

## More residents can be registered

By Olga Kobyakova

**Free economic zone Brest's investment potential demonstrated at International Global Connect 2010 Exhibition in Stuttgart**

"Our major goal was to familiarise international business with Belarus' economic potential and the free economic zone of Brest, in particular. Stuttgart's exhibition is a perfect place to fulfil this task," noted the Head of the FEZ Brest Administration, Victor Nevdakh.

The free economic zone's administration was demonstrated at the exhibition on a joint federal stand of Baden-Wuerttemberg. Its organiser is Baden-Wuerttemberg International (the Agency for International Economic and Scientific Co-operation). The FEZ Brest Administration signed an agreement on co-operation with this organisation in 2008, during the 1st Brest Investment Forum.

FEZ Brest was established in 1996 and is the first free economic region of Belarus. Its residents primarily export food, furniture, gas ovens, machines and paints for road marking. At present, 70 residents are registered, including 54 using foreign investments. Capital from 19 countries is represented here.

## Ready to receive proposals

By Anna Komarova

**Belneftekhim to attract direct foreign investments into Grodno Azot, Mogilev Synthetic Fibre Plant and Rechitsa Textile**

Belneftekhim presented investment opportunities at the Belarusian Investment Forum in Frankfurt am Main, on November 17th.

The Grodno Azot project requires an injection of almost \$95m, the Mogilev Synthetic Fibre Plant requires about \$20-25m while Rechitsa Textile needs about \$4m. "We've selected these projects with the aim of finding direct investors for setting up joint ventures or similar — depending on investors' proposals," explains the Deputy Head of the Main Department for Promising Development and Investment at Belneftekhim, Dmitry Avrach. He adds that the most significant projects offered by his Concern's companies have been selected.

Rechitsa Textile plans to launch production of various personal hygiene items as import-substitutes, saving the country much money.

The Belarusian State Concern for Oil and Chemistry (Belneftekhim) includes over 60 organisations, accounting for nearly 30 percent of Belarus' industrial production. About 70 percent of its manufactures are exported — to over 100 countries worldwide.

# Potential for supplies



Gomselmash among top producers of agricultural machinery

**Gomselmash Production Association's exports rise over six-fold in five years**

By Valery Sidorchik

In 2005, the company exported a modest \$35m of farm machinery; by 2009, the figure had reached \$219m. Over the last four years, exports have grown annually 1.6-fold. From January-October 2010, export growth continued, although tough weather conditions this year considerably narrowed foreign sales of new harvesters.

According to specialists, Gomselmash's production of grain harvesters has enabled it to advance to the top five manufacturers of farm machinery, exporting to 25 countries. Fourteen joint ventures assemble Gomselmash machinery abroad: in Russia, Kazakhstan, China, Argentina and elsewhere.

## Targeting international market with telecommunication innovations

**National Academy of Sciences of Belarus and CISCO agree on co-operation**

The National Academy of Sciences and the Belarusian representative office of the world's largest telecommunication company — CISCO — have signed a memorandum of intentions for co-operation.

The two sides plan to develop partnership in the sphere of telecommunications and high technologies. Interaction with CISCO should open up new opportuni-

ties for Belarusian scientists in developing world level technologies and promoting their innovations to the international market. Experts from the telecommunication giant are soon to discuss definite projects for joint implementation with the NAS.

CISCO is an American transnational company and a world leader in network technologies, boasting net sales of \$40bn in 2010 financial year. It supports promising sci-tech projects worldwide, such as the construc-

tion of India's first completely 'electronic' city.

Meanwhile, the National Academy of Sciences of Belarus is developing sci-tech collaboration with scientific centres from Austria, the UK, Germany, Korea, China, India, Cuba, Lithuania, Poland, the USA, France and elsewhere. Last year, NAS organisations liaised on joint work with research centres from 79 countries: in Europe, Asia, Australia, Africa, North and South America.

## Industry on the rise

By Anatoly Romanov

**Number of industrial enterprises in Minsk has reached 5,000 over five years**

The Belarusian capital accounts for 20 percent of the country's total industrial production, continuing to strengthen its position. Over the last five years, the manufacture of industrial produce and consumer goods has increased over 1.5 times.

High rates are ensured by the modernisation of production lines and the opening of new facilities. Such tactics enable us to enhance the competitiveness of Minsk's goods at home and abroad. At present, Minsk's enterprises supply their production to over 100 countries worldwide. For example, MAZ JSC exports half of its vehicles, Belkommunmash JSC sells a third of its items abroad, Atlant exports almost 75 percent of its output and Minsk Tractor Works sells over 70 percent of its goods elsewhere.

## If a reliable partner can be found

**Venezuelan companies could buy shares in Belarusian oil refineries**

"Just like any other country, Venezuela can be a shareholder in the oil refineries of Belarus; it depends on the terms they offer," notes Belarus' First Deputy Prime Minister, Vladimir Semashko. The Russians possess a 41.6 percent share in Mozyr Oil Refinery, while the state still owns all of Naftan. Mr. Semashko explains that Belarus expects an investor to boast adequate funds, raw materials and sales markets. "We adopt a careful attitude to corporatisation and selling of our enterprises, seeking a reliable partner," he says.

## Business starts with small steps

From 2011, tax burden on entrepreneurs to fall, with payments simplified

By Roman Andrievsky

Liberalisation has already led to growth of entrepreneurial activity. The Government hopes that, in the future, Belarus' small businesses will grow in number and in quality. It's no surprise, since so much is at stake: every new firm guarantees jobs, goods and services. Moreover, revenue generated feeds the budget, allowing us to spend more on social needs. The declarative principle of company registration — which came into force about 18 months ago — is already yielding fruit. Since early 2009, the number of small enterprises has risen by 15,000 (or 25 percent) in Belarus; most are registered in small towns or, even, villages (where additional preferences are granted by the state).

As before, about 40 percent of small businesses work in public catering and trade. However, their share is gradually falling, with industry, construction and transport proving ever more popular. From early 2011, some turnover taxes are to be abolished in Belarus and, as



Infrastructure to help entrepreneurs

forecast, the tax burden should fall by 0.4 percent of GDP. Moreover, it will be possible to pay profit tax once a quarter (rather than once a month).

The Ministry of Taxes and Duties says that, in the first seven months of 2010, the share of taxes paid by small businesses totalled 20 percent, including 17.4 percent

paid by legal entities and 2.6 percent by individual entrepreneurs. No doubt, their contribution to the economy will grow. In order for top entrepreneurs to meet these goals, liberalisation should continue. We need to simplify the procedure of purchasing and building private property while easing access to loans.