

space. In the red oceans, industry boundaries are defined and accepted, and the competitive rules of the game are known. Here companies try to outperform their rivals to grab a greater share of product or service demand. As the market space gets crowded, prospects for profits and growth are reduced. Products become commodities or niche, and cutthroat competition turns the ocean bloody; hence, the term *red oceans*.

Blue oceans, in contrast, denote all the industries not in existence today – the unknown market space, untainted by competition. In blue oceans, demand is created rather than fought over. There is ample opportunity for growth that is both profitable and rapid. In blue oceans, competition is irrelevant because the rules of the game are waiting to be set. Blue ocean is an analogy to describe the wider, deeper potential of market space that is not yet explored.

Cirque du Soleil, The Body Shop, Southwest Airlines and Nintendo are just some of the examples of this strategy in action.

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POLICIES TO ATTRACT FOREIGN DIRECT INVESTMENT

Currently, investments are an integral part of the modern society. Any economy can not develop and exist without investment. Investment is the purchase of an asset or item with the hope that it will generate income in the future and be sold at the higher price. Investments are generally associated with some degree of risk.

The leadership of Belarus understands the importance of attracting foreign investment. Thus, according to the President of the Republic of Belarus ‘attraction in the economy of foreign investment is one of the most important areas of foreign economic activity in the modern world. It is necessary to stimulate the creation of enterprises with foreign capital, producing high-tech export-oriented and import-substituting products’.

The relevance of this topic is obvious, as in recent years, the central problem of the Belarusian economy is an acute shortage of investment resources. Our country is on its way to a new economic policy, and it is based on a model of socially oriented market economy, which allows to combine the free private initiative, competition with the active role of the state, the efficiency of a high level of social protection of people. And all this is not possible without an active involvement of foreign investors to the Belarusian market.

Belarus offers investors a list of benefits which should encourage foreign investment. It is very beneficial for country to get investments from overseas, as they

develop their production, new innovative production, jobs and pay taxes to the national budget. Therefore, the policy of attracting foreign investment has become an integral part of economic policy in many developed countries and in developing countries. Flows of foreign capital are sources of competitiveness for foreign investors and for the economies.

Thus, attracting investments in the Belarusian economy is one of the most urgent tasks.

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TECHNOLOGY CLUSTERS

From the very start we'd say that nowadays there is a surge of interest in clustering and strategies for cluster development by regional planners and economic development authorities. What is driving this interest? Globalization of the value chain functions has opened up the opportunity for many developing regions to focus on technology clusters as a means of creating competitive advantage to attract and maintain high-tech corporations and increase economic development and growth of their regions.

A technological cluster is a geographical concentration of related technology firms including competitors, suppliers, distributors, and customers; usually around scientific research centers and universities. Within a technological cluster technology projects will emerge and diffuse over time following a life-cycle with four stages:

1. Origination – creating new products and services
2. Expansion – growing products and services
3. Convergence – maturing products and services
4. Reorientation – shifting to other technologies; or decline if reorientation does not occur.

A growing cluster signals an opportunity and its success helps to attract rivals and other related businesses and create an inflow of talented workforce to the area. The evolution of a cluster is significantly affected by local, regional or national policies which could facilitate or hamper effective functioning of the cluster.

The increased interest in cluster development is driven by a desire on the part of regional development authorities for economic growth. There are generally three advantages for a company to locate in a cluster. The first advantage is the presence of a large labor pool due to the geographical concentration of firms in the same industry or in closely related ones. The second advantage is the availability of related materials and other inputs at lower costs. These inputs include tangibles, like raw material and