

# Holding brings benefits

Machine tool corporation to be set up on premises of two dozen enterprises

By Roman Bukhvanov

Our domestic machine tool industry has long traditions, so it's no surprise that our country is among the top 30 states in this sphere. Belarusian machine tool builders successfully sell to Russia, China and Western Europe. However, to maintain our position, we must attract investments to allow modernisation.

The new holding should encourage interest from foreign investors while using resources more efficiently. Moreover, it will enable domestic machine tool enterprises to conduct import substitution, while making collective purchases of resources, instruments and equipment and jointly promoting goods on foreign

markets.

According to Prof. Boris Panshin, Doctor of Technical Sciences at the Belarusian State University, the machine tool industry plays an important role in developing all other areas of industrial manufacture. It was given great attention in Belarus back in Soviet times, with Belarusian machine tool builders known all over the Soviet Union. Today, foreign states have injected billions of Dollars into modernisation, leaving us lagging behind.

"Associations of enterprises, holdings and other such structures are common worldwide," explains Mr. Panshin. "The holding will enable us to gather resources necessary for the modernisation of the machine tool industry and to launch in-



Machine tool builders preserve their level of competitiveness

novative production. Less successful enterprises shall then catch up to the level of advanced companies. We'll also be able to concentrate our scientific and industrial potential."

Development of the ma-

chine tool industry should aid the competitiveness of other branches of industry, with equipment oriented towards not only the Belarusian market but those of Russia and Kazakhstan (Customs Union members).

Last year, the 22 enterprises chosen as members of the holding exported \$45m of goods. Over the next 4-5 years, annual production output should rise several fold, while the volume of foreign sales could reach \$120m.

## Food preservation is a priority

Belarus to build logistics system for potato exports to neighbouring states

"The Government is now studying logistical issues. For example, we could build warehouses in Russia and other neighbouring countries to store potatoes in autumn, for sale off-season," explains the Prime Minister of Belarus, Mikhail Myasnikovich. According to him, Belarusian farmers need to review their approach to potato exports. "We need to learn how to sell potatoes. To sell in bulk, as we used to do, means sustaining losses," he notes, adding that merchantability and deep processing are vital. "If we increase industrial processing, then the need for storage won't be so pressing," he asserts.

The PM adds that the country should not primarily focus on volume — since storage is essential. "Demand for this crop will continue growing," he emphasises. This year, 20 percent more land was allocated for potato crops countrywide. "The potato harvest is good this year; our main goal is to gather and preserve it efficiently," he notes.

# Corridor for currency resources could be extended

Banking system remains promising source of foreign currency inflow into the country



Banks cherish their clients at any time

By Anton Alexeev

At present, 31 banks operate in the Republic, with 14 having over 50 percent of their statutory fund held in foreign capital; nine are 100 percent foreign. However, the state retains control of the banking sector, with three system-forming state-run banks owning about 67 percent of total assets. As a result, the state has prevailing ownership of banking capital, allowing it to guide supply and demand regarding monetary resources and fi-

ancial services, conducting a constructive monetary-credit policy in the country.

Specialists from the Association of Belarusian Banks note that banks with foreign capital in their statutory fund possess greater possibilities for attracting foreign currency resources into the country — primarily, on the account of their mother companies' investments. Non-residents' investments and funds injected into banks' statutory capital comprise almost 20 percent of credit resources (exceeding Br37tr after recal-

culating in the national currency). This somewhat satisfies the real sector's need for foreign currency (formed as a result of the negative balance of current operations).

No doubt, state banks are developing their co-operation with foreign financial institutions. However, their major mission is to financially support state programmes and the development of social infrastructure. Credit for these projects is allocated primarily in Belarusian Roubles.

In the first half of 2011,

the domestic banking system earned over Br1.1tr (up almost 50 percent on last year). According to the Association of Belarusian Banks, about Br400bn of this sum is estimated rather than real profit — accumulated as a result of the re-assessment of currency assets and liabilities after the Belarusian Rouble's devaluation.

Foreign mother structures still prefer to assess the work of their financial 'daughters' in Belarus in foreign currency rather than local. Meanwhile, the Association of Belarusian Banks believes it to be necessary to legislatively fix additional guarantees for incoming capital — to strengthen the country's financial system and its attractiveness to foreign investors. Some Central Asian countries (which have faced single or multi-stage devaluations at various times) saw profit received from the re-assessment of banks' foreign currency assets and liabilities become exempt from taxation; rather, this profit was used to replenish a bank's statutory capital.

## Train connecting China and Germany to travel more often

Container train from Chinese Chongqing to German Duisburg, via Belarus, is expected to travel once a week

The container train traverses six countries: China, Kazakhstan, Russia, Belarus, Poland and Germany. It transports cargoes from Chongqing to Duisburg in the shortest possible time: 15-16 days. The train launched this March, covering the distance of 11,000km in 15 days, with an average speed of 770km a day. At present, it travels once every two weeks but there are plans to raise this to once a week. The project aims to increase container shipment and attract additional cargoes from alternative routes and transport means. In comparison to sea transport, the train is 2.5 times quicker — an obvious advantage.

Container rail transportation reduces delivery time and enhances reliability. Moreover, the Belarusian section ensures speedy registration of loaded containers at its transfer stations and shortens the time en route. Belarusian Railways boasts a high level of technical equipment, enabling rail transport to travel at a speed of over 1,000km a day.

## Cosy trip to suburbs

By Irina Katkovskaya

First train for Belarusian Railways' regional lines to be delivered in October

A 'pioneer' of the new regional passenger lines has been assembled in Swiss Bussnang, ready for preliminary tests in September and supply in October. A second is to appear in December.

The trains boast soft seating, with elbow rests (placed '2+2'), and air conditioning, as well as an information board and video surveillance system relaying pictures to the engine driver's cabin.

The train's speed is similar to that of an urban electric train, as operational between Minsk and Zaslavl for almost two months, reaching 160km/h. Its special suspension ensures a smooth ride and one carriage offers a multi-functional zone for handicapped passengers, as well as for those travelling with prams, bicycles and over-sized luggage.