuing first residence permits for Belarusian citizens.

Figure 8. Total number or Belarusians with long-term residence permits in the EU, as of August 2023



Source: own calculations based on national statistics, correspondence with migration services, and Eurostat

Based on the migrant stock data and share of self-employed Belarusians resulting from the survey findings, the self-employment potential of Belarusians in the EU is estimated to be at least 21,300 business entities. This estimate is very conservative, as according to official

[17]GEM Belarus 2021-2022. Source: https://beroc.org/upload/medialibrary/2da/2da746a1918dd7594056133e7faf2e08.pdf

[18] Visa stays are not included in the calculation due to the lack of reliable data, and the fact that a visa does not provide the opportunity to start self-employment (the only exemption here is the Polish Business Harbour visa issued by Polish authorities, but normally after one year of having a PBH visa, a holder is obliged to apply for a temporary residence permit).

[19] Data provided by national authorities of Lithuania, Latvia, and Estonia in response to email requests.

data from Poland, between January 2022 and June 2023 Belarusians registered 11,716 sole proprietorships in Poland.[20]

IT specialists constitute a significant share of self-employed Belarusians, and their outflow from Belarus accelerated significantly after February 2022. According to official Polish data, of the Belarusians registered as self-employed, 66% are engaged in IT activities.[21] In 2022–2023, employment in the IT industry in Belarus dropped by almost 20,000 compared to 2021 (-18%), while both in 2020 and 2021 the employment in the IT industry grew.[22] Poland is the key destination of Belarusian IT specialists' relocation[23] due to the intentionally designed programme Poland Business Harbour (PBH), aiming to bring IT specialists into the country (issuing 89,764 PBH visas for Belarusians from August 2020 until the end of November 2023, although many of these visas ended up not being used).[24]

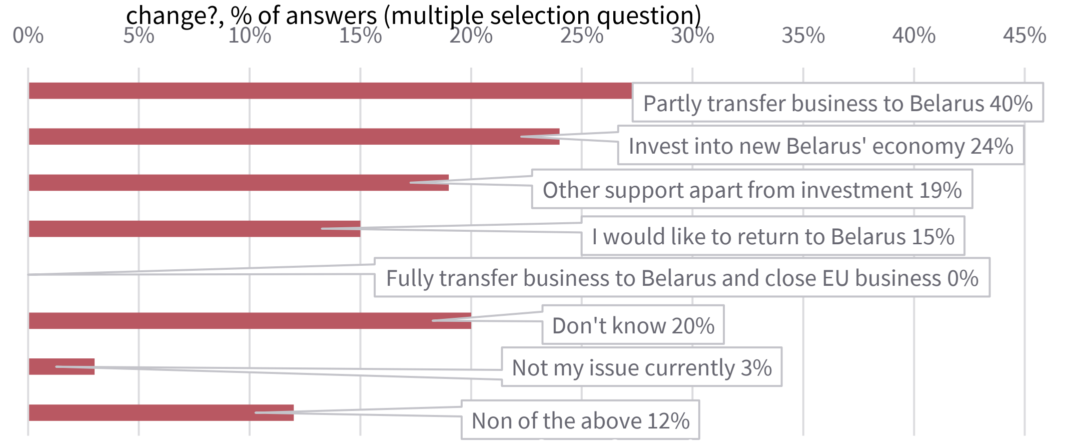
Westward labour migration is not new to Belarusians. The 2021 CASE study argued that Belarusians preferred the EU labour market to Russia even before 2020, and the number of circular migrants from Belarus to the EU and EFTA countries was up to 70,000 by the end of 2019.[25] Recent data shows that 65% of Belarusians receive Polish residence permits for labour purposes.[26]

