

Support granted to those who deserve it

During his visit to the Brest Region, President Alexander Lukashenko tackled the issue of national business development, stressing that domestic Belarusian investors will enjoy most support from the state

By Vladimir Vasiliev

Santa-Bremor company — recently visited by the President — has been an example of successful business for many years. On being asked how Santa-Bremor feels in the present economic situation, the company's owner — Alexander Moshensky — said openly, "Yes, we have losses. However, we are working confidently, having raw materials and foreign currency." He added that, to date, the company has diversified its sales markets, now exporting to Russia, Ukraine, the EU, the USA, Canada, Israel and, even, Australia — in addition to Belarus. Its foreign currency revenue is steady, helped by the diversification of its portfolio.

Apart from processing fish, Santa-Bremor has invested in milk processing, being the major shareholder of Savushkin Product JSC. Mr. Moshensky considers the milk business to be very promising. Having its own milk supplies, exports of milk products can earn foreign cur-

rency and bring considerable profit.

Mr. Moshensky believes that the present financial crisis will inspire Belarusian enterprises not only to cut costs but to redirect their energy towards exports. Mr. Lukashenko stressed the same point, noting that the state is keen to maximise import substitution and increase sales abroad. He plans to render all possible assistance to businesses earning foreign currency and creating well paid jobs. Meanwhile, he believes this help should be primarily rendered to national businesses. The state is ready to offer businessmen like Mr. Moshensky favourable tax and tariff regimes, helping them to develop, creating new jobs and new competitive facilities outside of free economic zones countrywide (Santa-Bremor is a Brest FEZ resident).

The President noted that, if a business is successful and socially responsible, officials should not impede it; rather they should help it grow and develop. Savushkin Product is a bright example, being a well-known brand — both domesti-



President of Belarus Alexander Lukashenko visits Santa-Bremor JV

cally and abroad. It boasts its own well-developed logistics and commodity distribution network. Why shouldn't the company acquire new processing facilities and gain additional raw materials? Scattered milk assets could be consolidated under a single powerful brand. The President fully supports the idea of establishing a national milk company and is keen to see organisational issues settled by late 2011; 'this should be profitable both to the state and the company'.

During his trip, Mr. Lukashenko also visited the Brest Waste Processing Plant (making bio-gas from solid communal waste). According to the President, such modern facilities should be constructed in all regions of the country.

Mr. Lukashenko answered journalists' questions.

On shared memory

Dmitry Medvedev was invited to attend the events at Brest Fortress dedicated to the 70th anniversary of the beginning of the Great

Patriotic War. His presence would have demonstrated to Belarusians and Russians that 'we share a common memory and will always be together'. "I don't know why he hasn't come. You should ask him," said Mr. Lukashenko, adding that, in the past, Boris Yeltsin and Vladimir Putin, accepted such invitations.

[It should be mentioned here that the first meeting between presidents Alexander Lukashenko and Dmitry Medvedev took place in 2008, at Brest Fortress. It's rather puzzling as to why Mr. Medvedev failed to attend the 70th anniversary commemorations of the start of the war — editor].

On new projects

Speaking of direct foreign investments being a problem in Belarus, the President noted that he hopes to see a significant inflow of capital by later in the year. "We are now constructing a second potash facility — worth almost \$2bn. If the Government suffers on own-

ing just one percent [of the planned annual inflow of direct foreign investments — editor], then it should more quickly agree with investors and sign an investment project. If all goes well regarding certain issues, we'll start building a third potash facility, costing another \$2bn," added Mr. Lukashenko.

On EU sanctions

"These are small bites. They never give any benefit — not to us or anyone else," the President commented, speaking of EU sanctions against three Belarusian companies. "However, if we are economically affected, we'll find a way to respond. Quite a few foreign companies work here, owning property; we can strike at them painfully," he warned, stressing that he has no personal desire to escalate conflict.

The President also noted that he has ordered his lawyers to prepare claims to international courts regarding the legality of EU sanctions. "They should explain. They have no objective explanations," he said.

Demand for professional advice

By Kirill Slavinsky

Alexander Lukashenko meets the Director of the Financial Market Department of the People's Bank of China, Xie Duo

Talks with the authoritative Beijing official tackled the complex situation facing the Belarusian currency-financial market. Minsk is currently analysing the experience of various countries in hope of overcoming its crisis, listening to advice from sources such as the IMF and famous economists. Belarus is also ready to take China's position into consideration.

"A month ago, when difficulties emerged on the consumer and currency markets, I listened not only to our Government and National Bank representatives on how to stabilise the situation, but also worked with the Russians and the world's leading banks — listening to their views and suggestions," stresses Mr. Lukashenko. "The most important, strategic issue for me was working with Chinese specialists — representatives of the People's Bank of China. Back then, with the help of our friend, the Ambassador of China to Belarus, I addressed my friend, the President of China, Hu Jintao, the Government and the executives of the People's Bank of

China. I asked them to send specialists to Belarus to advise us on the financial management system applied in China."

Last year, China became the second largest economy in the world, boasting a GDP of \$6 trillion. The country is strongly built into the global market economy, occupying a manufacturing niche (China accounts for about 20 percent of the world's industrial production). Moreover, the Government controls the Yuan's exchange rate. With this in mind, talks between Washington and Beijing in recent years have focused on a key topic: the Americans believe that the Chinese are undervaluing the Yuan's exchange rate to allow exports to be more competitive. The USA, as a major consumer of Chinese made products, is witnessing a huge negative trade balance as a result. Beijing has not made any serious concessions, simply loosening the rate a little and preferring to control the situation.

The Chinese are protecting their national interests. For example, they seriously regulate the access of foreign capital to the financial system, which is under strict state control. There are even restrictions imposed on how banks can handle foreign capital.

According to Mr. Lukashenko, Chi-

nese experts were asked to assess the situation in Belarus and suggest solutions to the crisis. "We wanted Chinese specialists to make recommendations from their own point of view, offering a further strategy of action on the currency market and, in particular, for the National Bank. I've been told that the Chinese have suggestions for all these spheres," the President notes.

Within just a few minutes, Mr. Lukashenko several times thanked the Chinese Ambassador and the country's heads for 'their operative response to my request'. "We've never met such decent and responsible people," he asserted.

Xie Duo, in turn, expressed confidence that Belarus will overcome the crisis, restoring its stable economic growth. "Our positions coincide on many issues. Among them are the importance of stabilisation on the currency market, a reasonable pace of growth for credit, structural corrections and restraint of inflation to stabilise consumer prices and people's income. On the whole, we support the general direction taken by the Belarusian National Bank and Government," he said.

After fully assessing the Belarusian situation, the Chinese will propose practical recommendations in the field of monetary-credit and budget-tax policy.

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