

Customers benefit from competition among retailers

Free prices likely to increase sellers' struggle for sales, probably cutting prices

By Alena Pokalo

Since early March, most prices have been freed from state control, with marginal indices revoked and retailers having no need to justify their pricing strategies. Sellers can now fix any price they like to raise sales.

The Chairman of the Republican Confederation of Entrepreneurship and the owner of a chain of trade and public catering sites, Victor Margelov, is convinced that competition brings lower prices. Moreover, larger trading networks are less able to set prices artificially high when competition abounds. He believes that the market should regulate its own prices, rather than the state. Liberalisation should attract new sellers, while competitiveness should strengthen them.

The Trade Ministry notes that traders now have the power to change their profit margins to reflect demand, with more popular goods perhaps seeing higher prices; those which lack sales might fall in price to encourage sales, benefitting customers. Mr. Margelov notes that this new approach is advantageous, as it presupposes the strengthening



Minsk Titan trading centre attracts customers with diverse range of products

of competition and equal terms of trade. "For example, we are observing the monopolisation of hypermarkets in the capital. Every year, several new hypermarkets open; their number will reach about twenty in a couple of years. There are few alternatives. However, quality always falls if customers lack choice," he stresses, recalling that the first French

hypermarket opened in the late 1960s. At the time, there were 600,000 shops in operation but this number had fallen 8-fold by the late 1980s. This pushed the French to adopt a law on de-monopolisation. The expert considers that hypermarkets should feel competition from smaller supermarkets and neighbourhood stores. Customers need good

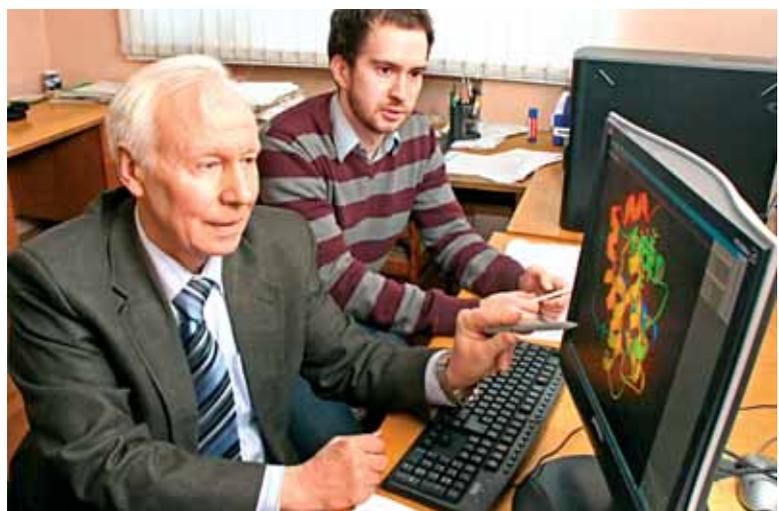
service, affordable prices and a rich choice of products.

According to the Trade Ministry, about 35,000 shops operate in Belarus at present, every year growing by around 2,000. Most are neighbourhood stores with their own advantages. The Deputy Trade Minister, Irina Narkevich, explains that it's easier for entrepreneurs to react to change,

responding to trends in food consumption. The popularity of fish has led to shops specialising in such produce. In 2009, over 400 shops and departments selling fish opened; last year, they were supplemented by another 1,200. The same situation is observed regarding health food. The Ministry is certain that liberalisation will enhance this process.

Hopes from virtual world

Computer design technology opens new possibilities for young scientists to conduct pragmatic research



Scientists realising potential through pharmaceuticals

Belarus is not a rich country. Accordingly, it should focus not on the creation of new domestic medicines, which cost a great deal to develop, but on generic drugs. The latter are similar to well-known branded medicines, where patents have expired. Until recently, this view was common, taking into consideration that the development of a modern drug by leading manufacturers might be too expensive. However, the latest computer design technology is allowing the pharmaceutical branch to make medicines not only several times quicker but significantly cheaper, with costs cut 2-3 times. Belarus can now afford to use its well-developed information technologies to design cutting edge medicines.

Scientists from the National Acad-

emy of Sciences' Institute of Biophysics and Cell Engineering are hopeful that their successful mastery of computing methods will help them create a range of new medicines. Scientist Alexander Davidovsky recently reported to the Innovative Forum, held in Minsk, explaining that a new generation anti-tumour drug has been developed with the help of computer software. This is a first for Belarus, although the 'recipe' is yet to be chemically synthesised and gain a medical patent. Pre-clinical and clinical tests lie ahead but scientists are confident of success. "Our methods use powerful mathematical optimisation, avoiding tube testing. In turn, we can calculate the structure of a protein-receptor responsible for a particular disease," Mr. Davidovsky stressed. "This

means we can predict or select (from millions of chemical combinations) those which best 'match' this protein-receptor. On being located in a certain place, these combinations can actively block a protein, allowing recovery."

Scientists are now searching for additional ways to practically realise their idea. "We've decided to co-operate with the Russians, who are now actively developing computer software for creating medicines. At a profit, they are fulfilling orders for the computer design of drugs, placed by famous global manufacturers," notes Valery Veresov, the head of Cell Structural Biophysics (a thematic scientific group). The doctor of biological sciences tells us, "Jointly with the Centre for Theoretical Problems of Physico-Chemical Pharmacology at the Russian Academy of Sciences, we've applied to the Interstate Target Programme for CIS States' Innovative Co-operation for 2011-2020, hoping to gain financing. Joint research using our SKIF super-computer could result in the production of new drugs."

This branch is a priority worldwide. Not long ago, the USA hosted an international congress gathering producers and developers of medicines, where it was noted that computer designed drugs are now responsible for six percent of the market. Western specialists say that, by 2020, computer designed medicines will comprise 30 percent of the total, rising to 90 percent by 2050.

'Waste' business looks profitable for both sides

By Mikhail Kovalevsky

Joint Belarusian-Austrian enterprise to manufacture waste recycling plants

"This is the most contemporary project within the CIS, completely meeting domestic and Western European standards," stresses Vladimir Borodavko, Director General of the National Academy of Sciences' Tsent Scientific-Production Association. He dispels doubts regarding the ecological purity of the biotechnology behind the proposed communal waste recycling plants. "Due to the safety methods we're using, as applied by our Austrian partners to recycle silt, sewage sludge and communal waste, generating electricity and heat, we'll be able to supply Belarus-made equipment, as well as 'turn-key' waste recycling factories and bio-gas units to countries with the strictest ecological legislation."

Industry Ministry and Housing and Communal Services Ministry enterprises will be also manufacturing part of equipment. Waste recycling factories, using Austrian technology and equipped with Belarus-made equipment, will appear throughout Belarus. One is currently being constructed in Brest, with seven similar enterprises planned in total: two will be sited in Minsk.

Austrian STRABAG SE, which recently signed foundation documents to establish a joint venture at the Tsent Scientific-Production As-

sociation, is to invest money and expertise into the project, so is serious in selecting a partner. The Minsk company, boasting powerful scientific and production potential, is to act as an engineering organisation, designing and producing a whole range of technological equipment. The authoritative Austrian partner has long worked in the sphere of road and industrial construction, as well as the building of purification and renewable energy facilities; it employs over 75,000 employees over the globe and boasts over 13bn Euros of annual turnover.



First biogas generated in Brest

According to Thomas Büchner, STRABAG SE's Managing Director, the volume of injections into the joint project will depend on terms set by Belarus. However, the construction of a communal waste recycling plant in Brest is proving successful, showing the Austrians that the climate for foreign business in Belarus can be comfortable. They have selected our country among all of the CIS states.