[20] Polish Economic Institute, Weekly Economic Review as of 7 September 2023. Source: https://pie.net.pl/wp-content/uploads/2023/09/Tygodnik-PIE_36-2023.pdf.
[21] Ibid.
[22] https://devby.io/news/skolko-aitishnikov-23
[23] https://devby.io/news/relokeit-aitishniki
[24] https://www.gov.pl/attachment/e9ebe831-48ba-41cd-a1d2-4b10c5f9b3be#:~:text=Bia%C5%82orusini%20s%C4%85%20drug%C4%85%20najliczniej%20reprezentowan%C4%85,%E2%80%93%2028%20tys
[25] Kulesa A., Kaźmierkiewicz, P. (ed.) (2021), In Search of New Opportunities. Circular Migration Between Belarus and Poland, Slovakia and the Czech Republic – State of Play and Prospects for Cooperation. CASE Report, 2021.
[26] https://www.gov.pl/web/udsc/raport-dot-obywateli-bialorusi

Thematic Block: Belarusian Identity and Willingness to Return to Belarus

According to the survey of Belarusian business in the EU in September – October 2023, 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, although only 15% declared their desire to return for permanent residence, while not one respondent said they would close their business in the EU. More specifically, 40% of respondents would like to partially transfer their business to Belarus or start a new business if political and economic conditions change in the country, while keeping their current business in the EU; 24% would like to make financial investments in the Belarusian economy, 19% – to support in some other way, except for capital investments. No one chose the option “I would like to completely transfer the business to Belarus/open a new business there and close all business in the EU” (Figure 9).

Figure 9. Do you plan to return to Belarus if political and economic conditions change?, % of answers (multiple selection question)

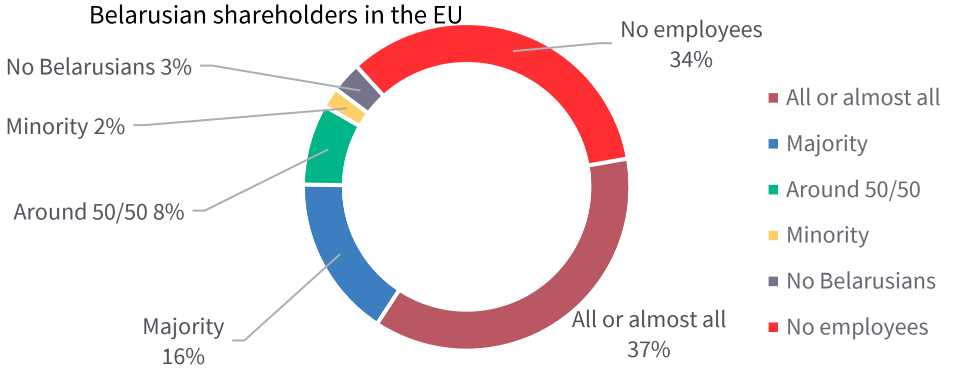


Source: Survey of Belarusian business in the EU, October'23

For 60% of the surveyed representatives of Belarusian businesses in EU countries, Belarusian identity is important; representatives of both relocated and newly established businesses identify themselves with Belarus. The Belarusian identity means that business owners and managers are keen to highlight directly or indirectly that Belarus is the origin of their business.

Belarusian businesses in EU countries prefer to employ Belarusians. In 93% of the surveyed businesses with employees, at least half of the employees are Belarusians (Figure 10).

Figure 10. Number of Belarusians among employees in businesses with Belarusian shareholders in the EU

