

# Seven feet under keel

Can Belarus become a seafaring state?

By Anatoly Romanov

Globalisation has led to many countries without sea access forming their own merchant navy and Belarus is keen to join them. We are now expanding our export geography, striving to acquire cargo vessels. How is this being realised and what benefits could it bring?

## From the river to the sea

Belarusian vessels are now operational exclusively on domestic rivers, lakes and canals, with about 700 passenger and cargo ships using approximately 2,000km of waterways (along the Dnieper, Pripjat, Berezina, Zapadnaya Dvina, Sozh and Nieman rivers and the Dnieper-and-Bug Canal). However, those keen on sailing cannot help but yearn for the sea. Surely, the country needs access to the sea. Belarus already makes good use of Black and Baltic Sea ports to export goods and resources, leasing foreign vessels. Having our own fleet is the logical next step.

## 'Double' effect

Creating Belarus' merchant navy is to begin with the purchase of two vessels, boasting a capacity of 35,000 tonnes each. They need to be no older than ten years and designed to carry dry cargo. About \$30m is needed for the purchase, as presented at the Belarusian Investment Forum in Frankfurt-am-Main. According to Belarusian specialists, the venture would pay for itself within 8-10 years, with annual profits reaching about \$4m.

The Belarusian authorities are ready to offer tax privileges and similar incentives to investors, while



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Belarusian merchant fleet soon to dock

guaranteeing the two ships access to domestic export-oriented products.

## Cargo available, while fleet next in line

Experts say that sea transport accounts for 70-80 percent of all international cargo shipment, since it has a relatively low prime cost, with large cargo capacity and the ability to travel long distances. With this in mind, Belarus transports its fertilisers to China, India and Brazil by sea, in addition to tractors and other ma-

chinery. However, we lack our own ships to carry our exports. "This leads to dependence of our foreign trade on foreign vessel owners," explains the Deputy Minister for Transport and Communications, Alexander Shishko.

Some time ago, Belarus joined seventeen international trade agreements in the field of sea shipment, while signing contracts on cargo transit and use of port infrastructure with Ukraine, Lithuania and Latvia. Legislation has even been set up to

govern a Belarusian merchant navy. "Sea vessels have no need to be attached to a permanent location. They can be used for cargo shipment anywhere in the world," adds the official.

No problems are expected regarding finding crews, since the Transport and Communications Ministry has issued about 1,700 sailor certificates to Belarusian citizens to date (who are employed on foreign ships). Provision has already been made for experienced crew to man our own sea fleet.

## Marshes fall under investigation

German ecologists and their Belarusian colleagues to jointly record greenhouse gas emissions

Our two countries are currently involved in developing shared methods of record keeping, aiming to use the information to restore affected marshlands. "Belarusian peatlands are suitable for German experts to apply their experience in recording greenhouse gas emissions," notes the Head of the Belarusian Natural Resources and Environmental Protection Ministry's International Cooperation Department, Irina Rudko. Belarus retains the greatest number of lowland and upland bogs in Europe. Accordingly, German ecologists are joining forces with their Belarusian colleagues to test various methods on each type of bog. The project is being supported by the Dortmund International Centre for Education (IBB Dortmund). Previously, Belarusian scientists had begun to systematically measure greenhouse gas emissions on the marshes at Berezinsky Biosphere Reserve, the Republican Sporovsky Reserve and Bartenikha Peatland. Ecologists aim to monitor the fall of greenhouse emissions on such waterlogged territories; it is Belarus' direct contribution to solving the climatic problem.

Marshes accumulate carbon and, when drained to extract peat or be used in agriculture, this is released into the atmosphere, considerably intensifying the greenhouse effect. Such emissions can be reduced via repeated water logging; a major project has been implemented in Belarus over recent years (supported by the UNDP and the Global Environmental Facility) to restore depleted peatlands, which are of primary interest to scientists.

## Plans beat all records

By Lilia Krapivina

**Around \$35bn to be invested in Belarus' economy over coming five years, announces First Deputy Prime Minister Vladimir Semashko at session of National Council for Labour and Social Issues**

Over the next five years, the sum of investments is expected to be quadruple that from 2006-2010, according to Mr. Semashko. He notes that Industry Ministry enterprises are set to receive 10 times as many investments over the next five years and that Belarus needs to build 'a large iron founding plant'. "This is crucial for Be-



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Midea-Horizont is a successful company using foreign investments

larusian mechanical engineering," he stresses. The largest and most important projects include the construction of a facility to produce LCD panels, which also requires 'huge investment'. Mr. Semashko explains that the Minsk Automobile Works (MAZ) and Minsk Tractor Works (MTZ) are expected to raise investments into their manufacturing to over \$1bn each.

Key production assets are to be upgraded across the economy. "We

need to accumulate working capital, simultaneously working on modernisation and technical re-equipment of the branches," the official notes, adding that the country's industrial companies are now demonstrating positive dynamics of growth. MAZ increased its output by 10 percent from January-October this year; however, in 2009, it suffered an almost 50 percent decline. Meanwhile, MAZ has reported 14.8 percent profitability.

## Greater volumes of affordable housing

By Anatoly Romanov

**In five years' time, there will be 27-28sq.m of housing per capita in Belarus**

According to Alexander Sochivko, the Head of the Economy Ministry's Department for Construction and Housing and Public Services, this year, Belarus plans to construct almost 7m sq.m of housing. Around 75 percent has already been built in the first ten months of 2010. The Minsk and Brest regions are the country's leaders in fulfilling their annual targets, with around 90 percent of flats in multi-compartment buildings already having been constructed, with state support (costing \$500-650 per square metre on average).

Alongside housing construction, great attention is being paid to enhancing the competitiveness of domestic produce over the next five years, as envisaged by the Basic Guidelines of the Programme of Socio-Economic Development of the Republic of Belarus. "Private entrepreneurial initiatives will become the basis for economic development," asserts Alexander Yaroshenko, who



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New accommodation in Minsk

heads the Economy Ministry's Chief Macroeconomic Analysis and Forecast Department. Entrepreneurship's contribution to the country's GDP should rise several fold. To facilitate this ambitious goal, the state will gradually remove its directed mechanisms of economic management, while applying measures to stimulate the market.

## Digital format becomes accessible

By Andrey Asfura

**Digital content now widely accessible via cable networks and satellite television throughout Belarus**

Speaking at the opening of the annual exhibition entitled *Promising Technologies and Systems: Informat-*

*ics, Telecommunications, Security,* Belarus' Deputy Information Minister, Alexander Slobodchuk, noted that digital television is available to over 80 percent of Belarusians. This enables them to watch 30 high quality channels (rather than 5 or 6). "Being at the centre of Europe, Belarus must actively develop its satellite

television, promoting its possibilities and products to Europe and Asia," he stressed, noting that the successful broadcasting of Belarus-TV via satellite allows us to distribute information to almost every corner of the planet. Satellite broadcasting on other state and non-state channels is planned for the future.