

Vacancies confirm demand

Minsk becoming attractive to foreign labour migrants

Since early 2011, about 2,000 foreigners have found jobs in the capital. "Most people arrive from Ukraine, Lithuania, Uzbekistan, Turkey and China," explains Valentin Demchenko — the Head of the Foreign Labour Migration Department at the Minsk City Executive Committee's Domestic Affairs Department. "Specialists are employed in the fields of construction and public catering while many migrants open their own private firms in Minsk."

The Minsk City Executive Committee's Labour, Employment and Social Protection Department informs us that the job vacancies abound for builders, drivers, locomotive drivers, electricians, sellers, high riggers, waiters, seamstresses and conductors.

Collecting glass and plastics separately

Waste Recycling Plant opens in Baranovichi

A line has been launched to extract glass, plastics, rags, paper and other types of secondary raw materials from solid communal waste. All are pressed separately and dispatched to the country's processing enterprises.

At present, only the first stage of the factory has been put into operation, with a loading and sorting station working continuously. This year, the company should reach its designed capacity, enabling it to process 70,000 tonnes of communal waste.

Facilitating rich harvests

Belagro-2011 confirms agrarian business as promising area once more, ever attracting advanced ideas and major investment, uniting business people and states

By Lidia Gospodareva

The show gathered 370 companies from 16 countries, each demonstrating the latest achievements in agricultural machinery and technologies. Two large venues hosted the fair: the Football Manege in Minsk's Pobediteley Avenue and Gastellovskoe agricultural enterprise field. Large delegations arrived from Russia, Azerbaijan, Ukraine and Lithuania, with thousands of guests in attendance.

Actually, the forum has undergone significant changes since its foundation. Fifteen years ago, it occupied small sites, attracting few delegations and demonstrating advanced technologies of primarily foreign origin. It was far from reality, as agricultural enterprises were deep in debt and could hardly afford to buy new machinery. However, the situation has now changed, with the forum becoming a show of achievements and a venue for contract signing. Last year, hundreds of supply agreements were signed during *Belagro*. Villages are developing and production facilities are expanding, while villagers gain new possibilities.

Seventy percent of the participants of this year's forum were local. We are living through hard times, so it may seem inappropriate to feel proud but why should we keep our success secret? This year, for example, Minsk Tractor Works demonstrated its new MTZ-3522 vehicle for the first time; a single ploughing allows soil to be turned, seeded and fertilised. This saves fuel and labour and allows the farming schedule to be met more easily. "The MTZ-3522 can seed a whole farm in just two weeks," proudly admits the Head of the Design Bureau at Minsk Tractor Works' Experimental Designs



Latest novelties of agricultural machinery and technologies on show at *Belagro-2011*

Department, Vasily Gnedchik.

Production Association Gomselmash — a leader in combine harvesters — had various new models on display. Among them was its new Palesse GS16 grain harvester, designed to suit European crops. It can mill up to 16kg per second and, importantly, boasts low energy consumption. Accordingly, this reduces operational costs. Such vehicles do not come cheaply of course (for example, a tractor costs \$150,000 in equivalent). Only advanced agricultural companies can afford them. However, other firms must keep pace.

The state is to continue supporting villagers in updating their agricultural machinery, since tractors need replacing after about eight years; com-

bines last around nine years. Moreover, achievements viewed as a breakthrough just a couple of years ago are now considered obsolete. With this in mind, a new programme — envisaging the equipment of agro-industrial enterprises with new machinery and equipment over the coming five years — embraces various possibilities for modernising farm machinery and tractors, such as leasing.

All over the world, over a billion people are starving, while demand for food is ever growing. Belarus can certainly generate revenue from exporting food; in terms of milk and potato production per capita, our country is among the global leaders. According to the Agriculture and Food Minister,

Mikhail Rusy, in the first four months of the year, our agro-industrial complex enterprises exported \$1.1bn of products — up almost 25 percent on 2010. Moreover, the figure could reach \$4bn by the end of the year — not only from traditional sales of meat and milk but from selling vegetables. Farmers have extended their growing of the latter in recent years.