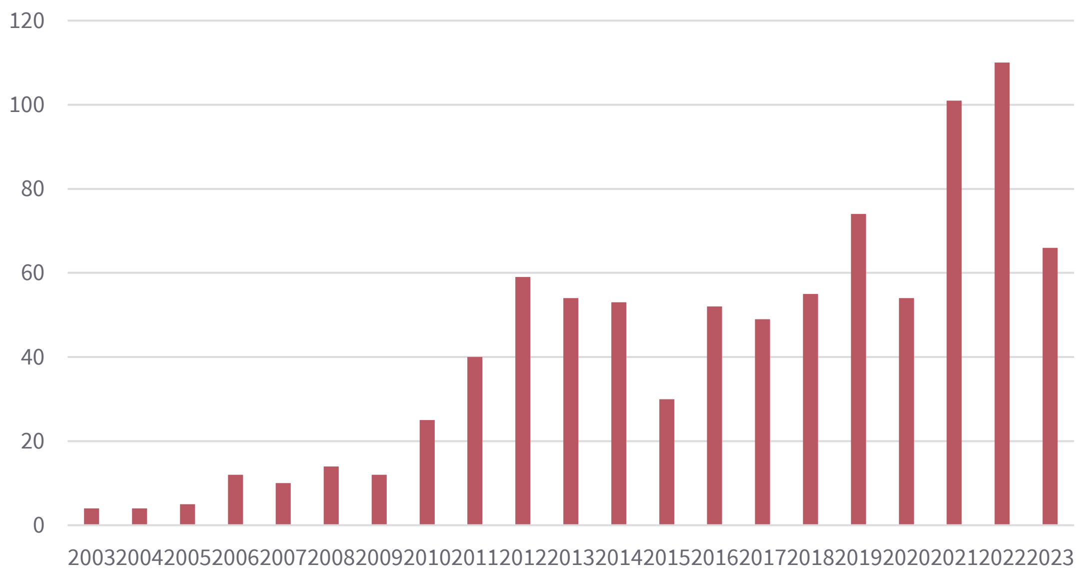


Source: Survey of Belarusian business in the EU, October'23

Country Profile: Lithuania

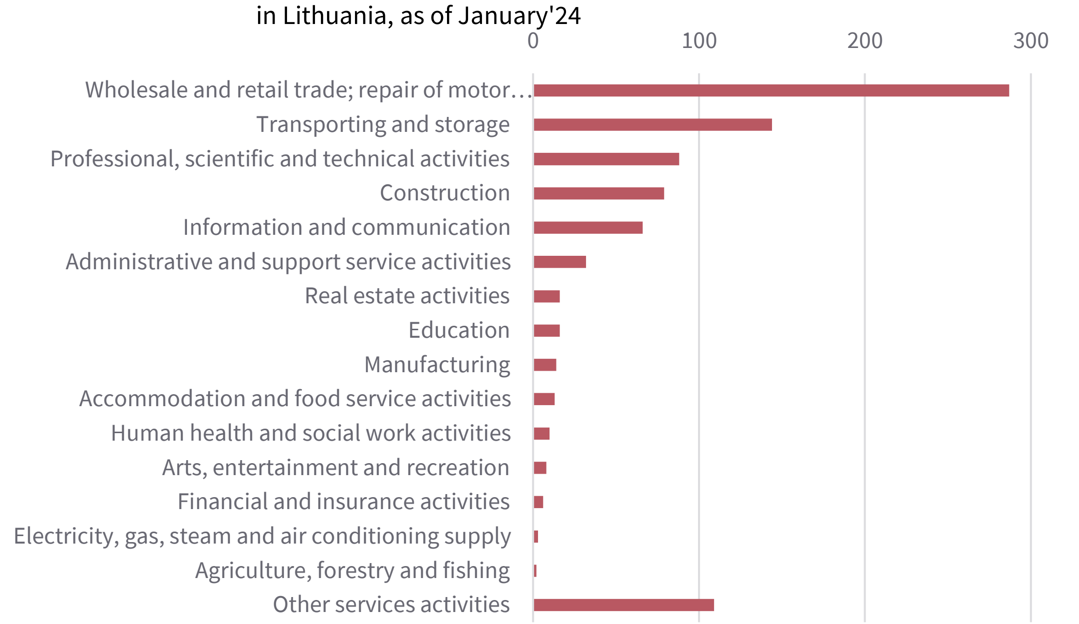
Lithuania is the second most important country for the relocation or establishing of a new Belarusian business in the EU. As of January 2024, there were 833 businesses in Lithuania with at least one shareholder being a Belarusian company or a person with Belarusian citizenship (self-employment not included).[27] Unlike Poland, Lithuania has been a popular business destination for Belarusians since the early 2010s, while only 37% (310) of all companies with Belarusian shareholders in the country were registered in 2020–2023[28] (Figure 11). The key reasons for choosing Lithuania as a country of doing business seem to be the geographical proximity of Vilnius (for Minsk, Vilnius is the closest major EU city), and the relatively low language barrier due to the majority of Lithuanians speaking or understanding Russian or Belarusian.[29] Distribution by sector of Belarusian businesses in Lithuania indicates that most of them are in services, and that they are mostly SMEs (Figure 12). 83% of the businesses are registered as limited liability companies (UAB - Uždaroji akcinė bendrovė).

