

# Links in the chain

Manufacturers wish to sell at high price while customers search for cheaper options, resulting in compromise

By Alexander Nikonov

Asking why prices rise is rather like asking 'who's guilty?' It's no secret that inflation in Belarus is the result of internal and external factors. However, our economists tend to blame the latter. Belarus cannot independently set rules for domestic pricing, since imported ingredients and components affect pricing.

Food prices are rising worldwide and economists in the West and the East believe they'll continue growing. Growing tariffs and customs fees naturally influence prices. Meanwhile, the fires of 2010 burnt harvests and drought, excessive rain and

flooding in countries known as major grain suppliers led to reduced deliveries. Over 50 states have imposed restrictions on the export of their products, resulting in a deficiency and rising prices. Over the past year, prices for wheat alone have doubled.

Adding to the influence of external factors is the devaluation of the American Dollar against the Euro, since most prices on the global market are fixed in the American currency. Its weakening influences the pace of inflation on global markets. "Since the mid-1980s, the Dollar has halved in value, as official inflation in the USA indicates. Meanwhile, until the mid 2000s, global Dol-



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lar-fixed prices for food, raw materials and energy lagged behind the devaluation of the American currency," explains the National Academy of Sciences of Belarus. The correction of global prices began before the crisis, with prices for raw materials, energy and food growing significantly.

However, food prices lagged behind those for fuel and potash fertilisers. Accordingly, the accumulated difference between prices for food and resources (included among farmers' costs) is now obvious. "This is influencing costs, supplemented by demand: in particular, purchasing power

Belarusians spend around a third of their income on food

is growing in China and other South-East Asian states," notes the NAS.

Those who spend the major part of their income on food are worst affected. Fortunately, the number of such people is falling in Belarus. On average, Belarusians spend just one third of

their income on food. Rising salaries are compensating for rising inflation. Last year, nominal average monthly salaries in the Republic rose by a record amount; up 46 percent last December (against December 2009) to reach \$530. Food prices rose by a mere 14 percent.

# Personal IT devices to hand for first grade pupils

Last century, each person was considered to be the architect of their own fortune. Today, we control our own lives via IT. Accordingly, Belarusian teachers and parents aren't arguing whether children need personal electronic devices. Rather, they're debating which type should be used

Three 'applicants' are under discussion: electronic display boards, e-readers (e-book devices) and netbooks. The latter, demonstrated at a recent press conference by Alexander Martinkevich, Deputy Head of the High-Tech Park's Administration, has been created by Intel Corporation especially for junior pupils. It's durable

it only works inside its registered educational establishment. Each netbook can be used as a drawing board, while enjoying all the opportunities of a true PC, with wireless Internet access.

promises that teachers will receive special training and the results of the project will be comprehensively assessed by specialists.

The HTP initiative is part of the Education Ministry's plan, from September, to launch the use of personal electronic devices in several schools — yet to be chosen. They are to be of various levels and in various parts of the country. The Education Ministry is still deciding between electronic display boards, e-readers and netbooks.

Will it be difficult for teachers to master the new electronic device? "I don't think that any computer-literate person would face difficulty. In fact, many smart phones are like miniature display boards these days," notes Yuri Bykadorov, Pro-rector of the Belarusian State Pedagogical University and a member of the Education Ministry's Informatisation Council. "I advocate the launch of technological innovations. Moreover, the quality of the screen is such that it doesn't cause eye strain; its contemporary technology gives pictures of almost perfect definition."

"Soon, we'll determine which device to use and choose which schools will trial the experiment, we'll prepare methodical recommendations for teachers and will organise special classes for them," notes Belarus' First Deputy Education Minister, Alexander Zhuk. He stresses that the electronic device won't replace textbooks, since books and live communication are essential.



Could electronic devices ever replace traditional textbooks?

enough to withstand knocks and bangs, is water resistant, so can be accidentally splashed with tea, and its plastic case can even be used to slide down from an icy mountain! Meanwhile, it can't be stolen, since

In September 2011, junior schoolchildren at several Belarusian schools will be given these devices, with the HTP launching a pilot project to create a new educational environment. Mr. Martinkevich

# 'Alarm clock' ringing louder for business

By Piotr Lomakin

The commercial property market is unofficially viewed as an indicator of business activity. If business develops smoothly, demand for offices and trading pavilions remains high. Accordingly, we can surmise that Belarusian business is coming out of the crisis, since demand for offices and trading pavilions is rising. Specialists say it has even doubled in some cases.

According to Tvoya Stolitsa (Your Capital) Consult, rental of trading premises developed most dynamically in 2010. The number of registered applications for premises of up to 50 sq.m doubled on 2009. Many sites became newly available for purchase, inspiring demand. Additionally, there was an increase in the number of new participants on the trading market and a deficiency of quality sites to buy. "The appearance of retail centres and small wholesale traders in new residential districts should change the situation and improve the infrastructure of these districts," notes Tvoya Stolitsa Consult.

Specialists say that, by 2015, nine more large trade-entertainment centres



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Property is in demand

(covering 10,000-30,000 sq.m each) are to be built in Minsk. They also believe that office rental stabilised in the second half of 2010; forecast growth is being met now. About 10 percent of all offices are currently vacant in Minsk; in late 2009, this figure stood at 17 percent. A large share of vacant space (20-30 percent according to some estimations) is seen where rental rates have been fixed at high prices, without taking into consideration the realities of the market.

# New proposals for alumni

Belarusian State University offers various programmes for foreigners

Traditionally, foreign citizens may enter the BSU after finishing pre-university training, alongside those who know Russian and pass an interview. Almost a third of Chinese BSU students already know Russian, from having studied it in China.

The number of foreigners studying at the BSU rises annually; at

present, over 2,000 foreign citizens from almost 50 countries worldwide are enrolled — from China, Germany, France, Sweden, South Korea, Japan and the USA. Some are attracted by the Master's degree programme, run in foreign language, which opened last year. Moreover, the Code on Education, which is to enter into force from September, offers scientific-oriented and practical-based Master's degree programmes, which should prove popular.