

## New facilities to enhance exports

By Nadezhda Radonova

### Belarusian-German joint venture producing canned foods to be set up in Slutsk

An investment agreement worth 7m Euros has recently been signed in Minsk by the Chairman of the Minsk Regional Executive Committee, Boris Batura, and the Director of HCM-Trade House, Consulting and Marketing GmbH, Bernd-Uwe Hildebrandt.

The project is to be implemented at Slutsk Cannery, creating a modern production line for processing green peas and another to process rape seeds. "The new facilities will raise the production of these popular products, while increasing quality and boosting exports," the Minsk Regional Executive Committee's staff explain.

## Clients have their own stimulus

By Anna Kotova

### Belarusbank operating almost 5m plastic cards

At present, the bank is promoting additional services for card holders. In December 2010, non-cash 'retail' payments accounted for 18 percent of all operations using the bank's plastic cards, which it would like to see grow.

To encourage customers to pay with their cards, Belarusbank regularly organises promotional campaigns, liaising with trade and service enterprises to offer discounts. The *Change Winter for Cuban Summer!* contest winners were announced at a recent press conference, aiming to popularise the use of plastic cards. Over 21,000 Maestro and MasterCard holders from throughout Belarus took part, making it the first major marketing project run by the bank and MasterCard, explained Anatoly Bogovik, Director of Belarusbank's Plastic Cards Department. He noted that the number of non-cash transactions using MasterCard cards rose by 10 percent: a positive result.



Additional service for clients

The Ambassador Extraordinary and Plenipotentiary of Cuba to Belarus, H.E. Mr. Alfredo Nieves Portuondo, thanked Belarusbank for its collaboration and presented the winner with a voucher for a trip for two to Cuba.

# State life of private banks

Belarusian banking system emerges from crisis more easily than expected

By Leonid Veremeyev

In 2011, the National Bank of Belarus placed stricter controls on the banking system, aiming to push forward the national economy; 'Main Directions of Monetary-Credit Policy for 2011' outlines three major targets guiding the further development of the country. Importantly, the volume of loans is to be raised, with Belarusian banks focusing on granting credits to individuals as well as to the real sector of the economy, concentrating on small and medium-sized businesses. Investing money into smaller production enterprises makes good sense, since they are better able to adjust their strategy, proving more flexible and unpretentious.

The National Bank has another principally new direction for the banking system for 2011, with private banks receiving access to state programmes on equal terms with state banks. "The state has pledged to compensate banking losses in line with the refinancing rate," explains the Head of the National Bank of Belarus, Piotr Prokopovich. "This will enable all banks to compete for participating in the state programmes." The National Bank is confident that bankers will be pleased with the new rules, since they have long complained about inequality of terms when competing against state banks. Of course, not



ALEXANDER RUZHECHKA

Active work with small and medium-sized business inspires banking sector development

all state programmes are interesting to private banks. The move should promote competition between banks however.

Thirdly, our banking sector aims to attract direct investments into the country's economy. Mr. Prokopovich notes that, if the investment policy of the West becomes more severe, foreign financiers may find themselves excluded. "In coming years, \$100bn could be injected into Be-

larus. Foreigners see that investing money into a strong and developing economy brings sure-fire profit. However, if Belarus is deprived of attention from western investors, it will be searching in other directions, such as China. Already, the Chinese are almost leading regarding investment into the Belarusian economy," he asserts.

The National Bank's anticipation of direct injections is not without

foundation. This year, the country's major financial institution expects to see Belarus' international reserve assets rise by \$1.2bn, with our country planning to sharply reduce its external borrowings. Alongside \$1bn received from Eurobonds (released in early January) and 8bn Russian Roubles (via bond placement in Russia), our country will gain loans from the Eurasia Foundation (within the limits of \$2bn).