Figure 11. Number of new companies in Lithuania with Belarusian shareholders, as of January'24



[27] Data obtained from Okredo Platform includes companies registered in the legal form of UAB (Uždaroji akcinė bendrovė - Private limited liability company), MB (Mažoji bendrija - Small partnership), Ij (ndividuali įmonė - Individual enterprise), Filialas (Foreign office).
[28] Ibid.
[29] The share of those who speak Russian in Lithuania may be as much as 70%; see for instance: http://www.truelithuania.com/tag/russian-language-in-lithuania#:~:text=Spoken%20by%20some%2070%25%20of,Lithuania%2C%20although%20this%20is%20declining.

Figire 12. Sectors of key business of companies with Belarusian shareholders in Lithuania, as of January'24



According to the Lithuanian Ministry of Economy and Innovation and the agency Invest Lithuania, as of April 2023 large Belarusian investors had implemented 42 investment projects in Lithuania and created 4,092 jobs in the country.[30]

As of January 2024, 66 businesses with Belarusian shareholders (7% of all such companies in Lithuania) were operating in the information and communication sector (NACE section J). The five largest IT companies with Belarusian roots contributed almost EUR 51.4 million to the Lithuanian budget in 2023, twice as much as in the previous year:[31]

- UAB “EPAM SISTEMOS” contributed EUR 20.6 million in 2023 (EUR 10.4 million in 2022)
- Wargaming Vilnius UAB contributed EUR 14.9 million in 2023 (EUR 8.5 million in 2022)
- UAB “Andersen Soft” contributed EUR 6.5 million in 2023 (lack of data, but less than 2.0 million in 2022)
- UAB “Gurtam” contributed EUR 5.1 million in 2023 (EUR 2.5 million in 2022)
- UAB “Melsoft” contributed EUR 4.2 million in 2023 (EUR 4.0 million in 2022)

In addition, EPAM and Wargaming entered the top 100 largest taxpayers in Lithuania (ranked 58th and 81st respectively in 2023), and are among the largest taxpayers in the Lithuanian IT industry (ranked 4th and 5th respectively in 2023). Gurtam and Melsoft ranked 21st and 22nd among the largest taxpayers in the IT industry in Lithuania.

Belarusians are currently the second largest group of foreigners in Lithuania: in 2023 the number

[30] https://news.zerkalo.io/economics/37705.html
[31] Rekvizitai.vz.lt

of Belarusians living in Lithuania increased by over 11,400, from 48,804 to 60,220 people.[32] At the beginning of 2024, the Belarusian diaspora in Lithuania accounted for as much as 2.1% of the total population of Lithuania (2.8 million people).[33] According to our estimates, around 2 in 3 of all Belarusians residing in Lithuania have residence permits, and 1 in 3 are in Lithuania on visas. The types of residence permits and visas issued show that 80% of Belarusians are living in Lithuania primarily for economic reasons.

According to the data from the Ministry of Social Security and Labour of Lithuania, as of 1 February 2024, 48,047 Belarusians were employed in Lithuania on employment contacts (3.2% of the employed population in the country). The majority of them were men (93% of all employees with Belarusian passport), and 73% of all Belarusians employed in Lithuania are between 30 and 49 years old.[34] The vast majority of Belarusians are employed in the transportation and storage sector (72%), 12% – in construction, and 8% – in information and communication.

[32] https://www.delfi.lt/ru/news/live/ot-sankciy-do-litvinizma-s-kakimi-problemami-stolknulis-v-2023-godu-belorusy-v-litve-i-est-li-puti-k-resheniyu-95489993

[33] https://www.osw.waw.pl/en/publikacje/osw-commentary/2024-01-10/increasingly-distant-neighbours-lithuania-towards-belarusians

[34] Data received via email from the Employment Service of the Ministry of Social Security and Labor of Lithuania in response to a request sent in February 2024.

