

# Residents make good impression

Alexander Lukashenko visits Minsk's free economic zone

By Vladimir Vasiliev

During his recent visit, the Belarusian President noted that, in future, the whole of Belarus should become a free economic zone. The state will continue improving conditions for doing business while making the country more attractive for investments. Speaking about this, Mr. Lukashenko added that all necessary measures to protect private property will be adopted within the next five years.

The Head of State has visited three enterprises within the Minsk FEZ — Bahco Bisov, AluminTechno and Alutech Incorporated. Each factory was constructed from scratch using foreign capital and now manufactures goods which are proving popular domestically and abroad: bimetal band saw blades and pressed aluminium shapes. My colleagues and I were primarily impressed by the culture of production. Of course, what enterprise wouldn't prepare thoroughly for a presidential visit? However, no fresh paint or newly polished workshops were apparent; rather, all was clean and in order. You could tell that organisation is always meticulous, while staff are well-disciplined and motivated (Br2.5-3m is the average salary, with a good welfare package included). Judging by the management's clear answers to

the President's questions, their systems are quite European.

New, dynamic and innovative manufactures are appearing alongside the traditional Soviet legacy of MAZ, BelAZ and Horizont. Minsk FEZ currently boasts 89 businesses, with 318 businesses registered countrywide in our free economic zones.

Mr. Lukashenko notes that the idea of setting up free economic zones in the republic belonged to the former Chairman of the Council of Ministers of Belarus, Mr. Kebich. In early 1990s, a top ranking group from Belarus studied Chinese experience of such zones and decided they could be applied here. The first pilot FEZ appeared in 1996 in Brest — during the presidency of Alexander Lukashenko. Later, free economic zones opened in every region, and in Minsk. Legislation has been developed, adopted and later improved, regulating the work of these special territories. Investors are offered a privileged tax regime, inspiring them to inject money and establish new companies.

The President of Belarus is keen to follow the success of these initiatives, which he fully supports, finding out how much revenue is being generated. Belarus' Deputy Prime Minister, Andrei Kobyakov, is certain that FEZ residents are successful, with export oriented enterprises earning foreign currency for the country. Meanwhile,



Alexander Lukashenko visits Bahco Bisov JV in Minsk's free economic zone

Mr. Kobyakov admits that import volumes are also up, since such companies require contemporary engineering tools, manufacturing lines and advanced technologies. Of course, these are investment imports which should lead to improved production and export revenue, while meeting the needs of the domestic market for goods which are currently imported.

What is the future of free economic zones within the competitive Customs Union? Mr. Kobyakov notes that existing privileges should eventually be abolished but not immediately; the Belarusian, Russian and Kazakh governments have agreed to preserve the current preferential regime for free economic zones until 2017. Current FEZ residents, as well as those registering until early 2012, will be able to make use of

this delay. The Belarusian President has requested the promotion of registration of new residents in every possible way while solving issues of land allocation promptly; to benefit from privileges, an enterprise must physically be located within FEZ territory. The government has been called upon to take the initiative regarding businesses, rather than just responding to requests, creating industrial sites with all necessary communications and infrastructure, ready to offer to interested investors seeking new factory sites.

Further reduction of customs tariffs and tax burdens was also tackled, aiming to stimulate the development of all Belarusian enterprises while enhancing the competitiveness of Belarusian produce. The President believes that, by improving our common busi-

ness environment, the state will be able to preserve its special conditions for free economic zones. He plans that privileges abolished within the Customs Union will be compensated for by other preferences not banned by Customs Union legislation.

The state expects FEZ residents to increase exports and the manufacture of import substitution goods. According to the Belarusian President, the republic still imports much from abroad, so needs to attract investors to set up manufactures within the country. Mr. Lukashenko stressed that, although Belarus boasts large forests, it still imports chain saws from Sweden and Japan. Why can't we invite a leading company to set up here? Judging by the conversation, this business idea will soon acquire concrete definition.

## Journalists attracted by elections

By Galina Petrushkevich

Foreign Ministry receives around 300 media applications to allow foreign journalists to report on presidential elections

"Many journalists are keen to work in Belarus during the elections; we're receiving applications daily for temporary accreditation," notes Andrei Savinykh, the Press Secretary of the Belarusian Foreign Ministry. "We're doing our best to effectively satisfy these applications; at present, we have around 300, with their number likely to increase soon."

Mr. Savinykh notes that foreign observers, who are currently in the republic, are working constructively countrywide. "Favourable conditions have been created for them," he explains. "We hope that their conclusions will be constructive and objective."

## Joint efforts are essential

By Andrey Pimenov

At 79th Interpol General Assembly in Doha (Qatar) Belarus' Interior Minister, Anatoly Kuleshov, notes that joint efforts in universal anti-terrorism conventions are vital

The Head of the Belarusian Interior Ministry was addressing this major forum for the first time in the history of independent Belarus, noting the priorities of Belarus' crime prevention policy. He stressed that, at present, no state can ignore the problem of terrorism or tackle it alone. He asserts that it is vital to

work together via universal anti-terrorism conventions, setting up a system of jurisdiction to unearth terrorists worldwide.

The Interior Minister underlined that Belarus is taking all necessary measures to implement international instruments while utilising the expertise of international organisations. Mr. Kuleshov also noted that the CIS was the first regional organisation to recognise the danger of the spread of international terrorism. In 1999, the Heads of CIS member states signed their Treaty on Co-operation in Combating Terrorism. Moreover,

the Anti-terrorism Centre was set up, and remains active. The Interior Minister stressed the importance of battling drug smuggling, illegal migration, human trafficking and transnational economic crimes.

The Interior and Justice Ministers were in attendance and adopted a joint statement recognising the central role of Interpol in establishing links between police bodies on a global scale. The organisation aids international security and combats crime by strengthening law enforcement collaboration between its 188 member countries.

## Head banker is confident

Belarus' international reserve assets to increase by at least \$1.2bn in 2011, following IMF standards

The Chairman of the Board of Belarus' National Bank, Piotr Prokopovich, has told the media, "We expect to see more opportunities to build our gold

and currency reserves next year." As of November 1st, 2010, our international reserve assets (calculated using international methods) stood at \$5,848.2m (up over 3 percent since earlier this year). Calculated using national methods, our gold and currency reserves amounted to \$6,365m (up almost \$400m

since earlier this year).

Mr. Prokopovich notes that the international reserve assets of Belarus are to rise by at least \$500m this year. "There is no doubt that, by January 1st, 2011, they will have increased by at least \$500m, compared with January 1st, 2010," he assures us.

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