Rural entrepreneurs actively participated in the recent exhibition, attracting many visitors to their stands. The pavilions of farmers producing non-traditional products were of special interest. Really, where else can city folk see rabbits, goats, ostriches and unusual varieties of hens if not at *Belagro*?

Market is moderately sensitive towards problems

How are Belarusian Eurobonds trading?

By Alexander Bordovsky

Surprisingly, the current difficulties in the national economy aren't a reason for panic on international stock markets. Investors haven't reacted towards the devaluation of the national currency in Belarus, or the feverish demand of the population for consumer goods, or other economic vicissitudes. Belarusian bonds are not being hastily dumped; rather, quotations for the two issues of Belarusian Eurobonds have risen. Soon, financial analysts expect to see the price of Belarusian Eurobonds rise by 3-4 basis points.

Belarus first entered the Eurobond market around a year ago, with volumes of Belarusian loans on this market since growing like weeds. The first Eurobonds were placed by Belarus on European financial markets in July 2010. The debut issue, boasting a 8.75 percent interest rate and loan redemption in 2015, was restricted to \$600m. Another \$400m was placed in August 2010. Last December, not only

European, but Russian investors acquired the opportunity to grant loans to the Belarusian economy. Our country placed two-year state bonds, worth 7bn Russian Roubles, on the Russian financial market.

Many are now afraid that the bonds issued by Belarus might lose their attractiveness, because of difficulties on the currency market. Meanwhile, according to Bloomberg Company data, Belarusian Eurobonds are being traded at 11.6-11.8 percent profitability per annum. Over all, financial analysts are favourable in their forecasts. "Belarus' first actual devaluation of the national currency, by 8 percent in late March, led to a significant growth of Eurobonds in Russian Roubles. On general, Belarusian decisions were perceived positively by investors," notes Pavel Vasiliadi, Director of the Analysis and Risk Management Department of UFS Investment Group. He adds that, in late March, Belarus' sovereign Eurobonds, nominated in US Dol-



Belarusian Eurobonds profitably traded

lars, demonstrated a small growth after devaluation.

During the second turn of the devaluation, the national currency has lost more than half of its value. After this news, sovereign bonds in US Dollars dropped by 3 'figures'. However, this may have been connected with a general negative mood on the market rather than the economic situation in Belarus. The situation on the world market stabilised the next day and quotations of Belarusian bonds returned to their previous level," explains

Mr. Vasiliadi. The first issue of Eurobonds has risen by 1.4 percent while the second (with debt redemption in 2018) has grown by 1.6 percent.

What should we expect from Belarusian Eurobonds? Analysts say that, from June-July, their price will increase by 3-4 percent. "We believe that the profitability of Belarusian bonds today is exaggerated," asserts the UFS Investment Group. The current quotations don't take into account the receiving of \$800m and, later, of \$400m

from the EurAsEC Anti-Crisis Fund (by the end of the year). In addition, a stabilisation loan from the IMF has been applied for by the National Bank and the Belarusian Government. According to specialists, a fair level of profitability for Belarusian Eurobonds is within 8.5-9 percent, although this now stands at 11.75 percent.

According to Cbonds data, in late May, the profitability of Hungarian Eurobonds (redeemed in 2020) amounted to 5.42 percent, while those of Russia (redeemed in 2030) stood at 4.56 percent. Ukrainian bonds (redeemed in 2013) stood at 4.46 percent, while those of Poland (redeemed in 2019) reached 4.34 percent and those of Malaysia (redeemed in 2015) had just 2.34 percent profitability.

The current economic situation in the country has made the Belarusian Government reject its plans to place securities on foreign markets, at least, this year. Private emitters are also refusing to issue Eurobonds. Belarusbank has shifted its emission indefinitely, although was recently considering an opportunity to take \$500m.