Annex 1. Data and Methodology

Three methodological notes must be made here. First, we define a EU business with a Belarusian shareholder or Belarusian capital as an EU-based enterprise with at least one shareholder being a citizen of Belarus or a business registered in Belarus. The term "Belarusian business" in the text refers to a business with a Belarusian shareholder registered in one of the EU countries.

Secondly, we realise that the number of businesses with Belarusian capital in the EU may be higher than that calculated in the report, because our calculations do not include:

- businesses with minority shareholders being Belarusian, citizens of Belarus, or businesses registered in Belarus (this is important primarily for joint stock companies);
- businesses with indirect Belarusian beneficiaries (for example if a shareholder of an EU enterprise is a Cyprus business owned by a Belarusian citizen or company registered in Belarus);
- businesses registered by shareholders with dual citizenship, one of which is Belarusian.

We therefore use the wording "at least" to show that the number of Belarusian companies in the EU and the jobs they have created reflects those we can be sure of.

Thirdly, when estimating the number of businesses with Belarusian capital in the EU and the number of jobs created by them (Section 2), we assumed that the share of EU countries other than Poland, Estonia, Lithuania and Latvia in the total number of Belarusian businesses in the EU is equal to the other countries' share in the total number of Belarusian immigrants in the EU. We used Eurostat's data for first resident permits in the EU for 2020–2022 as a proxy of the total number of Belarusian immigrants in EU countries, and used this proxy to estimate the share of "other EU countries" (other than Poland, Estonia, Lithuania and Latvia) in the total number of businesses with Belarusian capital in the EU.

The report is based on statistical data analysis and the results of quantitative surveys of Belarusians and Belarusian businesses in the EU conducted in 2023 (described below).

The statistical data for Section 2, Section 3, and Section 5 come from five sources:

- open official data from national authorities' and governmental institutions' websites;
- data requested from national authorities via email and data from the presentation of the Vice Minister of Economy of Lithuania at the Belarusian Business Forum in Vilnius on 26 April 2023;
- data from public sources of information (research institutions, open data platforms, media);
- Eurostat data on first residence permits for Belarusian citizens granted by the EU countries;

- data on key economic indicators of firms with Belarusian beneficiaries in Poland (obtained via Centralny Ośrodek Informacji Gospodarczej[35]), Lithuania, Latvia, and Estonia (for all three countries, data were obtained via the open data platform Okredo[36]).

The report uses the results of two surveys conducted in 2023. The analysis of businesses' needs and Belarusian identity in Section 2 and Section 4 are based on the results of the survey of businesses with Belarusian capital in the EU conducted in September-October 2023 by ABBA, CASE, and the Center for New Ideas.[37] From 27 September to 17 October 2023, 102 Belarusian owners of businesses in the EU were surveyed and a focus group was conducted with 5 owners. The sample profile was as follows: 69% of the respondents were from Poland, 20% from Lithuania, and 11% from other EU countries, representing 15 different sectors of the economy. The share of micro enterprises in the survey was 89% (up to 9 employees), 8% were small businesses (10–49 employees), while 3% of the businesses surveyed belonged to the cluster of medium-sized enterprises (employing 50–249 employees).[38] Male respondents made up 71% of the owners surveyed, and 68% of all respondents had a higher education diploma. The survey was the first round of the quarterly monitoring of Belarusian business in the EU in 2023–2024.

The analysis of entrepreneurial potential in Section 3 is based on the results of the survey of the Belarusian diaspora in Poland, Lithuania, Georgia and Germany. The survey was conducted by ABBA and the Center for New Ideas. The survey period was 19–26 February 2023. In total 604 people were surveyed; 76% had left Belarus in 2020 or later; 59% were men; average age was 36; 87% held higher or postgraduate education; and 46% lived in Poland, 10% – in Lithuania, 8% – in Georgia, and 7% – in Germany.

[35] www.coig.com.pl
[36] www.okredo.com
[37] www.newbelarus.vision
[38] This was close to the SME distribution in the EU in general: 98.9% of EU firms are micro and small enterprises, 0.9% are medium-sized enterprises, 0.2% are large enterprises (≥250 persons). Source: https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20220627-1.