

# Problems leading to favourable prospects

Electronics branch aids to form industrial image of our country

By Veniamin Vlasenko

Belarus inherited a powerful industrial branch from the USSR. Minsk's Integral Production Association was once among the largest in the country — at least, regarding its number of staff. However, its technology significantly lagged behind that of leading global manufacturers. Happily, the branch was 'saved' by its strategic significance from the military point of view; its 'double-purpose' manufacture had always occupied a significant share of Integral's production. In recent years, the company has shifted towards competitive 'civil' production, through

modernisation.

This year, its branch in the city of Pinsk launched production of silicon slices, used to make microcircuits, which boast huge export potential. The workshop is equipped with the most modern equipment, while sensors monitor every step. The 'intelligent' equipment was purchased from the USA and Switzerland, able to operate automatically. Its technical re-equipment is part of Integral's sub-microelectronic branch development, which uses 80 percent of Pinsk's output of silicon slices. The remainder are exported (almost to all CIS states). However, the sales market is limited in size, since few



Crystal cutting operator Vasily Kolesnik, and workshop manager Tatiana Gerasimenya service equipment

producers of electronics have survived within post-Soviet territory.

The global presence of European companies on the CIS market is being hampered by its small capacity, since microelectronics is not the strongest field across the CIS. Of course, the situation could change within a few years, though not drastically. In Russia, investments into high technologies are being promoted, with attempts made to create a new 'Silicon Valley'. Time will show how far these projects meet expecta-

tions. However, if the market for silicon slices expands, our Belarusian producer may face some competition, since transnational corporations will join the market, bringing in direct supplies or organising their own facilities.

No doubt, Pinsk's Kamerton has export potential but, to ensure a niche on foreign markets and regular injections into modernisation, raw material supplies must be secure. Unfortunately, no members of the Customs Union produce silicon of a

high enough quality, so this must be imported from the West. Accordingly, Integral plans to set up a company to produce silicon for microelectronics within Brest's free economic zone, using foreign capital. According to preliminary estimations, the Republic could generate what it needs from its own silica sand. However, deposits need further research and preparation for industrial use, requiring much investment. It is the chance for an investor to gain a long term beneficial return.

## When ecology related issues can benefit from trade operations

By Olga Burmistrova

Germany's Michael Otto Foundation ready to buy carbon offsets from Belarus, worth 3-5m Euros

"We're talking about quotas on wetland greenhouse gas emissions over an area of 30,000 hectares," explains Victor Fenchuk, Director of APB-BirdLife Belarus Public Association.

At present, Belarus can't sell greenhouse gas emission quotas under the Kyoto Protocol, but can trade them on the international voluntary market. Domestic scientists and

ecologists have developed a method to measure the reduction of CO<sub>2</sub> gas emissions, which could be applied at restoration of damaged wetlands (meeting international standards). A month ago, a procedure was completed to allow reduced greenhouse gas emissions to be calculated (from the restoration of peat bogs); these are now included on the list of carbon offsets which can be traded on the voluntary market.

According to experts, the country is ready to trade CO<sub>2</sub> quotas, with major European businesses already showing interest in co-operation with Belarus in this area. Belar-

us can sell carbon offsets estimated at 50 million tonnes per year on the international market but needs to create a special fund to deal with this issue, finalising the necessary legal framework.

Belarus' Deputy Minister for Natural Resources and Environmental Protection, Anatoly Lis, notes that Belarus needs to develop a regulatory framework before beginning to trade in greenhouse gas emission quotas. Moreover, funds derived from the sale of carbon offsets can only be used for environmental purposes. "This is not a simple mechanism," Mr. Lis asserts.

## Searching for precious deposits

By Olga Belova

Luxembourg's Discovery Potash keen to take part in project to search for diamond deposits in Belarus

Belarusian geologists have already forwarded the results of their long term work on the search of diamonds in our country to the potential investor, alongside an assessment of prospects for development of this area. "The specialists will study our documentation and we hope that they'll reach a positive decision. Joint work could then begin, searching for diamond deposits in our country," notes Vladimir Varaksa, Deputy Director of the Geology Department at the Ministry for Natural Resources



and Environmental Protection of Belarus.

Mr. Varaksa notes that geologists are continuing to search for diamonds in the Gomel Region and in the south of the Brest Region, while gold is being searched for in the east of the Brest Region and in the west of the Minsk Region. "Searches will be organised wherever basement rocks are located close to the surface, making drilling cheaper," he explains.

Speaking of prospects for the search of uranium deposits in Belarus, Mr. Varaksa stresses that no major plans are afoot. "Radioactive metals are being searched for at some sites, but only on a small scale," he admits.



Tractors from Belarus gain popularity in Asian states

## Confident movement in the region

By Sergey Kulyagin

Bobruisk Tractor Parts and Units Plant delivers tractors to Mongolia

A contract for delivery of tractors and attachments has been signed with

Mongolian AGROMACHTECH Co., Ltd. A major demonstration is planned at the first international exhibition of agricultural machinery — *AgroTech Mongolia-2011*, to be held in April in Darkhan.

The expansion of export geo-

graphy is the result of the enterprise promoting its compact 'Belarus' tractor to the Mongolian market. Soon, Bobruisk tractors will be supplied to other countries in the Asian region — Iraq and Afghanistan — as part of signed agreements.

## Silver enjoys the greatest popularity

Demand for National Bank bars quadruples

From January to March, around 680kg of gold bars were sold within Belarus, with platinum and silver bars also enjoying popularity. According to the National Bank, 1g and 10g gold bars were most popular. Over the first three months of this year, around 2,600 single gram bars were sold and over 3,000 10g bars, while almost 60 people wanted to buy 1kg gold bars, costing about \$50,000 in equivalent. Since the

beginning of the year, banks have bought back around 90kg of gold.

Meanwhile, from January to March, Belarusian residents acquired over 300 platinum bars, weighing almost 10kg, with 10g bars enjoying the greatest demand. Some lack faith in platinum's ability to hold its greater value, with over 4kg of such bars sold back to the bank in the first three months of this year. At the same time, more than one tonne of silver was purchased.