## EBRD sees progress

By Olga Belyavskaya

### European Bank for Reconstruction and Development (EBRD) notes progress in its co-operation with Belarus, as noted by Paul-Henri Forestier, the EBRD Regional Director for the Caucasus, Moldova and Belarus, speaking to Belarus' Prime Minister, Mikhail Myasnikovich

According to Paul-Henri Forestier, the EBRD Board of Directors adopted a new strategy of co-operation with Belarus in 2009. "It allows us to co-operate with Belarus' state sector, with some restrictions," he explains, adding that the strategy has aided certain progress in EBRD-Belarus relations. However, Mr. Forestier believes that 'levels of investment leave much to be desired'.

Mr. Forestier admits that Belarus has played an active role in creating the EBRD. "I'd like to personally thank you for this. You played a crucial role in creating the EBRD Office in Belarus from 1993-1994," he told Mr. Myasnikovich. Belarus joined the agreement to set up the EBRD in 1992, becoming a member; it currently owns 4,000 shares — worth 40m Euros (or 0.2 percent of the bank's authorised capital). Since 1992, Belarus has realised several projects under the Government's guarantees, worth \$175.1m. These include a fruit and vegetable wholesale marketplace



BELTA

Mr. Paul-Henri Forestier

in Minsk, the revamping of the Brest-Minsk-Russian border motorway, the modernisation of a CHP-plant in Orsha, the development of Belarus' electric communications system and the promotion of small and medium-sized businesses.

At present, EBRD-Belarus co-operation follows the 2010-2012 strategy, encouraging the promotion of small and medium-sized businesses and trade liberalisation, the commercialisation of municipal infrastructure, and the improvement of environmental protection standards and energy efficiency. In line with the strategy, the bank operates mostly within the private sector.

"We hope for active and constructive co-operation with the EBRD, on a reciprocal basis," stresses Mr. Myasnikovich. Speaking of current EBRD projects in Belarus, he notes that the Government aims to create favourable conditions for their implementation. "I think a balance of interests will be maintained," Mr. Myasnikovich asserts.

## Technologies with practical applications

### Scientists from Plasmoteg Scientific and Engineering Centre at National Academy of Sciences' Physical-Technical Institute develop first electrolytic plasma polishing technology for magnesium goods

Domestic specialists have long mastered electrolytic plasma polishing of goods made from non-corrosive and carbon steels, as well as aluminium and titanium. However, this is the first time that they've polished goods manufactured from magnesium. Foreign specialists, including those from the Korean Institute of Industrial Technology, are already taking interest in our innovation.

Scientists believe that the new Belarusian development has promise, with the world's largest industrial manufacturers trying to enhance the quality of their produce by applying magnesium. The metal is popularly

used in mobile phone production, being strong, and shock and vibration resistant, while easily processed mechanically. Its major advantage is its density, since magnesium is almost 4.5 times lighter than steel and 1.5 times lighter than aluminium. For this reason, it is widely used in the manufacture of automobiles, with magnesium alloys allowing the weight of vehicles to be reduced, allowing speedier acceleration. "Goods from magnesium should be polished before being covered with lacquer and paint; our technology is very useful for this purpose," notes Plasmoteg's Deputy Director, Nikolay Chekan.

Plasmoteg is now launching the technology of electrolytic plasma polishing of aluminium goods. "We're currently testing our method of polishing aluminium alloy components for our producers of light-emitting diodes and are already seeing good results," adds Mr. Chekan.

## Project finds support

### Turkey and Syria interested in extension of Viking train route

The project was recently discussed by Ivan Shcherbo, Belarus' Transport and Communications Minister, and Roman Bezsmertnyi, the Ambassador Extraordinary and Plenipotentiary of Ukraine to Belarus. The parties agreed that the introduction of the Viking container train route is a good example of suc-

cess. In 2009, the European Association of Intermodal Transport recognised the train as the best freight transportation project in Europe.

Belarus notes that Turkey and Syria are showing keen interest in the project, adding that it's necessary to initiate talks between the railways of Belarus, Lithuania and Ukraine. Belarus and Lithuania have already reached an agreement on the issue.